OHIO AUDITOR OF STATE
KEITH FABER

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
MARCH 31, 2021

TABLE OF CONTENTS

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Stark Metropolitan Housing Authority
Stark County
400 Tuscarawas Street
Canton, Ohio 44702

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Stark Metropolitan Housing Authority, Stark County, Ohio (the Authority), as of and for the year ended March 31, 2021, 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 did not audit the financial statements of the Alliance Senior Tower, LLC, and the Hunter House PSH, LLC, which represent $8,100,313 and 89 percent, $4,051,185 and 99 percent, and $1,398,291 and 92 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for the Alliance Senior Tower, LLC, and the Hunter House PSH, LLC, is based solely on the report of other auditors. 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. The other auditors audited the financial statements of the Alliance Senior Tower, LLC, and the Hunter House PSH, LLC, in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards.*

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of March 31, 2021, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures 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 December 1, 2021, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

December 1, 2021

This page intentionally left blank.

Stark Metropolitan Housing Authority's ("the Authority") management discussion and analysis (MDA) complies with Governmental Accounting Standards Board ("GASB") Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis–for State and Local Governments: Omnibus "and Statement No. 38, "Certain Financial Statement Disclosures". Purpose of MDA is to assist reader on significant financial issues, provide an overview of Authority's financial activity, identify changes in Authority's financial position, and identify individual fund issues or concerns. MDA is designed to focus on fiscal year end March 31, 2021 activities, resulting changes, and currently known facts of primary government. Please read it in conjunction with Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's financial position at March 31, 2021, reflected total assets and deferred outflows of $63,436,513 and total liabilities and deferred inflows of $21,952,995. Total net position was $41,483,518. Financial operations were in accordance with expectations and approved budget plan. Net position increased by $5,400,934 or approximately 14.96 percent.

- Operating Revenue increased $2,579,915 or 9.10 percent in fiscal year 2021. The Operating Revenue was $30,946,036 in fiscal year 2021 and $28,366,121 in fiscal year 2020.

- Operating Expenses were $28,547,487 in fiscal year 2021 and $31,761,587 million in fiscal year 2020.

FINANCIAL STATEMENTS

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

Statement of Net Position reports all financial and capital resources of the Authority. The Statement is presented in a format where assets and deferred outflow of resources minus liabilities and deferred inflow of resources equal Net Position. Assets and liabilities are in order of liquidity and classified as "current" (convertible into cash within one year) and "non-current". The Statement of Net Position presents the financial position of the Authority at the end of fiscal year and includes all assets and liabilities. Net position, difference between total assets and deferred outflow of resources and total liabilities and deferred inflow of resources, is an important indicator of current financial condition, while change in net position is an indicator of whether overall financial position has improved or worsened during the year.

Focus of the Statement of Net Position (the "unrestricted" net position) is designed to represent net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position (formerly net assets) is reported in three broad categories.

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

Restricted Net Position: This component of net position consists of restricted assets. Restricted assets are assets with constraints placed by creditors (such as debt covenants), grantors, contributors, laws, and regulations.

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

Financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is similar to an income statement. This Statement includes Operating Revenues, such as rental income; Operating Expenses, such as administrative, utilities, maintenance, and depreciation; and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense. Focus of Statement of Revenues, Expenses, and Changes in Net Position is "Changes in Net Position", which is similar to Net Income or Loss.

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

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

The Authority's Programs

Conventional Public Housing - Under Conventional Public Housing Program, the Authority rents units it owns to income eligible households. Operation of Conventional Public Housing Program is under an Annual Contributions Contract (ACC) with US Department of Housing and Urban Development (HUD). HUD provides Operating Subsidy and Capital Grant funding. Subsidy enables the Authority to provide housing and sets participants' rent at 30 percent of adjusted household income.

Housing Choice Voucher Program - Under HUD's Housing Choice Voucher Program, the Authority administers contracts with independent property owners. The Authority subsidizes participant's rent through a housing assistance payment made to the property owner. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Budget Authority to enable the Authority to structure a lease that sets participants' rent at 30 percent of adjusted household income.

Capital Fund Program (CFP) - This is the primary funding source for the Authority's physical and management improvements in Conventional Public Housing. HUD's formula funding for CFP utilizes, size and age of units to determine the Authority's funding.

Continuum of Care Program - This grant program, funded by HUD, is designed to link rental assistance to supportive services for hard-to-reach homeless persons with disabilities (primarily those who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immune deficiency syndrome (AIDS) and related diseases), and their families.

Family Self-Sufficiency Program (FSS) **–** This grant program, funded by HUD, enables families in Conventional Public Housing and Housing Choice Voucher program to increase their earned income and reduce dependency on public assistance and rental subsidies. The participants are provided opportunities for education, job training, counseling and other forms of social assistance to obtain the skills necessary to achieve self-sufficiency. The program provides funds for FSS coordinators salary and related fringes. Program has an escrow account requirement for its participants.

Component Unit – The Authority has three component unit which was developed or acquired to enable the Authority to serve the Stark County community. They are: *Alliance Senior Tower, LLC*, a multi-family residential housing; *Hunter House, LLC*, a multi-family residential housing; and *Progressive Housing Solutions Corporations*, a non-profit entity to acquire and operate housing developments in Stark County, Ohio.

State and Local Activities - These non-HUD resources were developed from a variety of activities.

AUTHORITY-WIDE STATEMENTS

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

Table 1 - Condensed Statement of Net Position Compared to Prior Year Primary Government (Business Type Activities)

	2021	2020
Assets and Deferred Outflows		
Current Assets	$ 12,242,220	$ 11,102,665
Capital Assets	47,466,233	47,806,229
Deferred Outflows	1,419,778	1,721,234
Other Non-Current Assets	2,308,282	1,550,518
Total Assets and Deferred Outflows	63,436,513	62,180,646
Liabilities		
Current Liabilities	$ 3,845,320	$ 3,349,032
Non-Current Liabilities	13,443,583	20,497,373
Total Liabilities	17,288,903	23,846,405
Deferred Inflows	4,664,092	2,251,657
Net Position		
Net Investment in Capital Assets	40,629,947	40,433,739
Restricted	1,720,235	1,701,350
Unrestricted	(866,664)	(6,052,505)
Total Net Position	41,483,518	36,082,584
Total Liabilities, Deferred Inflows and Net Position	$ 63,436,513	$ 62,180,646

Major Factors Affecting Statement of Net Position

Total Assets and Deferred Outflows increased by $1,255,867 or 2.02 percent. The change includes $1,139,555 increase in current assets, $339,996 decrease in capital assets and $301,456 decrease in GASB 68 pension and GASB 75 OPEB Deferred outflows. Total liabilities decreased by $ 6,557,502 or 27.5 percent. Primarily due to a significant decrease in Net Pension and OPEB Liability of $6,222,843.

Below Table 2 presents details on the change in Unrestricted Net Position.

Table 2 - Change of Unrestricted Net Position - Primary Government

				2021
Beginning Balance - March 31, 2020			$	(6,052,505)
Results of Operations	$	5,400,934		
Adjustments:				
Depreciation (1)		4,341,782		
Adjusted Results from Operations				9,742,716
Increase in Restricted Net Position				(18,885)
Capital Expenditures, net				(4,537,990)
Ending Balance - March 31, 2021			$	(866,664)

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

While Results of Operations are a significant measure of the Authority's activities, the analysis of changes in Unrestricted Net Position provides a clear change in financial well-being.

Statement of Revenues, Expenses, and Changes in Position

Total revenues increased by $2,718,050 or 8.58 percent. Operating Subsidies and contributed $ 2,134,572 to the increase. Total expenses decrease by $3,172,700 or 9.86 percent. GASB 68 pension and GASB 75 OPEB contribution was $ 4,261,090 to the decrease and Cares Act 2020 expenditure contributed $1,081,262.

Table 3 - Statement of Revenue, Expenses and Changes in Net Position
Primary Government

	2021	2020
Revenues		
Operating Subsidies and Grants	$ 23,910,772	$ 21,776,200
Tenant Revenue - Rent and Other	5,634,437	5,958,786
Capital Grants	2,818,922	3,169,369
Investment Income	41,072	156,489
Other Revenues	1,400,827	631,135
Gain on Disposal of Assets	605,599	1,600
Total Revenues	34,411,629	31,693,579
Expenses		
Administrative	3,746,975	6,657,277
Utilities	3,127,130	3,213,637
Maintenance	5,133,514	6,710,961
Tenant Services	958,435	224,156
General and Protective Services	2,167,039	2,170,436
Interest Expense	157,108	174,201
Housing Assistance Payments	9,072,615	8,716,718
Depreciation	4,341,779	4,068,402
Casulaty Loss	306,100	247,607
Total Expenses	29,010,695	32,183,395
Net Increase (Decrease)	$ 5,400,934	$ (489,816)
Beginning Net Position	36,082,584	36,572,400
Ending Net Position	$ 41,483,518	$ 36,082,584

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had $47,466,233 invested in a variety of capital assets as reflected in following schedule, which represents a net decrease (addition, deductions, and depreciation) of $339,996 from end of last year.

Table 4 - Capital Assets at Year-End (Net of Depreciation) - Primary Government

	2021	2020
Land	$ 12,769,050	$ 12,801,672
Construction in Progress	971,793	3,634,208
Buildings	162,472,457	157,490,436
Equipment	8,091,710	7,924,715
Accumulated Depreciation	(136,838,777)	(134,044,802)
Total	$ 47,466,233	$ 47,806,229

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes on capital asset

Table 5 - Change in Capital Assets - Primary Government

	2021
Beginning Balance - April 1, 2020	$ 47,806,229
Current Year Additions	4,062,100
Current Year Disposal	(60,314)
Current Year Depreciation Expense	(4,341,782)
Ending Balance - March 31, 2021	$ 47,466,233

Debt Outstanding

As of year-end, the Authority had $6,836,287 in debt outstanding compared to $7,372,429 last year, a $536,142 decrease related to debt service payments.

Table 6 - Outstanding Debt, at Year-End - Primary Government

	2021	2020
Beginning Balance - April 1, 2020	$ 7,372,429	$ 4,087,807
Current Year Debt Issued	0	3,680,489
Current Year Principal Payments	(536,142)	(395,867)
Ending Balance - March 31, 2021	$ 6,836,287	$ 7,372,429

NET PENSION/OPEB LIABILITY

The net pension liability (NPL) is the largest single liability reported by the Authority at March 31, 2020 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In addition, the Authority reports financial balances pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OBEP liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. To further explain the impact of these accounting standards on the Authority's net position, additional information is presented below.

	2021	2020	Change
Deferred Outflows of Resources - Pension	$ 723,736	$ 800,488	$ (76,752)
Deferred Outflows of Resources - OPEB	696,042	920,746	(224,704)
Deferred Inflows of Resources - Pension	(2,510,598)	(1,538,700)	(971,898)
Deferred Inflows of Resources - OPEB	(2,153,494)	(712,957)	(1,440,537)
Net Pension Asset	161,170	113,825	47,345
Net OPEB Asset	704,793	0	704,793
Net Pension Liability	(5,656,588)	(6,893,083)	1,236,495
OPEB Liability	0	(4,986,348)	4,986,348
Impact of Gasb 68 & 75 on net position	$ (8,034,939)	$ (12,296,029)	$ 4,261,090

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding and subsidies provided by U.S. Department of Housing and Urban Development.
- COVID 19 continues to create unforeseen financial impact which at this time cannot be estimated.
- 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, employee health care costs, insurances, rents, supplies, and other costs.

FINANCIAL CONTACT

Questions concerning any information provided in this report or request for additional information should be addressed to Herman Hill, Executive Director, Stark Metropolitan Housing Authority, 400 Tuscarawas Street East, Canton, Ohio 44702-1131, or call 330-454-8051.

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
MARCH 31, 2021

	Primary Government	Component Units
ASSETS		
Current Assets:		
Cash - Unrestricted	$ 8,261,526	$ 268,999
Cash - Restricted	2,631,209	907,364
Accounts Receivable - Net of Allowance	978,395	70,662
Inventories - Net of Allowance	345,004	-
Prepaid Expense	26,086	30,552
Total Current Assets	12,242,220	1,277,577
Non-Current Assets:		
Capital Assets - Non-Depreciated	13,740,843	328,708
Depreciable Capital Assets - Net	33,725,392	7,422,736
Note Receivable from Component Units	1,397,319	-
Other Non-Current Assets - Accrued Interest	45,000	
Other Non-Current Assets - Pension	161,170	-
Other Non-Current Assets - OPEB	704,793	-
Total Non-Current Assets	49,774,517	7,751,444
Deferred Outflow of Resources		
Deferred Outflow of Resources - Pension	723,736	-
Deferred Outflow of Resources - OPEB	696,042	-
Total Deferred Outflow of Resources	1,419,778	-
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 63,436,515	$ 9,029,021
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 963,880	$ 130,276
Current Portion of Long-Term Debt	546,141	36,093
Intergovernmental Payable	208,150	31,488
Accrued Wages and Payroll Taxes	346,273	1,329
Tenant Security Deposits	395,743	39,025
Other Current Liabilities	1,385,133	474,020
Total Current Liabilities	3,845,320	712,231
Non-Current Liabilities:		
Long-Term Debt - Net of Current Portion	6,290,147	2,793,975
Notes Payable to Primary Government	-	1,397,319
Net Pension Liability	5,656,588	-
Net OPEB Liability	-	-
Other Long-Term Liabilities and Compensated Absences	1,496,848	50,609
Total Non-Current Liabilities	13,443,583	4,241,903
Total Liabilities	17,288,903	4,954,134
Deferred Inflow of Resources		
Deferred Inflow of Resources - Pension	2,510,598	-
Deferred Inflow of Resources - OPEB	2,153,494	-
Total Deferred Inflow of Resources	4,664,092	-
NET POSITION		
Net Investment in Capital Assets	40,629,947	3,524,057
Restricted	1,721,763	-
Unrestricted	(868,190)	550,830
Total Net Position	41,483,520	4,074,887
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 63,436,515	$ 9,029,021

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

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

	Primary Government	Component Units
Operating Revenues		
Program Operating Grants/Subsidy	$ 23,910,772	$ 51,836
Tenant Revenues	5,634,437	1,325,894
Other Income	1,400,827	140,930
Total Operating Revenues	30,946,036	1,518,660
Operating Expenses		
Administrative	3,746,975	388,226
Utilities Expense	3,127,130	177,039
Maintenance Expense	5,133,514	231,992
Tenant Services	958,435	49,584
Protective Services	508,562	115,117
Housing Assistance Payments	9,072,615	-
Other General Expenses	1,658,474	176,685
Depreciation	4,341,782	346,050
Total Operating Expenses	28,547,487	1,484,693
Operating Income (Loss)	2,398,549	33,967
Non-Operating Revenue (Expenses)		
Interest Income	41,072	831
Interest Expense	(157,108)	(125,689)
Total Non-Operating Revenue (Expenses)	(116,036)	(124,858)
Excess (Deficiency) of Revenue Over (Under) Expenses before Capital Revenue and Transfers	2,282,513	(90,891)
Capital Grants, Contributions and Special Items		
Capital Grants/Contributions	2,818,922	620,127
Casualty Loss	(495,086)	0
Gain on Disposal of Capital Assets	794,585	0
Total Capital Grants, Contributions and Special Items	3,118,421	620,127
Results of Operations	5,400,934	529,236
Beginning Net Position	36,082,584	3,545,651
PY accounting change	0	-
Beginning Net Position - Revised	36,082,584	3,545,651
ENDING NET POSITION	$ 41,483,518	$ 4,074,887

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

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

	Primary Government
Cash Flows from Operating Activities	
Cash Received from HUD and Other Governments	$ 23,651,990
Cash Received from Tenants	5,584,658
Cash Received from Other Sources	932,168
Cash Payments for Housing Assistance Payments	(9,072,615)
Cash Payments for Administration	(6,451,784)
Cash Payments for Other Operating Expenses	(12,519,191)
Net Cash Provided by Operating Activities	2,125,226
Cash Flows from Capital and Related Financing Activities	
Payments to HUD	(204,000)
Principal Payments on Debt	(561,143)
Cash from Capital Asset Sale	854,899
Interest Expense	(157,107)
Acquisition of Capital Assets	(4,062,100)
Capital Grants and Contributions	2,818,922
Casualty Loss	(495,086)
Net Cash (Used by) Capital and Other Related Financing Activities	(1,805,615)
Cash Flows from Investing Activities	
Decrease in Notes Receivable	39,375
Investment Income	41,072
Net Cash Provided by Investing Activities	80,447
Net Increase (Decrease) in Cash and Cash Equivalents	400,058
Cash and Cash Equivalents, Beginning	10,492,677
Cash and Cash Equivalents, Ending	$ 10,892,735
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ 2,398,549
Net Cash Provided by Operating Activities	
Depreciation	4,341,782
(Increase) Decrease in:	
Receivables, Current and Non-Current	(707,483)
Inventory and Prepaid Expense	(32,014)
Deferred Outflows of Resources and Pension Asset	(495,682)
Increase (Decrease) in:	
Accounts Payable	331,481
Net Pension/OPEB Liability	(6,222,843)
Non-Current Liabilities	(284,807)
Accrued Wages/Payroll Taxes	(38,734)
Intergovernmental Payable	(76,787)
Deferred Inflow of Resources	2,412,435
Tenant Security Deposits	7,050
Current Liabilities	492,279
Net Cash Provided by Operating Activities	$ 2,125,226

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

NOTE 1: DESCRIPTION OF THE ENTITY

Stark Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in acquisition, development, leasing, and administration of a various subsidized public housing programs for eligible Stark County residents. These programs provide housing for eligible families under the United States Housing Act of 1937, as amended. The Authority contracts with 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 subsidies from HUD to operate.

The Authority participates in low-rent public housing program (LRPH). Under this Program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

In addition, the Authority participates in Housing Choice Voucher (Section 8) program and other programs supported by HUD. These programs help assist families in payment of rent. Under these HUD Programs, subsidy payments are made directly to landlord on behalf of participants living in their respective unit.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Summary of Significant Accounting Policies

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

B. Reporting Entity

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to ensure that financial statements are not misleading and consistent with GASB's Statement No. 14, *The Financial Reporting Entity.* Based on application of criteria set forth in GASB Statement No. 14 (as amended by GASB Statement No. 61), the Authority evaluated potential component units (PCU) for inclusion based on

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

financial accountability, nature and significance of their relationship to the Authority, and whether exclusion would cause basic financial statements to be misleading or incomplete.

Among factors considered were whether the Authority holds PCU's corporate power, appoints a voting majority of PCU's board, is able to impose its will on or whether a financial benefit / burden relationship exists with PCU.

Primary government of the Authority consists of all funds, agencies, departments and offices that are not legally separate from the Authority. Preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. Following organizations are described due to their relationship to the Authority.

C. ***Discretely Presented Component Units***

Component unit's column in combined financial statements identifies financial data of the Authority's three component units: Alliance Senior Tower, LLC, Hunter House, LLC, and Progressive Housing Solutions Corporation, Inc. They are reported separately to emphasize that they are legally separate from the Authority and provide services to clients of the Authority and others.

Alliance Senior Tower, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. Corporation formed for purpose of acquiring and operating Alliance Tower, a multi-family residential housing project in Stark County, Ohio. Alliance Senior Tower, LLC has a March 31 fiscal year end. Separately issued audited financial statements are available from the Authority.

Hunter House, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. The entity formed for purpose of acquiring and operating Hunter House, a multi-family residential housing project in Stark County, Ohio. Hunter House, LLC has a December 31 fiscal year end. Separately issued audited financial statements are available from the Authority.

Progressive Housing Solutions Corporation, is a nonprofit limited corporation formed under the laws of the State of Ohio under Section 501(c)(3) of the Internal Revenue Code of 1986. The entity formed for purpose of acquiring and operating housing developments in Stark County, Ohio. Progressive Housing Solutions Corporation has a December 31 fiscal year end. Separately issued financial statements are available from the Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

D. **Fund Accounting**

The Authority uses enterprise funds to report on its financial position and results of its operations for Section 8 and LRPH programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

E. **Proprietary Fund Types**

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

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

F. **Measurement Focus/Basis of Accounting**

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. The Authority's operating revenues and expenses generally result from providing service and producing and delivering goods in connection with a propriety fund's principal ongoing operation. The Authority's principal operating revenues result from providing housing which results in charges to tenants for rent

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

and the related operating subsidizes from HUD. The majority of operating expenses of the Authority's propriety fund include the cost of facility maintenance, housing assistance payments, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority maintains inventory warehouses at various low-rent public housing sites. This inventory consists of materials, parts and operating supplies for the efficient operation of the program. Value of inventory is based on cost using the "First In First Out" (FIFO) method of accounting in accordance with General Accepted Accounting Principles (GAAP).

The Authority is required to follow GAAP's Proprietary Fund accounting. GAAP requires the Authority to account for transactions using the accrual basis of accounting. Accrual basis of accounting requires revenues and expenses to be recognized in the period incurred. Contributions and subsidizes received from HUD are generally recognized as revenues based on the Annual Contributions contract year. Tenant rents are recognized as revenues in the month of occupancy. Contributions under the Capital Fund Program (CFP) are recognized as revenue in the period in which expenses related to CFP projects were incurred. Rents or grants received in advance of the period in which they are recognized are recorded as deferred inflows of resources.

G. **Investments**

Investments are restricted by provisions of HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2021 totaled $41,072 for primary government and $831 for component units.

H. **Capital Assets**

Capital assets are stated at cost. Capitalization policy of the Authority is to depreciate all non-expendable personal property that have a useful life of more than one year and purchase price of $5,000 or more per unit. Capital assets are depreciated using straight line method with a half year convention in year of acquisition and disposal. Cost of normal maintenance and repairs that do not add to value of asset or materially extend asset life are not capitalized.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Estimated useful lives for each major class of depreciable assets are as follows:

Buildings	40 years
Building and Improvements	15 Years
Furniture and Equipment Dwellings	5 to 10 Years

I. **Cash and Cash Equivalents**

For purpose of Statement of Cash Flows, cash and cash equivalents include all liquid debt instruments with original maturities of three months or less.

J. **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. Amounts based on sick leave are accumulated at balance sheet date by those employees who currently are eligible to receive termination payments. To calculate liability, accumulations are reduced to maximum amount allowed as a termination payment. All employees who meet termination policy of the Authority for years of service are included in calculation of compensated absences accrual amount.

Also accrued as a liability are vacation leave and other compensated absences with similar characteristics. Value is based on benefits as earned by employees. For accrual the following conditions must be met: **(1)** employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside control of employer and employee; and **(2)** it is probable employer will compensate employees for benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

K. **Capital Grants and Contributions**

Capital Grants are made available by HUD with respect to all federally aided projects under an annual contributions contract. Hunter House, LLC capital contributions in its fiscal year 2021 came from private investors.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

L. **Budgetary Accounting**

The Authority annually prepares its budget as prescribed by HUD. Budget is adopted by the Board of the Authority and then submitted to HUD when required.

M. **Estimates**

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

N. **Inter-Program Loans**

Inter-Program Due to and Due from are reflected on supplemental Financial Data Schedules (FDS) and are eliminated in total on both FDS and Statement of Net Position.

O. **Deferred Outflows/Inflows of Resources**

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

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 8 and 9.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

P. **Pensions and 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.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

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

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

Inactive deposits are public deposits the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits either evidenced by certificates of deposit maturing no later than end of current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

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

At year-end, carrying amount of the Authority's deposits was $9,956,835 of which $2,631,209 was restricted funds and $3,700 was petty cash, and its bank balances were $10,112,025.

Custodial Credit Risk
Custodial credit risk is the risk, in event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local

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

banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits of the primary government totaling $250,000 were covered by Federal Depository Insurance, and deposits totaling $9,862,025 were uninsured and collateralized with securities held by the financial institution's trust department or agent, but not in the Authority's name.

B. **Investments**

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

The Authority has a formal investment policy. Objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is primary objective of investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value.

The Authority categorizes its fair value of measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to insure the fair value of the asset. Level I inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Authority's investments are measured at fair value and valued using methodologies that incorporate market inputs such as benchmark yields, repo1ied trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market

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

indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk
As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires funds which are not operating reserve funds be invested in investments with a maximum term of one year or Authority's operating cycle. For investments of the Authority's operating reserve funds, maximum term can be up to three years. The intent of policy is to avoid the need to sell securities prior to maturity.

As of March 31, 2021, the Authority had the following investments and investment maturities:

Investment Type	Value	Rating	Maturity	Level	Investments
U.S. Treasury and Government Securities	$ 192,055	AAA	Various Maturities	2	20.52%
U.S. Treasury and Government Securities	$ 743,845	AAA	Various Maturities	2	79.48%
Total Investments	$ 935,900				100.00%

	Cash and Cash Equivalents	Investments
Per Statement of Net Position	$ 10,892,735	$ -
Huntington National Bank Escrow	(192,055)	192,055
Wells Fargo 100 % Treasury Money Market Fund	(743,845)	743,845
Per GASB Statement No. 3	$ 9,956,835	$ 935,900

C. **Component Units**

At March 31, 2021, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the $250,000 insured limit. The Component Units also have escrows and reserves held by the mortgage lender, and the balances may exceed $250,000. The total carrying value of cash for the component units was $1,176,363.

NOTE 4: **RESTRICTED CASH**

Restricted cash balances as of March 31, 2021 represents cash on hand for following:

	Primary Government	Component Units
Tenant Security Deposits	$ 395,743	$ 39,025
Bond Proceeds to be Used for Capital Improvement	935,900	-
Proceeds from Sale of Fixed Assets	850,000	-
Other Restricted Cash	449,566	868,339
Total Restricted Cash	$ 2,631,209	$ 907,364

NOTE 5: **INSURANCE COVERAGE** (Primary Government)

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority covered for property damage and general liability through HAI Group or its affiliates. Auto liability and physical damage are covered through Travelers Insurance. Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation program, in which rates are calculated retrospectively. There was no significant reduction in coverages and no claims exceeded insurance coverage during the past three years.

NOTE 6: **CAPITAL ASSETS**

The following is a summary of the Authority's capital assets:

	Primary Government	Component Units
Capital Assets Not Being Depreciated		
Land	$ 12,769,050	$ 250,701
Construction in Progress	971,793	78,007
Total Capital Assets Not Being Depreciated	13,740,843	328,708
Capital Assets Being Depreciated		
Buildings and Building Improvements	162,472,457	10,023,713
Furniture and Equipment Dwelling	8,091,710	210,247
Less: Accumulated Depreciation	(136,838,777)	(2,811,224)
Total Capital Assets Being Depreciated	33,725,390	7,422,736
Total Capital Assets	$ 47,466,233	$ 7,751,444

The following is a summary of changes:

NOTE 6: **CAPITAL ASSETS** (Continued)

Primary Government

	Balance 3/31/2020	Reclasses	Additions	Deletions	Balance 3/31/2021
Capital assest not being Depreciated					
Land	$ 12,801,672	$ -	$ 27,692	$ (60,314)	$ 12,769,050
Construction in Progress	$ 3,634,207	$ (6,253,209)	$ 3,590,795	$ -	$ 971,793
Total Capital Assets not being Depreciated	$ 16,435,879	$ (6,253,209)	$ 3,618,487	$ (60,314)	$ 13,740,843
Capital Assets Being Depreciated					
Buildings and Building Improvements	$ 157,490,437	$ 6,247,209	$ 282,618	$ (1,547,807)	$ 162,472,457
Furniture and Equipment Dwelling	$ 7,924,715	$ 6,000	$ 160,995	$ -	$ 8,091,710
Total Capital Assets Being Depreciated	$ 165,415,152	$ 6,253,209	$ 443,613	$ (1,547,807)	$ 170,564,167
Accumulated Depreciation					
Buildings and Improvements	$ (128,348,083)	$ -	$ (3,788,456)	$ 1,547,807	$ (130,588,732)
Furniture and Equipment	$ (5,696,719)	$ -	$ (553,326)		$ (6,250,045)
Subtotal Accumulated Depreciation	$ (134,044,802)	$ -	$ (4,341,782)	$ 1,547,807	$ (136,838,777)
Net Capital Assets being Depreciated	$ 31,370,350	$ 6,253,209	$ (3,898,169)	$ -	$ 33,725,390
Total Primary Government	$ 47,806,229	$ -	$ (279,682)	$ (60,314)	$ 47,466,233

Component Units

	Balance 3/31/2020	Reclasses	Additions	Deletions	Balance 3/31/2021
Capital assest not being Depreciated					
Land	$ 250,701	$ -	$ -	$ -	$ 250,701
Construction in Progress	$ -	$ -	$ 78,007	$ -	$ 78,007
Total Capital Assets not being Depreciated	$ 250,701	$ -	$ 78,007	$ -	$ 328,708
Capital Assets Being Depreciated					
Buildings and Building Improvements	$ 9,882,746		$ 140,967		$ 10,023,713
Furniture and Equipment Dwelling	$ 210,247				$ 210,247
Total Capital Assets Being Depreciated	$ 10,092,993	$ -	$ 140,967	$ -	$ 10,233,960
Accumulated Depreciation					
Buildings and Improvements	$ (2,270,260)	$ -	$ (344,837)	$ -	$ (2,615,097)
Furniture and Equipment	$ (194,913)	$ -	$ (1,214)	$ -	$ (196,127)
Subtotal Accumulated Depreciation	$ (2,465,173)	$ -	$ (346,051)	$ -	$ (2,811,224)
Net Capital Assets being Depreciated	$ 7,627,820	$ -	$ (205,084)	$ -	$ 7,422,736
Total Component Units	$ 7,878,521	$ -	$ (127,077)	$ -	$ 7,751,444

NOTE 7: **NOTES RECEIVABLE**

In September 2019, the Authority entered into a promissory note with Progressive Housing Solutions Corporation, an affiliate of the Authority, for the acquisition of The Villas at Meadowview, a market-rent apartment complex, in the amount of $1,000,000. The Villas at Meadowview serve as collateral for the note. The note has an annual interest rate of 3.0 percent. No payments are required prior to September 30, 2024. Commencing on October 1, 2024 and on the 1st day of each month thereafter, interest payments shall be due and made payable to the Authority. Commencing on October 1, 2029 and on the 1st day of the month thereafter, principal payments, interest, and accrued interest shall be due and made payable to the Authority. The note matures September 1, 2049, at which time any unpaid principle and interest shall be due and payable. As of March 31, 2021, the outstanding principal balance and accrued interest are $1,000,000 and $45,000, respectively.

In August 2014, the Authority entered into a Surplus Cash Note with Alliance Senior Tower, LLC for the acquisition of Alliance Senior Tower, in the amount of $200,000. The Alliance Senior Tower serves as collateral for the note. The note has an annual interest rate of 4.0 percent. No payments are required prior to September 30, 2024. Principal and interest are payable to the Authority out of surplus cash as defined in the Surplus Cash Note. The note matures November 1, 2031, at which time any unpaid principal and interest shall be due and payable. As of March 31, 2021, the outstanding principal balance and accrued interest are $200,000 and $13,109, respectively.

NOTE 8: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability/Asset

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

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

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the

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

Authority does receive the benefit of employees' services in exchange for compensation including pension.

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

During 2019, the OPERS Board of Trustees approved changes to the Combined Plan and the Member-Directed Plan. Beginning in 2022, the Combined Plan will be consolidated under the Traditional Plan. Effective January 1, 2022, the Combined Plan option will no longer be available for new hires. The Member-Directed Plan will be modified with changes to the vesting schedule, annuitization, mitigating rate, cost-of-living adjustment and retiree medical account funding. These changes would impact future new members and are in the process of being implemented and the final implementation date will be determined in conjunction with Group D, discussed below.

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

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

to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

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

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

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

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

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

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 future new OPERS contributing members. 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. The date of implementation will be determined when finalized changes are approved.

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2020-2021 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2020-2021. The Authority's contractually required contributions used to fund pension benefits was $762,615 for fiscal year ending March 31, 2021.

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

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

The net pension liability/asset for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/asset was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.034874%	0.054586%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.038200%	0.055833%	
Change in Proportionate Share	0.003326%	0.001247%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 5,656,588	$ (161,170)	$ 5,495,418
Pension Expense	$ 513,563	$ (33)	$ 513,530

At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Changes of assumptions	$ 0	$ 10,063	$ 10,063
Changes in proportion and differences between Authority contributions and proportionate share of contributions	534,897	1,993	536,890
Authority contributions subsequent to the measurement date	170,493	6,290	176,783
Total Deferred Outflows of Resources	$ 705,390	$ 18,346	$ 723,736
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 2,204,772	$ 23,965	$ 2,228,737
Differences between expected and actual experience	236,619	30,408	267,027
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0	14,807	14,807
Total Deferred Inflows of Resources	$ 2,441,391	$ 69,180	$ 2,510,571

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

$176,783 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 March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending March 31:			
2022	$ (549,699)	$ (13,799)	$ (563,498)
2023	(157,356)	(9,588)	(166,944)
2024	(898,739)	(15,119)	(913,858)
2025	(300,700)	(7,900)	(308,600)
2026	0	(3,848)	(3,848)
Thereafter	0	(6,870)	(6,870)
Total	$ (1,906,494)	$ (57,124)	$(1,963,618)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

The total pension asset in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
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 previously described tables.

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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 11.7 percent for 2020.

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 2020 and the long-term expected real rates of return:

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

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

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

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$ 10,789,972	$ 5,656,588	$ 1,388,188
Combined Plan	$ (112,224)	$ (161,170)	$ (197,649)

This space intentionally left blank

NOTE 9: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

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

The net OPEB asset represents the Authority's proportionate share of 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 asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

The proportionate share of each plan's funded benefits is presented as a long-term *net OPEB asset*.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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' Comprehensive Annual Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020-2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020-2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.
The Authority's contractually required contribution allocated to health care was $14,184 for fiscal year 2021.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities.

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

Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.036100%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.039560%
Change in Proportionate Share	0.003460%
Proportionate Share of the Net OPEB Asset	$ 704,793
OPEB Expense	$ (4,023,117)

At March 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	$ 346,485
Changes in proportion and differences between Authority contributions and proportionate share of contributions	346,801
Authority contributions subsequent to the measurement date	2,756
Total Deferred Outflows of Resources	$ 696,042
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 375,384
Differences between expected and actual experience	636,072
Changes of assumptions	1,141,976
Changes in proportion and differences between Authority contributions and proportionate share of contributions	89
Total Deferred Inflows of Resources	$ 2,153,521

This space intentionally left blank

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

$2,756 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in fiscal year 2022. Other 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 March 31:	OPERS
2022	(733,274)
2023	(558,739)
2024	(168,222)
Total	$ (1,460,235)

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, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.00 percent
Health Care Cost Trend Rate	8.50 percent initial, 3.50 percent ultimate in 2035
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

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

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 2020, 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 10.5 percent for 2020.

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 2020 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

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

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.00 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, 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 Asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$ 175,251	$ 704,793	$ 1,140,119

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 721,970	$ 704,793	$ 685,575

NOTE 10: **COMPENSATED ABSENCES**

Board of Commissioners based on local and state laws establishes all leave policies. Union employees and non-union employees earn 4.6 and 4 hours, respectively of sick leave per eighty hours of service. Unused sick leave is accumulated without limit. At time of separation, if an employee states separation is due to retirement, employee will be eligible to receive payment for 50 percent of their accumulated sick leave balance. Employees hired on or after April 1, 2008, payment on sick leave is reduced from 50 percent to 33.33 percent. Employees hired on or after April 1, 2011, payment on sick leave is reduced from 50 percent to 25 percent. All permanent employees earn vacation hours accumulated based on length of service. Vacation time earned may be accumulated up to three times the annual amount that can be accrued in a calendar year. Employees hired after April 1, 2011 vacation time earned may be accumulated up to one times annual amount that can be earned in a calendar year.

Following is a summary of changes in compensated absences liability for the year ended March 31, 2021:

Balances at 3/31/2020	Increase	Decrease	Balances at 3/31/2021	Due Within One Year
$ 441,854	$ 116,554	$ (179,195)	$ 379,213	$ 59,918

This space intentionally left blank

NOTE 11: **LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2021 are as follows:

Primary Government	Balance at 3/31/20	Additions	Deletions	Balance at 3/31/21	Due Within One Year
Long-Term Debt:					
Ohio Housing Finance Agency					
Serial Bonds 2018A	$ 3,691,940	$ -	$ 405,868	$ 3,286,072	$ 420,867
Energy Performance Contract					
EPC Series 2019 COPs	3,680,490	-	130,275	3,550,215	125,275
HUD CF Repayment	1,427,507	-	204,000	1,223,507	204,000
Knights of Columbus	191,667	-	25,000	166,667	25,000
Compensated Absence	441,854	116,554	179,195	379,213	59,918
Authority advance to HCV	-	10,946	-	10,946	-
Family Self Sufficiency Escrov	-	5,434	-	5,434	-
Net Pension Liability	6,893,083	-	1,236,495	5,656,588	-
Net OPEB Liability	4,986,348	-	4,986,348	-	-
Total Primary Government	$ 21,312,889	$ 132,934	$ 7,167,181	$ 14,278,642	$ 835,060
Component Units					
Alliance Senior Tower, LLC	$ 1,521,310	$ -	$ 201,997	$ 1,319,313	$ 36,092
Hunter House, LLC	2,165,197	-	257,123	1,908,074	262,267
Progressive Housing Solutior	1,000,000	-	-	1,000,000	-
Total Component Units	$ 4,686,507	$ -	$ 459,120	$ 4,227,387	$ 298,359

This space intentionally left blank

NOTE 11: **LONG-TERM OBLIGATIONS** (Continued)

The Authority was obligated on the following notes as of March 31, 2021:

	2021
Ohio Housing Finance Agency	
Serial Bond 2018A - Bond dated March 13, 2018, due April 2027, funding by a bond issue in the principal amount of $22,585,000, of which the Authority's share is $4,390,000. Payments are due semi-annually beginning April 1, 2018, totaling approximately $500,000 annually. This series replaces Serial Bond 2007A with a lower fixed interest rates between 3.00% and 4.00%. The bond is repaid from the Capital Fund Program and were issued to provide major renovations at three high-rise buildings: W.L. Hart Apartments, Plaza Apartments, and Lincoln Apartments. Premium on the bond of $108,675 was added to the debt and is being amortized over the life of the bond.	3,286,072
Stark Metropolitan Housing Authority	
Series 2019 COPs - COP proceeds, dated August 29, 2019 for $ 3,675,000, being used to fund a Public Housing Energy Efficiency Improvement Project. The bonds bear interest at varying amounts from 2 percent - 3 percent with the final maturity date of August 1, 2039. Premium on the bond of $5,490 was added to the debt and is being amortized over the life of the bond.	3,550,215
HUD Capital Fund Repayment	
The Authority entered into the repayment agreement on September 28, 2017 for $ 3,789,507 as result of ineligible expenditures in the Capital Fund Program for grant years 2005-2012. An initial payment of $ 1,750,000 was paid with the remaining balance, $ 2,039,507, paid in 10 equal annual installments. Payments will be made through a reduction in the annual Capital Fund Program starting with 2017 Capital Grant Year	1,223,507
Knights of Columbus Settlement	
The Authority entered into a settlement agreement on November 20, 2015 for $300,000 as result of litigation between the Authority and the Knights of Columbus. The settlement obligates the Authority to make 144 monthly payments of $2,083 payable to the Knights of Columbus. The balance owed as of March 31, 2021 is $191,667.	166,667
Total	$ 8,226,461

This space intentionally left blank

NOTE 11: **LONG-TERM DEBT** (Continued)

Total payments including interest necessary over the next five years for the primary government on the above notes are as follows:

	Principal	Interest	Total
2022	$ 775,142	$ 203,600	$ 978,742
2023	795,142	188,525	983,667
2024	810,142	170,800	980,942
2025	835,142	150,250	985,392
2026	860,142	128,075	988,217
Thereafter	4,150,754	693,900	4,844,654
Total	$ 8,226,462	$ 1,535,150	$ 9,761,612

	CFFP 2018a Series Bond		Certificates of Participation		HUD Repaym't	Knights of Columbus	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Principal	Interest
2022	$ 420,867	$ 103,800	$ 125,275	$ 99,800	$ 204,000	$ 25,000	$ 775,142	$ 203,600
2023	435,867	91,275	130,275	97,250	204,000	25,000	795,142	188,525
2024	445,867	76,200	135,275	94,600	204,000	25,000	810,142	170,800
2025	465,867	58,400	140,275	91,850	204,000	25,000	835,142	150,250
2026	485,867	39,800	145,275	88,275	204,000	25,000	860,142	128,075
Thereafter	1,031,737	30,450	2,873,843	663,450	203,507	41,667	4,150,754	693,900
Total	$ 3,286,072	$ 399,925	$ 3,550,215	$ 1,135,225	$ 1,223,507	$ 166,667	$ 8,226,462	$ 1,535,150

This space intentionally left blank

NOTE 11: **LONG-TERM DEBT** (Continued)

Debt schedule for component units is as follows:

Alliance Senior Tower LLC:		
First Mortgage - Principal Amount $922,900 - Interest Rate of 1.0%	$	570,322
2nd Mortgage - Payable to Department of HUD - Interest Rate of 1.0%		405,077
3rd Mortgage - Payable to Department of HUD - Interest Rate of 1.0%		143,914
Notes Payable Affiliates		200,000
Hunter House PSH, LLC-		
OHFA Loan		529,782
HDAP Loan		1,100,000
Home Loan: Stark County		83,792
Home Loan: City of Canton		62,000
Managing Member (SMHA)		132,500
Progressive Housing Solutions Corp.		
The Authority's Note		1,000,000
Total	**$**	**4,227,387**

This space intentionally left blank

NOTE 12: **CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS**

	FYE 12/2020	FYE 3/2021	FYE 12/2020	
Balance Sheet	Hunter House PSH, LLC	Alliance Senior Tower, LLC	Progressive Housing Solutions Corp.	Total
Current and Other Assets	$ 516,947	$ 774,728	$ 106,584	$ 1,398,259
Capital Assets	4,827,487	1,981,151	942,806	7,751,444
Current Liabilities	350,274	314,013	35,592	699,879
Non-Current Liabilities	1,908,074	1,308,683	1,037,500	4,254,257
Net Position	$ 3,086,086	$ 1,133,183	$ (23,702)	$ 4,195,567
Revenues, Expenses, and Changes in Equity				
Total Revenues	$ 535,168	$ 863,123	$ 121,200	$ 1,519,491
Operating Expenses	518,118	599,481	122,450	1,240,049
Depreciation, Amorization & Other Expenses	265,368	96,693	17,467	379,528
Excess Revenue Over Expenses	(248,318)	166,949	(18,717)	(100,086)
Beginning Net Position	2,667,277	966,234	(4,985)	3,628,526
Capital Contributions	667,127	-	-	667,127
Ending Net Position:	$ 3,086,086	$ 1,133,183	$ (23,702)	$ 4,195,567
Detailed Ending Net Position:				
Unrestricted	$ 166,673	$ 471,344	$ 33,492	$ 671,509
Restricted	-	-	-	-
Net Investments in Capital Assets	2,919,413	661,839	(57,194)	3,524,058
	$ 3,086,086	$ 1,133,183	$ (23,702)	$ 4,195,567

NOTE 12: **CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS** (Continued)

Hunter House PSH, LLC

Hunter House PSH, LLC (HH) was formed in 2010 as a partnership for the purchase, development and operation of a 48 unit complex serving homeless individuals with drug and alcohol dependencies. Currently HH general and managing member is Hunter House PSH. Inc. which is owed 76% by the Authority and 24% by Emerald Development and Economic Network, Inc (EDEN). HH is operated with subsidy from Department of Housing and Urban Development. The Authority did not provide any services and did not receive any fees or income from Hunter House PSH, LLC.

Alliance Senior Tower, LLC

Alliance Senior Tower, LLC (AT) was incorporated in April 2012 for the purpose of acquiring a 100 unit property at 350 South Arch Street in Alliance, Ohio. AT is a corporation which is 100% owned by the Authority. AT acquired property in August 2012. Currently, The Authority is the managing agent and bookkeeper. AT is operated with assistance from the Department of Housing and Urban Development. The Authority collected $162,159 from AT.

Progressive Housing Solutions Corp.

Progressive Housing Solutions Crop. (PHS) was incorporated in 2018 as an instrumentality of the Authority to assist with the development of housing for income eligible person. PHS received a IRS Determination Letter as a tax exempt 501(c)(3) entity. PHS is discreetly presented component units in the financial statements. During 2019 PHS acquired Meadowview, a property with 13 units. SHMA is the managing and bookkeeping Agent and received fees totaling $8,625 from January 2020 to December 2020.

NOTE 13: **CONTINGENCIES**

Litigations and Claims

In normal course of operations, the Authority may be subjected to litigation and claims. At March 31, 2021, the Authority is involved in several matters. One matter involves an U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) investigation. The Authority received a discussion draft report dated April 3, 2020 from OIG. The Authority strongly disagrees with report and provided a written rebuttal on May 7, 2020. The matter is disputed and is under review by OIG. No final report from OIG has been issued as of the date of

NOTE 13: **CONTINGENCIES (continued)**

Litigations and Claims(continued)

this report. However, the effect of this OIG matter on the overall financial position of the Authority at March 31, 2021, cannot be determined.

In addition, the Authority has an ongoing alleged wrongful termination law suit which is represented by counsel retained by insurance company and is a matter covered under the Authority's insurance policy. While the outcome of this wrongful termination matter cannot presently be determined, management believes that the ultimate resolution will not have a material effect on financial statements.

HUD has been in discussion with the Authority to resolve prior year audit findings covering the fiscal year end 2011 through fiscal year end 2013 for the Authority lending Low Rent Public Housing funds to the Central Office Cost Center (COCC). In a letter dated May 9, 2019, HUD requested a repayment of $1,123,368 from the COCC to the Public Housing Program. The Authority believes this amount has been included in the Repayment Agreement amount of $6,793,413 described in Note 15. As of March 31, 2021, the outcome of this matter is still unresolved.

The Authority entered into a Security Support Agreement on February 23, 2020 to financially support security services for Hunter House, LLC. The Authority received a two-year operating grant from Ohio Supportive Housing Program in January 2019 in the amount of $245,000 ($122,500 per year) to cover security costs incurred from January 1, 2019 thru December 31, 2020. In the event the grant is not renewed, the Authority is obligated to cover the shortfall annually through the end of the Compliance Period which ends December 31, 2027. The shortfall amount is capped at $122,500 per year. The grant was renewed for an additional two-year period form January 1, 2021 to December 31, 2023 in the amount of $254,700 ($127,350 per year).

The Authority, as majority member of the General Partner / Managing Member (Hunter House PSH, Inc.) of Hunter House PSH, LLC, will provide financial assistance in an amount of up to $235,000 as stated in Hunter House PSH, LLC's Amended and Restated Operating Agreement. The Operating Deficit Guaranty in the agreement covers any operating deficits Hunter House PSH, LCC may incur. These funds are payable out of future excess cash flows of Hunter House PSH, LLC. As of March 31, 2021, the Operating Deficit Guaranty due to the Authority is $132,500.

NOTE 14: **RESTRICTED NET POSITION**

The Housing Choice Voucher Program and the Veteran's Affairs Supportive Housing Program require the equity portion attributable to the excess housing assistance payments be reflected as restricted net position. The corresponding funds are reflected in the cash and investment accounts.

Housing Assistance Payments – Section 8	$	359,425
Mainstream 5 Vouchers		45,000
Family Self-Sufficiency Escrow		1,222
Efficiency Improvement Project		192,055
Proceeds from Gain on Sale of Assets		850,000
Capital Fund Financing Program		274,061
Total Restricted Net Position	$	1,721,763

NOTE 15: **HUD REPAYMENT AGREEMENTS**

The Authority entered into two repayment agreements with the U.S. Department of Housing and Urban Development (HUD) on September 28, 2017. Note 11 discusses the repayment agreement of capital grant funds. The other repayment agreement is for operating funds and is in the amount of $6,793,413. The agreement obligates the Authority to make 38 annual payments of $178,744 from non-federal funds to reimburse the Low-Rent Public Housing Program. The balance owed as of March 31, 2021 is $6,078,317. This inter-program transaction is eliminated on the Authority's financial statements.

NOTE 16: **COVID-19 UNCERTAINTIES**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of the Authority. However, because the values of individual investments fluctuate with market conditions, 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 future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

This space intentionally left blank

NOTE 17: **SUBSEQUENT EVENT**

On July 27, 2021, the Authority signed a committal letter to transfer its McKinley Park Apartments located at 510 High Avenue SW in Canton, Ohio over to McKinley Park Apartments, LCC. This will include land and building associated with the property. In exchange for turning over the property, the Authority will receive a combination of cash and a Seller's Note totaling $507,500. The commitment of this transfer is good through March 31, 2022.

On September 15, 2021, the Authority signed a committal letter to enter into a Purchase and Sale Agreement to transfer site control of its Cherrie Turner Apartments located at 700 McKinley Ave NW in Canton, OH to Turner Tower, LLC. The Authority intends to enter into a long-term ground lease for $1 per year for a term of no less than 35 years for the 13 parcels associated with the property. The Authority also will convey the building in exchange for its appraised value of $2,230,000 through a cash settlement of $380,000 and a Sellers Note totaling $1,850,000 for 40 years (following the construction period) at an interest rate of 2%. This commitment is good through August 31, 2022.

Required Supplementary Information

Stark Metropolitan Housing Authority
STARK COUNTY
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Eight Fiscal Years (1)

Traditional Plan	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.038200%	0.034874%	0.033211%	0.033568%	0.036143%	0.037071%	0.035394%	0.035394%
Authority's Proportionate Share of the Net Pension Liability	$ 5,656,588	$ 6,893,083	$ 9,095,820	$ 5,266,168	$ 8,207,461	$ 6,421,164	$ 4,268,911	$ 4,172,491
Authority's Covered Payroll	$ 5,380,272	$ 4,904,826	$ 4,485,696	$ 4,435,990	$ 4,672,291	$ 4,613,808	$ 4,389,276	$ 4,463,332
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.14%	140.54%	202.77%	118.71%	175.66%	139.17%	97.26%	93.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Asset	0.055833%	0.054586%	0.045800%	0.044182%	0.050612%	0.041660%	0.023007%	0.023007%
Authority's Proportionate Share of the Net Pension (Asset)	$ (161,170)	$ (113,825)	$ (51,215)	$ (60,146)	$ (28,169)	$ (20,273)	$ (8,858)	$ (2,414)
Authority's Covered Payroll	$ 246,054	$ 242,990	$ 195,882	$ 180,948	$ 197,008	$ 151,627	$ 144,204	$ 146,681
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%	6.14%	1.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

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

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority
STARK COUNTY
Required Supplementary Information
Schedule of the Authority's Contributions - Pension
Ohio Public Employees Retirement System
Last Nine Fiscal Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions									
Traditional Plan	$ 731,171	$ 722,801	$ 634,933	$ 589,854	$ 550,035	$ 556,134	$ 522,711	$ 538,107	$ 572,085
Combined Plan	31,444	36,426	27,941	24,991	23,028	18,277	17,178	17,684	18,801
Total Required Contributions	$ 762,615	$ 759,227	$ 662,874	$ 614,845	$ 573,063	$ 574,411	$ 539,889	$ 555,791	$ 590,886
Contributions in Relation to the Contractually Required Contribution	(762,615)	(759,227)	(662,874)	(614,845)	(573,063)	(574,411)	(539,889)	(555,791)	(590,886)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll									
Traditional Plan	$ 5,222,647	$ 5,162,866	$ 4,535,236	$ 4,455,591	$ 4,482,494	$ 4,634,450	$ 4,355,925	$ 4,484,225	$ 4,400,654
Combined Plan	$ 224,602	$ 260,184	$ 199,579	$ 188,775	$ 187,667	$ 152,308	$ 143,150	$ 147,367	$ 144,623
Pension Contributions as a Percentage of Covered Payroll									
Traditional Plan	14.00%	14.00%	14.00%	13.24%	12.27%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	13.24%	12.27%	12.00%	12.00%	12.00%	13.00%

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

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority
STARK COUNTY
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Five Fiscal Years (1)

	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.039560%	0.036100%	0.034437%	0.034560%	0.036890%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ (704,793)	$ 4,986,348	$ 4,489,772	$ 3,752,961	$ 3,726,015
Authority's Covered Payroll	$ 5,982,884	$ 5,454,075	$ 4,994,943	$ 4,895,787	$ 5,098,046
Authority's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	11.78%	91.42%	89.89%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority
STARK COUNTY
Required Supplementary Information
Schedule of the Authority's Contributions - OPEB
Ohio Public Employees Retirement System
Last Seven Fiscal Years (1)

	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually Required Contribution	$ 14,184	$ 12,776	$ 12,449	$ 46,963	$ 91,756	$ 97,614	$ 94,244
Contributions in Relation to the Contractually Required Contribution	(14,184)	(12,776)	(12,449)	(46,963)	(91,756)	(97,614)	(94,244)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 5,801,854	$ 5,742,451	$ 5,046,054	$ 4,917,411	$ 4,902,245	$ 4,967,620 0	$ 4,650,833
Contributions as a Percentage of Covered Payroll	0.24%	0.22%	0.25%	0.96%	1.87%	1.97%	2.03%

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

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

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

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2021.

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

This page intentionally left blank

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENITITY WIDE BALANCE SHEET
FOR FISCAL PERIOD ENDED MARCH 31, 2021

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PIH Family Self-Sufficiency Program	14.267 Continuum of Care Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$5,999,492	$0		$208,694	$127,126	$0	$150,616		$268,999		$310,621	$41,788	$1,423,189	$8,530,525		$8,530,525
112 Cash - Restricted - Modernization and Development	$1,799,100								$0			$0	$0	$1,799,100		$1,799,100
113 Cash - Other Restricted	$1,223	$45,000							$868,339	$26,508	$363,635	$0	$0	$1,304,705		$1,304,705
114 Cash - Tenant Security Deposits	$389,648			$6,095					$39,025			$0	$0	$434,768		$434,768
115 Cash - Restricted for Payment of Current Liabilities	$0								$0		$0	$0	$0	$0		$0
100 Total Cash	$8,189,463	$45,000	$0	$214,789	$127,126	$0	$150,616	$0	$1,176,363	$26,508	$674,256	$41,788	$1,423,189	$12,069,098	$0	$12,069,098
121 Accounts Receivable - PHA Projects	$0								$0			$0		$0		$0
122 Accounts Receivable - HUD Other Projects	$136,090		$94,900	$0	$1,919	$12,035			$14,780		$0	$8,925	$0	$268,649		$268,649
124 Accounts Receivable - Other Government	$0								$0			$0		$0		$0
125 Accounts Receivable - Miscellaneous	$120,583			$0	$36	$4,169	$4,829	$80,161	$434		$19,600	$8,672	$372,728	$611,212	($7,930)	$603,282
126 Accounts Receivable - Tenants	$271,124			$73					$63,427			$0		$334,624		$334,624
126.1 Allowance for Doubtful Accounts -Tenants	($157,744)			$0					($7,979)			$0		($165,723)		($165,723)
126.2 Allowance for Doubtful Accounts - Other	$0		$0		$0	$0	$0	$0	$0		$0	$0	$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current	$186,999								$0			$0		$186,999	($178,774)	$8,225
128 Fraud Recovery	$0						$6,375		$0		$23,588	$0		$29,963		$29,963
128.1 Allowance for Doubtful Accounts - Fraud	$0						($6,375)		$0		($23,588)	$0		($29,963)		($29,963)
129 Accrued Interest Receivable	$0								$0			$0		$0		$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	$557,052	$0	$94,900	$73	$1,955	$16,204	$4,829	$80,161	$70,662	$0	$19,600	$17,597	$372,728	$1,235,761	($186,704)	$1,049,057
131 Investments - Unrestricted	$0								$0			$0		$0		$0
132 Investments - Restricted	$0								$0		$0	$0		$0		$0
135 Investments - Restricted for Payment of Current Liability	$0								$0		$0	$0		$0		$0
142 Prepaid Expenses and Other Assets	$0								$30,552		$5,364	$0	$20,722	$56,638		$56,638
143 Inventories	$379,690								$0			$0		$379,690		$379,690
143.1 Allowance for Obsolete Inventories	($34,686)								$0			$0		($34,686)		($34,686)
144 Inter Program Due From	$0			$0					$0			$0		$0		$0
145 Assets Held for Sale	$0								$0			$0		$0		$0
150 Total Current Assets	$9,091,519	$45,000	$94,900	$214,862	$129,081	$16,204	$155,445	$80,161	$1,277,577	$26,508	$699,220	$59,385	$1,816,639	$13,706,501	($186,704)	$13,519,797
161 Land	$12,233,145			$27,692					$250,701			$0	$508,213	$13,019,751		$13,019,751
162 Buildings	$158,952,650			$1,042,301					$10,023,713			$0	$2,477,506	$172,496,170		$172,496,170
163 Furniture, Equipment & Machinery - Dwellings	$4,283,865								$0			$0		$4,283,865		$4,283,865
164 Furniture, Equipment & Machinery - Administration	$2,395,603								$210,247		$5,650	$0	$1,406,592	$4,018,092		$4,018,092
165 Leasehold Improvements	$0								$0			$0		$0		$0
166 Accumulated Depreciation	($133,587,330)			($538,605)					($2,811,224)		($2,018)	$0	($2,710,824)	($139,650,001)		($139,650,001)
167 Construction in Progress	$866,407								$78,007			$0	$105,386	$1,049,800		$1,049,800
168 Infrastructure	$0								$0			$0		$0		$0
160 Total Capital Assets, Net of Accumulated Depreciation	$45,144,340	$0	$0	$531,388	$0	$0	$0	$0	$7,751,444	$0	$3,632	$0	$1,786,873	$55,217,677	$0	$55,217,677
171 Notes, Loans and Mortgages Receivable - Non-Current	$5,899,543											$0	$1,397,319	$7,296,862	($5,899,543)	$1,397,319
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0											$0	$0	$0		$0
173 Grants Receivable - Non Current												$0				
174 Other Assets	$515,052										$23,523	$791	$371,597	$910,963		$910,963
176 Investments in Joint Ventures	$0											$0	$0	$0		$0
180 Total Non-Current Assets	$51,558,935	$0	$0	$531,388	$0	$0	$0	$0	$7,751,444	$0	$27,155	$791	$3,555,789	$63,425,502	($5,899,543)	$57,525,959
200 Deferred Outflow of Resources	$844,447	$0	$0	$0	$0	$0	$0	$0	$0	$0	$38,566	$1,297	$535,468	$1,419,778	$0	$1,419,778

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENITITY WIDE BALANCE SHEET
FOR FISCAL PERIOD ENDED MARCH 31, 2021

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PIH Family Self-Sufficiency Program	14.267 Continuum of Care Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	$61,494,901	$45,000	$94,900	$746,250	$129,081	$16,204	$155,445	$80,161	$9,029,021	$26,508	$764,941	$61,473	$5,907,896	$78,551,781	($6,086,247)	$72,465,534
311 Bank Overdraft	$0								$0			$0		$0		$0
312 Accounts Payable <= 90 Days	$586,976		$93,171	$3,625	$1	$20	$10,687	$13,000	$130,276		$32,091	$3	$224,306	$1,094,156		$1,094,156
313 Accounts Payable >90 Days Past Due	$0								$0			$0		$0		$0
321 Accrued Wage/Payroll Taxes Payable	$132,436		$1,114	$1,098	$92	$1,273	$676		$1,329	$84	$13,381	$202	$195,917	$347,602		$347,602
322 Accrued Compensated Absences - Current Portion	$35,512								$0		$4,546	$0	$19,860	$59,918		$59,918
324 Accrued Contingency Liability	$0								$0			$0		$0		$0
325 Accrued Interest Payable	$63,396								$211,137			$0		$274,533		$274,533
331 Accounts Payable - HUD PHA Programs	$0								$0		$0	$0	$0	$0		$0
332 Account Payable - PHA Projects	$0								$0			$0		$0		$0
333 Accounts Payable - Other Government	$208,150								$31,488			$0		$239,638		$239,638
341 Tenant Security Deposits	$389,648			$6,095					$39,025			$0		$434,768		$434,768
342 Unearned Revenue	$613,642			$40,719			$63,331		$6,999	$26,424	$89	$0	$0	$751,204		$751,204
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$546,141								$36,093			$0	$0	$582,234		$582,234
344 Current Portion of Long-term Debt - Operating Borrowings	$0								$0			$0	$0	$0		$0
345 Other Current Liabilities	$203,999		$615			$14,911		$67,161	$254,417		$25,601	$7,930	$178,774	$753,408	($186,704)	$566,704
346 Accrued Liabilities - Other	$37,550								$1,467			$0	$167,777	$206,794		$206,794
347 Inter Program - Due To	$0								$0			$0		$0		$0
348 Loan Liability - Current	$0								$0			$0	$0	$0		$0
310 Total Current Liabilities	$2,817,450	$0	$94,900	$51,537	$93	$16,204	$74,694	$80,161	$712,231	$26,508	$75,708	$8,135	$786,634	$4,744,255	($186,704)	$4,557,551
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$6,290,147								$4,191,294			$0	$0	$10,481,441		$10,481,441
352 Long-term Debt, Net of Current - Operating Borrowings	$0								$0			$0	$141,667	$141,667		$141,667
353 Non-current Liabilities - Other	$1,020,730								$50,609		$15,156	$0	$5,899,543	$6,986,038	($5,899,543)	$1,086,495
354 Accrued Compensated Absences - Non Current	$189,238								$0		$24,223	$0	$105,834	$319,295		$319,295
355 Loan Liability - Non Current	$0								$0			$0	$0	$0		$0
356 FASB 5 Liabilities									$0			$0		$0		$0
357 Accrued Pension and OPEB Liabilities	$3,364,386	$0	$0	$0	$0	$0	$0	$0	$0	$0	$153,652	$5,166	$2,133,384	$5,656,588		$5,656,588
350 Total Non-Current Liabilities	$10,864,501	$0	$0	$0	$0	$0	$0	$0	$4,241,903	$0	$193,031	$5,166	$8,280,428	$23,585,029	($5,899,543)	$17,685,486
300 Total Liabilities	$13,681,951	$0	$94,900	$51,537	$93	$16,204	$74,694	$80,161	$4,954,134	$26,508	$268,739	$13,301	$9,067,062	$28,329,284	($6,086,247)	$22,243,037
400 Deferred Inflow of Resources	$2,774,079										$126,693	$4,260	$1,759,060	$4,664,092	$0	$4,664,092
508.3 Nonspendable Fund Balance												$0				
508.4 Net Investment in Capital Assets	$38,308,052			$531,388					$3,524,057		$3,632	$0	$1,786,873	$44,154,002		$44,154,002
509.3 Restricted Fund Balance												$0				
510.3 Committed Fund Balance												$0				
511.3 Assigned Fund Balance												$0				
511.4 Restricted Net Position	$1,317,338	$45,000							$0		$359,425	$0	$0	$1,721,763		$1,721,763
512.3 Unassigned Fund Balance												$0				
512.4 Unrestricted Net Position	$5,413,481	$0	$0	$163,325	$128,988	$0	$80,751	$0	$550,830	$0	$6,452	$43,912	($6,705,099)	($317,360)		($317,360)
513 Total Equity - Net Assets / Position	$45,038,871	$45,000	$0	$694,713	$128,988	$0	$80,751	$0	$4,074,887	$0	$369,509	$43,912	($4,918,226)	$45,558,405	$0	$45,558,405
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$61,494,901	$45,000	$94,900	$746,250	$129,081	$16,204	$155,445	$80,161	$9,029,021	$26,508	$764,941	$61,473	$5,907,896	$78,551,781	($6,086,247)	$72,465,534

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL PERIOD ENDED MARCH 31, 2021

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PIH Family Self-Sufficiency Program	14.267 Continuum of Care Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$5,365,699			$124,375					$1,312,622			$0		$6,802,696		$6,802,696
70400 Tenant Revenue - Other	$144,051			$312					$13,272			$0		$157,635		$157,635
70500 Total Tenant Revenue	$5,509,750	$0	$0	$124,687	$0	$0	$0	$0	$1,325,894	$0	$0	$0	$0	$6,960,331	$0	$6,960,331
70600 HUD PHA Operating Grants	$12,071,687	$45,000	$718,600		$119,483	$56,335	$680,350			$352,662	$9,435,272	$266,745		$23,746,134		$23,746,134
70610 Capital Grants	$2,818,922											$0	$0	$2,818,922		$2,818,922
70710 Management Fee												$0	$2,480,316	$2,480,316	($2,415,335)	$64,981
70720 Asset Management Fee												$0	$278,320	$278,320	($253,230)	$25,090
70730 Book Keeping Fee												$0	$367,545	$367,545	($357,697)	$9,848
70740 Front Line Service Fee												$0	$756,640	$756,640	($614,475)	$142,165
70750 Other Fees												$0	$24,284	$24,284		$24,284
70700 Total Fee Revenue												$0	$3,907,105	$3,907,105	($3,640,737)	$266,368
70800 Other Government Grants	$0			$164,638					$51,836			$0		$216,474		$216,474
71100 Investment Income - Unrestricted	$2,757								$788		$27	$0	$38,288	$41,860		$41,860
71200 Mortgage Interest Income	$0								$0			$0		$0		$0
71300 Proceeds from Disposition of Assets Held for Sale	$0								$0			$0		$0		$0
71310 Cost of Sale of Assets	$0								$0			$0		$0		$0
71400 Fraud Recovery	$0				$472		$3,696		$0		$20,332	$0		$24,500		$24,500
71500 Other Revenue	$839,666			$3,348	$147	$11,270	$1,414	$382,105	$140,930		$102,328	$0	$151,787	$1,632,995	($382,105)	$1,250,890
71600 Gain or Loss on Sale of Capital Assets	$794,035								$0			$0	$550	$794,585		$794,585
72000 Investment Income - Restricted	$0								$43		$0	$0		$43		$43
70000 Total Revenue	$22,036,817	$45,000	$718,600	$292,673	$120,102	$67,605	$685,460	$382,105	$1,519,491	$352,662	$9,557,959	$266,745	$4,097,730	$40,142,949	($4,022,842)	$36,120,107
91100 Administrative Salaries	$1,149,825			$28,727	$2,599	$36,755	$19,145		$104,779	$181,732	$149,811	$5,874	$1,776,008	$3,455,255		$3,455,255
91200 Auditing Fees	$15,291			$101	$216		$583		$13,275		$8,415	$324	$4,874	$43,079		$43,079
91300 Management Fee	$2,184,032	$0	$382,105	$13,010	$3,962	$0	$0	$0	$65,222	$0	$210,228	$4,102		$2,862,661	($2,797,440)	$65,221
91310 Book-keeping Fee	$208,192			$1,335	$2,925		$9,712		$9,848		$131,392	$4,141		$367,545	($357,697)	$9,848
91400 Advertising and Marketing	$0								$314			$0	$3,996	$4,310		$4,310
91500 Employee Benefit contributions - Administrative	($475,545)			$15,418	$843	$21,390	$10,504		$35,019	$104,327	($311,340)	($25,706)	($263,292)	($888,382)		($888,382)
91600 Office Expenses	$298,749			$3,302	$98	$2,221	$4,047		$42,394		$44,550	$208	$204,818	$600,387		$600,387
91700 Legal Expense	$32,828								$1,570		$0	$0	$48,910	$83,308	($28,568)	$54,740
91800 Travel	$10,241			$977					$672		$0	$0	$5,701	$17,591		$17,591
91810 Allocated Overhead	$0								$0			$0		$0		$0
91900 Other	$334,927			$123,512		$6,007	$62,136		$115,133		$64,403	$52	$66,983	$773,153		$773,153
91000 Total Operating - Administrative	$3,758,540	$0	$382,105	$186,382	$10,643	$66,373	$106,127	$0	$388,226	$286,059	$297,459	($11,005)	$1,847,998	$7,318,907	($3,183,705)	$4,135,202
92000 Asset Management Fee	$253,230								$0			$0		$253,230	($253,230)	$0
92100 Tenant Services - Salaries	$121,663		$267,148					$138,414	$30,838	$56,167		$0	$16,378	$630,608		$630,608
92200 Relocation Costs	$44,462								$788			$0		$45,250		$45,250
92300 Employee Benefit Contributions - Tenant Services	$55,628		$11,279					$7,319	$11,701	$3,126		$0	$6,927	$95,980		$95,980
92400 Tenant Services - Other	$15,485		$58,068	$1,268				$142,582	$6,257	$7,310	$5,211	$0		$236,181		$236,181
92500 Total Tenant Services	$237,238	$0	$336,495	$1,268	$0	$0	$0	$288,315	$49,584	$66,603	$5,211	$0	$23,305	$1,008,019	$0	$1,008,019
93100 Water	$585,137			$9,861					$37,108		$267	$0	$3,413	$635,786		$635,786
93200 Electricity	$832,269			$900					$105,491		$2,880	$0	$39,929	$981,469		$981,469
93300 Gas	$1,017,314			$917					$15,233		$235	$0	$9,284	$1,042,983		$1,042,983
93400 Fuel	$0								$0			$0		$0		$0
93500 Labor	$0								$0			$0		$0		$0
93600 Sewer	$618,664			$5,483					$19,207		$39	$0	$538	$643,931		$643,931
93700 Employee Benefit Contributions - Utilities	$0								$0			$0		$0		$0
93800 Other Utilities Expense	$0								$0			$0		$0		$0
93000 Total Utilities	$3,053,384	$0	$0	$17,161	$0	$0	$0	$0	$177,039	$0	$3,421	$0	$53,164	$3,304,169	$0	$3,304,169
94100 Ordinary Maintenance and Operations - Labor	$1,824,391								$0			$0	$287,668	$2,112,059		$2,112,059
94200 Ordinary Maintenance and Operations - Materials and Other	$1,146,081			$7,015					$33,638			$0	$37,084	$1,223,818		$1,223,818
94300 Ordinary Maintenance and Operations Contracts	$3,068,849			$37,777					$198,354		$3,006	$0	$76,492	$3,384,478	($585,907)	$2,798,571
94500 Employee Benefit Contributions - Ordinary Maintenance	($729,302)								$0			$0	($39,640)	($768,942)		($768,942)
94000 Total Maintenance	$5,310,019	$0	$0	$44,792	$0	$0	$0	$0	$231,992	$0	$3,006	$0	$361,604	$5,951,413	($585,907)	$5,365,506

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL PERIOD ENDED MARCH 31, 2021

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PIH Family Self-Sufficiency Program	14.267 Continuum of Care Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
95100 Protective Services - Labor	$184,409								$0			$0		$184,409		$184,409
95200 Protective Services - Other Contract Costs	$193,881								$111,019			$0		$304,900		$304,900
95300 Protective Services - Other	$7,842								$4,098		$1,680	$0	$36,464	$50,084		$50,084
95500 Employee Benefit Contributions - Protective Services	$84,286								$0			$0		$84,286		$84,286
95000 Total Protective Services	$470,418	$0	$0	$0	$0	$0	$0	$0	$115,117	$0	$1,680	$0	$36,464	$623,679	$0	$623,679
96110 Property Insurance	$459,983			$5,057					$43,573			$0	$8,193	$516,806		$516,806
96120 Liability Insurance	$155,902			$961					$8,143		$11,014	$0	$1,471	$177,491		$177,491
96130 Workmen's Compensation	$34,001			$275	$30	$451	$247		$823		$1,827	$19	$25,817	$63,490		$63,490
96140 All Other Insurance	$48,064			$904			$0		$6,688		$9,811	$0	$13,136	$78,603		$78,603
96100 Total insurance Premiums	$697,950	$0	$0	$7,197	$30	$451	$247	$0	$59,227	$0	$22,652	$19	$48,617	$836,390	$0	$836,390
96200 Other General Expenses	$238,810			$627	$1,131	$192	$3,403		$98,159		$52,629	$1,917	$17,871	$414,739		$414,739
96210 Compensated Absences	$66,483			$48		$589			$0		$10,655	$8	$38,771	$116,554		$116,554
96300 Payments in Lieu of Taxes	$214,751								$0			$0		$214,751		$214,751
96400 Bad debt - Tenant Rents	$232,237			$1,192					$19,299			$0		$252,728		$252,728
96500 Bad debt - Mortgages	$0								$0			$0		$0		$0
96600 Bad debt - Other	$0								$0			$0		$0		$0
96800 Severance Expense	$0								$0			$0		$0		$0
96000 Total Other General Expenses	$752,281	$0	$0	$1,867	$1,131	$781	$3,403	$0	$117,458	$0	$63,284	$1,925	$56,642	$998,772	$0	$998,772
96710 Interest of Mortgage (or Bonds) Payable	$54,975								$95,689			$0		$150,664		$150,664
96720 Interest on Notes Payable (Short and Long Term)	$102,133								$30,000			$0		$132,133		$132,133
96730 Amortization of Bond Issue Costs	$0								$0			$0		$0		$0
96700 Total Interest Expense and Amortization Cost	$157,108	$0	$0	$0	$0	$0	$0	$0	$125,689	$0	$0	$0	$0	$282,797	$0	$282,797
96900 Total Operating Expenses	$14,690,168	$0	$718,600	$258,667	$11,804	$67,605	$109,777	$288,315	$1,264,332	$352,662	$396,713	($9,061)	$2,427,794	$20,577,376	($4,022,842)	$16,554,534
97000 Excess of Operating Revenue over Operating Expenses	$7,346,649	$45,000	$0	$34,006	$108,298	$0	$575,683	$93,790	$255,159	$0	$9,161,246	$275,806	$1,669,936	$19,565,573	$0	$19,565,573
97100 Extraordinary Maintenance	$0								$0			$0		$0		$0
97200 Casualty Losses - Non-capitalized	$483,839								$0			$0	$11,247	$495,086		$495,086
97300 Housing Assistance Payments	$0				$92,317		$561,618		$0		$8,190,883	$227,797		$9,072,615		$9,072,615
97350 HAP Portability-In	$0								$0			$0		$0		$0
97400 Depreciation Expense	$4,147,400			$46,723					$346,050		$807	$0	$146,849	$4,687,829		$4,687,829
97500 Fraud Losses	$0								$0			$0		$0		$0
97800 Dwelling Units Rent Expense	$0								$0			$0		$0		$0
90000 Total Expenses	$19,321,407	$0	$718,600	$305,390	$104,121	$67,605	$671,395	$288,315	$1,610,382	$352,662	$8,588,403	$218,736	$2,585,890	$34,832,906	($4,022,842)	$30,810,064
10010 Operating Transfer In	$4,081,314								$0			$21,930	$222,283	$4,325,527	($4,325,527)	$0
10020 Operating transfer Out	($4,081,314)							($93,790)	$0			($19,456)	($130,967)	($4,325,527)	$4,325,527	$0
10080 Special Items (Net Gain/Loss)									$620,127			$0		$620,127		$620,127
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	($93,790)	$620,127	$0	$0	$2,474	$91,316	$620,127	$0	$620,127
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$2,715,410	$45,000	$0	($12,717)	$15,981	$0	$14,065	$0	$529,236	$0	$969,556	$50,483	$1,603,156	$5,930,170	$0	$5,930,170
11020 Required Annual Debt Principal Payments	$525,000	$0	$0	$0	$0	$0	$0	$0	$459,121	$0	$0	$0	$0	$984,121		$984,121
11030 Beginning Equity	$42,323,461	$0	$0	$707,430	$113,007	$0	$66,686	$0	$3,545,651	$0	-$600,047	-$6,571	-$6,521,382	$39,628,235		$39,628,235
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
11170 Administrative Fee Equity											$10,084	$0		$10,084		$10,084
11180 Housing Assistance Payments Equity											$359,425	$0		$359,425		$359,425
11190 Unit Months Available	29023	150		199	432		1320		2556		19716	614		54010		54010
11210 Number of Unit Months Leased	27790	0		177	386		1244		2513		17519	512		50141		50141
11270 Excess Cash	$2,843,729											$0		$2,843,729		$2,843,729
11620 Building Purchases	$6,007,964											$0	$0	$6,007,964		$6,007,964
11630 Furniture & Equipment - Dwelling Purchases	$6,000											$0	$0	$6,000		$6,000
11640 Furniture & Equipment - Administrative Purchases	$117,769											$0	$0	$117,769		$117,769
13510 CFFP Debt Service Payments	$455,900											$0	$0	$455,900		$455,900

This page intentionally left blank.

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

Federal Grantor *Pass Through Grantor/* Program/Title	**Federal CFDA Number**	**Provided to Subrecipients**	**Federal Expenditures**
U.S. Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing			
Public and Indian Housing	14.850		$ 10,409,713
COVID-19 - Public Housing CARES Act Funding	14.850		$ 718,600
Public and Indian Housing			$ 11,128,313
Section 8 Project Based Cluster			
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		119,483
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856		266,745
Total Section 8 Project Based Cluster			386,228
Section 8 Tenant Based Programs			
Family Self-Sufficiency Program	14.896		56,335
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871		9,435,272
COVID-19 - HCV CARES Act Funding	14.871		352,662
Mainstream Vouchers	14.879		45,000
Total Housing Voucher Cluster			9,832,934
Public Housing Capital Fund	14.872		4,480,896
Continuum of Care Program	14.267	61,467	680,350
Total Direct Programs			26,565,056
Total U.S. Department of Housing and Urban Development		61,467	26,565,056
TOTAL EXPENDITURES OF AWARDS			$ 26,565,056

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED MARCH 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Stark Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended March 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Government.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The Government passes certain federal awards received from U.S. Department of Housing and Urban Development (HUD) to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Government reports expenditures of Federal awards to subrecipients when paid in cash

As a subrecipient, the Authority has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-supported programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Stark Metropolitan Housing Authority
Stark County
400 E. Tuscarawas Street
Canton, Ohio 44702

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 business-type activities and the aggregate discretely presented component units of the Stark Metropolitan Housing Authority, Stark County, (the Authority) as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 1, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Authority. Our report refers to other auditors who audited the financial statements of the Alliance Senior Tower, LLC and the Hunter House PSH, LLC, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of the Hunter House PSH, LLC were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Government's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Government'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 Government'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 Government's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

December 1, 2021

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Stark Metropolitan Housing Authority
Stark County
400 Tuscarawas Street
Canton, Ohio 44702

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited Stark Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Authority's major federal program for the year ended March 31, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Stark Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended March 31, 2021. Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

December 1, 2021

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	**Unmodified**
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	**No**
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	**No**
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	**No**
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	**No**
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	**No**
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	**Unmodified**
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	**No**
(d)(1)(vii)	**Major Programs (list):** CFDA 14.871	Housing Choice Voucher Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 796,951 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	**Yes**

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

STARK COUNTY METROPOLITAN HOUSING AUTHORITY

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/8/2022

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