OHIO AUDITOR OF STATE
KEITH FABER

CINCINNATI METROPOLITAN HOUSING AUTHORITY
HAMILTON COUNTY
JUNE 30, 2022

TABLE OF CONTENTS

CINCINNATI METROPOLITAN HOUSING AUTHORITY
HAMILTON COUNTY
JUNE 30, 2022

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Cincinnati Metropolitan Housing Authority
Hamilton County
1627 Western Avenue
Cincinnati, Ohio 45214

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Cincinnati Metropolitan Housing Authority, Hamilton County, Ohio (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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 June 30, 2022, 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.

We did not audit the financial statements of Springdale Senior, LP; Cary Crossing, LLC; Park Eden Apartments, LLC; West Union Square, LLC; Pinecrest RAD, LLC; Reserve on South Martin, LP; and Sutter View, LLC, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Springdale Senior, LP; Cary Crossing, LLC; West Union Square, LLC; Pinecrest RAD, LLC; and Reserve on South Martin LP were not audited in accordance with Government Auditing Standards.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the 2022 financial statements have been restated to correct misstatements. These restatements do not affect our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Financial Data Schedules (FDS) required by the Department of Housing and Urban Development are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Federal Awards and the Financial Data Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole. As noted in Note 22 to the financial statements, the Financial Data Schedules have been restated to correct misstatements. These restatements did not affect our opinion on these Schedules.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

August 10, 2023, except for Note 22 which is dated December 4, 2023

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

This discussion and analysis provides the reader with a narrative overview and financial analysis of the Cincinnati Metropolitan Housing Authority's (CMHA) financial activities and performance for the year ended June 30, 2022. This section should be read in conjunction with the audited financial statements and accompanying notes.

Financial Highlights

- CMHA's total assets and liabilities were $339.1 million and $80.4 million, respectively; therefore, net position was $258.7 million as of June 30, 2022.

- Total revenues, including capital grants and total expenses were $155.4 million and $147.7 million, respectively, is resulting in an $7.7 million increase in net position for fiscal year 2022.

Overview of the Financial Statements

Management's Discussion and Analysis – The Management's Discussion and Analysis is intended to serve as an introduction to the Authority-wide financial statements. The Authority- wide financial statements and Notes to the Financial Statements included in the Audit Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types and in compliance with the regulations set forth in GASB Statement No. 34.

Authority-wide Financial Statements - The Authority-wide financial statements are designed to provide readers with a broad overview of the CMHA's finances, in a manner similar to a private- sector business. The statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Notes to Financial Statements – The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

The Authority's Programs

CMHA has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

Conventional Public Housing - Under the Conventional or Low-Income Public Housing Program, CMHA rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy and Capital Grant funding to enable CMHA to provide the housing at a rent that is based upon approximately 30 percent of household income.

Capital Fund Program - The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the CMHA's properties. The formula funding methodology used is based upon the number of units, including the bedroom sizes and the age of the buildings/units.

Choice Neighborhood Grant - In 2011, Cincinnati Metropolitan Housing Authority applied for a Choice Neighborhood Planning Grant for the Fairmount neighborhood, which included the former English Woods public housing site, as well as the Cincinnati neighborhoods of North and South Fairmount. The awarded grant of $201,844 supports the development of a comprehensive revitalization plan focused on the following three goals: Housing, People and Neighborhoods. As of the end of fiscal year 2016, CMHA and the Community Building Institute, its planning partner, significantly completed most of the activities associated with this plan.

Neighborhood Stabilization Program 2 (NSP2) - During fiscal year 2010, CMHA, as part of a consortium with Hamilton County, the City of Cincinnati, and the Local Initiative Support Corporation was awarded funds through the competitive NSP2. Of the $24 million award to the consortium, CMHA expended $11.2 million of which was for the primary use to purchase foreclosed and abandoned property and replace with a new development of senior housing in Mt Healthy along with program administrative costs. Activities under this grant were completed as of June 30, 2013.

Hope VI Grant - The Hope VI grants are programs funded by HUD for redevelopment of CMHA's properties. It is a mixed financing and mixed-use development with homeownership opportunities for public housing residents.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, CMHA administers contracts with independent landlords who own the properties. CMHA subsidizes a participants' rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable CMHA to structure a lease that sets a participants' rent at approximately 30 percent of household income.

Component Units

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

The Authority has established nine component unit entities as of June 30, 2022. Two of the entities are wholly owned by the Authority and, as such, is considered a non-profit blended component units. The other component units are considered Discrete Component Units of the Authority and comprised of mixed-finance and/or RAD conversion entities. Regarding the discrete component units, two entities are limited partnerships and five are limited liability companies. The Authority has 0.1% or less ownership interest in these seven organizations. Therefore, these organizations are considered discrete component units of the Authority. For purposes of this report, mixed-finance organizations report financials at calendar year end 12/31/2021, rather than fiscal year ending 6/30/22.

Blended Component Units

- Touchstone Property Services, an Ohio corporation for non-profit, was established by the Authority as a wholly owned subsidiary. Touchstone Property Services, Inc. was established for public, charitable, and educational purposes to revitalize neighborhoods in Hamilton County, and, in particular, the City of Cincinnati, through planning and rebuilding, to assist the Authority in the planning, undertaking, developing, construction, and operation of housing for families who are low income; to develop, construct, renovate, acquire, own, lease, manage, and sell interest in real and personal property; and to promote and participate in other housing related or educational activities that assist residents of the Authority.

- Park Eden Evanston, LLC, an Ohio corporation, was established by the Authority as a wholly owned subsidiary. Evanston Park Eden RAD LLC is an 86 – unit apartment complex that was rehabbed for a three million FHA loan. The property provides housing for the low-income families under the Project Based Rental Assistance Program (PBRA).

Discretely Presented Component Units

- Springdale Senior Limited Partnership (the "Partnership"), an Ohio Limited Partnership, was formed under the laws of the State of Ohio to construct, own, and operate Baldwin Grove, (the "Property"), a 100-unit apartment community located in Springdale, Ohio. The Property is intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Reserve on South Martin (the "Partnership"), an Ohio Limited partnership, was formed under the laws of the state of Ohio, to acquire, rehabilitate, and manage the Reserve on South Martin property, (the "Property"), which consists of 60 rental units in Mt. Healthy, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Cary Crossing, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Cary Crossing, (the "Property"), which consists of 36 rental units in Mt. Healthy, Ohio. The Property is intended to serve the disabled with low and moderate income located in Hamilton County, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- West Union Square, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate West Union Square, (the "Property"), which will consist of a 70-unit apartment community located in Colerain Township, Ohio. The Property will be intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

Discretely Presented Component Units (continued)

- Sutter View, LLC (the “LLC”), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Sutter View, (the "Property"), which consists of a 114-unit apartment community located in North Fairmount, Ohio. The Property is being developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code. On June 26, 2019, the LLC purchased the Property from the Authority in exchange for a seller note in the amount of $5,097,000 and cash proceeds to pay down a portion of the EPC note payable. The Property was developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development (HUD) under Section 221(d)(4) of the National Housing Act.

- Pinecrest RAD, LLC (the “LLC”), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Pinecrest, (the "Property"), which consists of a 190-unit apartment community located in North Fairmount, Ohio. The Property is being developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code. On June 29, 2020, the LLC purchased the Property from the Authority in exchange for a seller note in the amount of $9,080,000 and cash proceeds to pay down a portion of the EPC note payable. The Property was developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development (HUD) under Section 221(d)(4) of the National Housing Act.

- Park Eden Apartments, LLC (the “LLC”), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Park Eden Apartments, (the "Property"), which consists of a 176-unit apartment community located in Walnut Hills, Ohio. The Property is being developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code. On August 18, 2020, the LLC purchased the Property from the Authority in exchange for a seller note in the amount of $8,412,629 and cash proceeds to pay down a portion of the EPC note payable. The Property was developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development (HUD) under Section 221(d)(4) of the National Housing Act.

For purposes of this report, the discretely presented component units report financials at calendar year end December 31, 2021 rather than fiscal year ending June 30, 2022.

Overview of the Authority's Financial Position and Operations

Statement of Net Position (in Millions)
(Condensed)

	2022	2021	Change
Assets and Deferred Outflows of Resources			
Current Assets	$ 25.2	$ 31.7	$ (6.5)
Other Assets	89.2	76.8	12.4
Capital Assets - Net	223.5	224.1	(0.6)
Deferred Outflows of Resources	1.2	2.2	(1.0)
Total Assets and Deferred Outflows of Resources	**339.1**	**334.8**	**4.3**
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities	$ 14.3	$ 37.4	$ (23.1)
Long-term Liabilities	21.6	27.5	(5.9)
Net Pension and OPEB Liability	5.7	10.0	(4.2)
Deferred Inflows of Resources	38.7	8.9	29.8
Total Liabilities and Deferred Inflows of Resources	**80.4**	**83.8**	**(3.4)**
Net Investment in Capital Assets	$ 201.6	$ 211.6	$ (10.0)
Restricted Net Position	5.8	8.2	(2.4)
Unrestricted Net Position	51.3	31.2	20.1
Total Net Position	**258.7**	**251.0**	**7.7**
Total Assets and Deferred Outflows of Resources	**$ 339.1**	**$ 334.8**	**$ 4.3**

Statement of Net Position, Discussion

CMHA's total assets increased by $4.3 million during fiscal year 2022 mainly due to an increase in other assets of $12.4 million partially offset by a reduction in current assets and deferred outflows of resources.

Total liabilities decreased in fiscal year 2022 by $3.4 million. This was primarily attributed to the decrease in current liabilities and net pension and OPEB, partially offset by an increase in deferred inflows of resources and long-term liabilities.

Statement of Revenues, Expenses and Change in Net Position (Millions)
(Condensed)

	2022	2021	Change
Operating Revenues			
Rental Revenue	$ 10.5	$ 10.9	$ (0.4)
Governmental Revenue	129.1	120.1	9.0
Other Government Grants	2.2	-	2.2
Other Revenue	4.4	5.2	(0.8)
Total Operating Revenue	**146.2**	**136.2**	**9.9**
Operating Expenses			
Administrative	$ 16.8	$ 5.8	$ 11.0
Utilities	8.9	7.8	1.1
Operating and Maintenance	18.4	15.4	3.0
Insurance and Taxes	1.5	1.1	0.4
Tenant Services	7.3	13.7	(6.4)
Housing Assistance Payments	80.9	82.2	(1.3)
Depreciation Expense	7.7	12.4	(4.7)
Total Operating Expenses	**141.5**	**138.4**	**3.0**
Net Operating Income	**4.8**	**(2.2)**	**7.0**
Net Operating Income			
Investment Income	0.0	4.8	(4.8)
Mortgage interest income	5.1	-	5.1
Net loss on sale of assets	(6.0)	(1.1)	(4.9)
Interest expense	(0.4)	(0.5)	0.0
Total non operating revenue (expense)	**(1.4)**	**3.1**	**(4.5)**
Gain (Loss) - Before capital grants and special items	**3.4**	**0.9**	**2.5**
Capital Grants	4.2	10.3	(6.1)
Total Change in Net Position	**7.6**	**11.2**	**(3.6)**
Net Position, Beginning of Year	$ 251.1	$ 239.8	$ 11.3
Net Position, Beginning of Year As Restated	**251.1**	**239.8**	**11.3**
Net Position, End of Year	**$ 258.7**	**$ 251.0**	**$ 7.7**

Revenues, Expenses and Changes in Net Position, Discussion

CMHA's operating revenues for fiscal year 2022 increased by $9.9 million. Operating expenses increased by $2.9 million, non-operating expense increased by $4.5 million and capital grants decreased by $6.1 million from prior year. The changes in operating revenues and expenses resulted in a negative net change in net position of $3.6 million on a consolidated basis.

Operating expenses included $80.9 million in housing assistant payments, $18.4 million in operating maintenance expenses, $16.8 million in administration expenses, $8.9 million in utilities, $7.7 million in depreciation, $7.3 million in tenant services and $1.5 million in insurance expenses.

Capital Assets and Debt Administration

As of June 30, 2022 CMHA's investment in capital assets balance for its Proprietary Fund was $201.6 million (net of accumulated depreciation and related debt). This represents a decrease of $10.0 million over fiscal year 2021.

See Note 6 *Capital Assets* and Note 11 *Notes Payable* for more information regarding outstanding debt.

Authority Budget Information

Annual budgets for individual programs including grants are prepared by CMHA management and approved by the Board of Commissioners. The budgets are primarily used as a management tool and have no legal stature. The budgets are prepared in accordance with the fiscal and programmatic goals established by the Authority.

Budgetary Considerations for FY 2022

The greatest budgetary challenges faced by CMHA involve the ongoing reduction of operating funds due to the pro-ration factors used in the funding calculations by HUD. The following economic factors were considered in preparing the Authority's budget for fiscal year 2022:

- Maintaining occupancy and utilization in the Housing Choice Voucher Program, after the forced reduction of utilized vouchers due to sequestration, many housing authorities are struggling to maintain 98% utilization.

- Change in funding methods, levels, and pro-ration factors for Housing Choice Voucher, Low Income Public Housing, Capital Fund, and Replacement Housing Factor programs.

- Rental Assistance Demonstration (RAD) - CMHA was awarded six Commitments to enter into a Housing Assistance Payments Contract (CHAPS).

- Aging properties.

Contacting CMHA

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Gregory Johnson, Chief Executive Officer, Cincinnati Metropolitan Housing Authority, 1627 Western Avenue, Cincinnati, Ohio 45214.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

ASSETS

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	$ 19,393,825	$ 2,313,472	$ 21,707,297
Tenant security deposits	799,499	320,405	1,119,904
Accounts receivable, net	3,746,610	6,766,345	10,512,955
Prepaid expenses	1,125,908	89,688	1,215,596
Inventories, net	161,642	-	161,642
Total current assets	25,227,484	9,489,910	34,717,394
Non-current assets:			
Restricted cash	7,047,924	17,273,068	24,320,992
Notes receivable	79,750,772	-	79,750,772
Other assets	-	494,177	494,177
OPEB asset	2,423,879	-	2,423,879
Capital assets, net	223,460,640	113,901,714	337,362,354
Total non-current assets	312,683,215	131,668,959	444,352,174
Total assets	337,910,699	141,158,869	479,069,568

DEFERRED OUTFLOWS OF RESOURCES

Pension	1,189,940	-	1,189,940
Total deferred outflows of resources	1,189,940	-	1,189,940
Total assets and deferred outflows of resources	$ 339,100,639	$ 141,158,869	$ 480,259,508

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION (continued)
AS OF JUNE 30, 2022

LIABILITIES

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	$ 3,909,007	$ 4,409,208	$ 8,318,215
Accrued expenses	432,501	305,878	738,379
Tenant security deposits	833,830	227,516	1,061,346
Prepaid rent	247,929	188,290	436,219
Accrued compensated absences, current	139,442	-	139,442
Notes payable, current	4,740,296	7,059,301	11,799,597
Accrued interest payable	611,382	-	611,382
Other current liabilities	3,401,243	5,763,290	9,164,533
Total current liabilities	14,315,630	17,953,483	32,269,113
Non-current liabilities:			
Accrued compensated absences, non-current	1,362,750	-	1,362,750
Accrued pension liability	5,744,625	-	5,744,625
Notes payable, non-current	19,181,602	103,303,867	122,485,469
Other non-current liabilities	1,018,552	8,361,848	9,380,400
Total non-current liabilities	27,307,529	111,665,715	138,973,244
Total liabilities	41,623,159	129,619,198	171,242,357

DEFERRED INFLOWS OF RESOURCES

Ground lease deferred revenue	28,192,950	-	28,192,950
OPEB	2,504,359	-	2,504,359
Pension	8,047,214	-	8,047,214
Total deferred inflows of resources	38,744,523	-	38,744,523

NET POSITION

Net position:			
Net investment in capital assets	201,608,193	8,737,719	210,345,912
Restricted	5,783,581	17,273,068	23,056,649
Unrestricted	51,341,183	(14,471,116)	36,870,067
Total net position	258,732,957	11,539,671	270,272,628
Total liabilities, deferred inflows of resources and net position	$ 339,100,639	$ 141,158,869	$ 480,259,508

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	$ 10,511,119	$ 5,567,732	$ 16,078,851
HUD operating grants	129,058,456	-	129,058,456
Other government grants	2,186,170	-	2,186,170
Other revenues	4,429,674	34,763	4,464,437
Total operating revenues	146,185,419	5,602,495	151,787,914
Operating expenses:			
Administrative	16,810,157	1,381,933	18,192,090
Tenant services	894,365	-	894,365
Utilities	8,855,562	811,206	9,666,768
Ordinary repairs and maintenance	16,599,519	1,767,476	18,366,995
Protective services	3,064,375	-	3,064,375
Insurance	1,474,260	200,278	1,674,538
General expenses	5,089,160	172,716	5,261,876
Housing assistance payments	80,882,372	-	80,882,372
Depreciation	7,711,938	3,055,944	10,767,882
Total operating expenses	141,381,708	7,389,553	148,771,261
Operating income (loss)	4,803,711	(1,787,058)	3,016,653
Non-operating revenues (expenses):			
Investment income	2,790	1,657	4,447
Mortgage interest income	5,088,155	-	5,088,155
Interest expense	(432,445)	(1,169,829)	(1,602,274)
Loss on sale of capital assets	(6,045,755)	-	(6,045,755)
Net non-operating revenues (expenses)	(1,387,255)	(1,168,172)	(2,555,427)
Income (loss) before capital grants and special items	3,416,456	(2,955,230)	461,226
Capital grants	4,210,773	-	4,210,773
Special items – capital contributions	-	11,751,644	11,751,644
Special items – distributions	-	(6,226,863)	(6,226,863)
Change in net position	7,627,229	2,569,551	10,196,780
Total net position, beginning of period	251,105,728	15,418,241	266,523,969
Prior period adjustment	-	(6,448,121)	(6,448,121)
Net position, beginning of year (as restated)	251,105,728	8,970,120	260,075,848
Total net position, end of period	$ 258,732,957	$ 11,539,671	$ 270,272,628

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Primary Government
Cash Flows from Operating Activities:	
Cash received from tenants and others	$ 11,202,201
Cash received from grantors	131,110,863
Cash paid to employees	(11,781,592)
Cash paid to vendors and suppliers	(115,975,381)
Net cash provided by operating activities	14,556,091
Cash Flows from Capital and Related Financing Activities:	
Principal payments on notes payable	(4,258,833)
Interest paid on notes	(170,341)
Proceeds from capital grants	4,210,773
Purchase of capital assets	(13,114,472)
Net cash used in capital and related financing activities	(13,332,873)
Cash Flows from Investing Activities:	
Investment income	2,790
Issuance of notes receivable	(2,509,570)
Net cash used in investing activities	(2,506,780)
Net decrease in cash and cash equivalents and restricted cash	(1,283,562)
Cash and cash equivalents and restricted cash, beginning of period	28,524,810
Cash and cash equivalents and restricted cash, end of period	$ 27,241,248

Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows:

Cash and cash equivalents	$ 19,393,825
Tenant security deposits	799,499
Restricted cash	7,047,924
Cash and cash equivalents and restricted cash, end of period	$ 27,241,248

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Primary Government
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 4,803,711
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	7,711,938
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable, net	681,754
Prepaid expenses	(12,633)
Other assets	716,312
Deferred outflows of resources	1,016,917
Accounts payable	(675,480)
Accrued expenses	(1,512,432)
Tenant security deposits liability	(106,815)
Prepaid rent	247,929
Accrued compensated absences	97,132
Other liabilities	1,999,301
Accrued pension liability	(4,213,829)
Accrued OPEB asset	(1,080,211)
Ground lease deferred revenue	3,261,289
Deferred inflows of resources	1,621,208
Net cash provided by operating activities	$ 14,556,091

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF JUNE 30, 2022

ASSETS

	Springdale Senior LP	Cary Crossing LLC	Park Eden Apartments LLC
Current assets:			
Cash and cash equivalents	$ 57,459	$ 88,358	$ 941,617
Tenant security deposits	29,658	7,709	34,519
Accounts receivable, net	94,669	68,987	16,568
Prepaid expenses	7,169	5,388	21,335
Total current assets	188,955	170,442	1,014,039
Non-current assets:			
Restricted cash	1,071,509	195,143	8,355,492
Other assets	3,943	92,478	71,143
Capital assets, net	7,489,070	5,496,380	24,515,389
Total non-current assets	8,564,522	5,784,001	32,942,024
Total assets	$ 8,753,477	$ 5,954,443	$ 33,956,063

LIABILITIES

	Springdale Senior LP	Cary Crossing LLC	Park Eden Apartments LLC
Current liabilities:			
Accounts payable	56,826	22,233	57,066
Accrued expenses	72,849	38,660	102,125
Tenant security deposits	30,259	6,048	32,317
Prepaid rent	31,723	57,827	18,173
Other current liabilities	19,181	37,730	-
Total current liabilities	210,838	162,498	209,681
Non-current liabilities:			
Notes payable, non-current	7,155,974	3,193,044	29,436,636
Other non-current liabilities	4,115,084	55,704	265,706
Total non-current liabilities	11,271,058	3,248,748	29,702,342
Total liabilities	11,481,896	3,411,246	29,912,023

NET POSITION

	Springdale Senior LP	Cary Crossing LLC	Park Eden Apartments LLC
Net position:			
Net investment in capital assets	333,097	2,486,518	(4,921,247)
Restricted	1,071,509	195,143	8,355,492
Unrestricted	(4,133,025)	(138,464)	609,795
Total net position	(2,728,419)	2,543,197	4,044,040
Total liabilities, deferred inflow of resources and net position	$ 8,753,477	$ 5,954,443	$ 33,956,063

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (continued)
AS OF JUNE 30, 2022

ASSETS

	West Union Square LLC	Pinecrest RAD LLC	Reserve on South Martin LP
Current assets:			
Cash and cash equivalents	$ 197,892	$ 575,365	$ 248,007
Tenant security deposits	118,795	86,652	25,091
Accounts receivable, net	40,902	6,228,884	115,829
Prepaid expenses	8,850	12,057	22,076
Total current assets	366,439	6,902,958	411,003
Non-current assets:			
Restricted cash	186,962	5,015,990	587,441
Other assets	150,333	-	50,525
Capital assets, net	11,952,996	28,772,606	8,687,728
Total non-current assets	12,290,291	33,788,596	9,325,694
Total assets	$ 12,656,730	$ 40,691,554	$ 9,736,697

LIABILITIES

	West Union Square LLC	Pinecrest RAD LLC	Reserve on South Martin LP
Current liabilities:			
Accounts payable	120,801	1,895,590	24,486
Accrued expenses	19,355	8,543	57,871
Tenant security deposits	36,913	80,651	23,347
Prepaid rent	1,913	-	52,112
Notes payable, current	-	7,059,301	-
Other current liabilities	-	5,561,178	145,201
Total current liabilities	178,982	14,605,263	303,017
Non-current liabilities:			
Notes payable, non-current	5,528,594	28,860,615	10,870,943
Other non-current liabilities	323,091	1,741	93,138
Total non-current liabilities	5,851,685	28,862,356	10,964,081
Total liabilities	6,030,667	43,467,619	11,267,098

NET POSITION

	West Union Square LLC	Pinecrest RAD LLC	Reserve on South Martin LP
Net position:			
Net investment in capital assets	6,424,402	(2,131,320)	(2,183,215)
Restricted	186,962	5,015,990	587,441
Unrestricted	14,699	(5,660,735)	65,373
Total net position	6,626,063	(2,776,065)	(1,530,401)
Total liabilities, deferred inflow of resources and net position	$ 12,656,730	$ 40,691,554	$ 9,736,697

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS (continued)
AS OF JUNE 30, 2022

	Sutter View LLC	Total Discretely Presented Component Units
ASSETS		
Current assets:		
Cash and cash equivalents	$ 204,774	$ 2,313,472
Tenant security deposits	17,981	320,405
Accounts receivable, net	200,506	6,766,345
Prepaid expenses	12,813	89,688
Total current assets	436,074	9,489,910
Non-current assets:		
Restricted cash	1,860,531	17,273,068
Other assets	125,755	494,177
Capital assets, net	26,987,545	113,901,714
Total non-current assets	28,973,831	131,668,959
Total assets	$ 29,409,905	$ 141,158,869
LIABILITIES		
Current liabilities:		
Accounts payable	2,232,206	4,409,208
Accrued expenses	6,475	305,878
Tenant security deposits	17,981	227,516
Prepaid rent	26,542	188,290
Notes payable, current	-	7,059,301
Other current liabilities	-	5,763,290
Total current liabilities	2,283,204	17,953,483
Non-current liabilities:		
Notes payable, non-current	18,258,061	103,303,867
Other non-current liabilities	3,507,384	8,361,848
Total non-current liabilities	21,765,445	111,665,715
Total liabilities	24,048,649	129,619,198
NET POSITION		
Net position:		
Net investment in capital assets	8,729,484	8,737,719
Restricted	1,860,531	17,273,068
Unrestricted	(5,228,759)	(14,471,116)
Total net position	5,361,256	11,539,671
Total liabilities, deferred inflow of resources and net position	$ 29,409,905	$ 141,158,869

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2022

	Springdale Senior LP	Cary Crossing LLC	Park Eden Apartments LLC
Operating revenues:			
Tenant revenue	$ 654,721	$ 286,877	$ 1,312,549
Other revenues	12,392	100	348
Total operating revenues	667,113	286,977	1,312,897
Operating expenses:			
Administrative	199,028	98,375	190,579
Utilities	48,909	62,478	211,125
Ordinary repairs and maintenance	278,559	81,961	399,710
Insurance	25,523	14,064	10,308
General expenses	43,000	11,814	3,654
Depreciation	520,779	314,977	441,006
Total operating expenses	1,115,798	583,669	1,256,382
Operating loss	(448,685)	(296,692)	56,515
Non-operating revenues:			
Investment income	143	9	102
Interest expense	(380,165)	(48,090)	(205,760)
Net non-operating revenues (expenses)	(380,022)	(48,081)	(205,658)
Loss before special items	(828,707)	(344,773)	(149,143)
Special items - capital contributions	-	474,932	1,734,391
Change in net position	(828,707)	130,159	1,585,248
Total net position, beginning of year	(1,899,712)	2,413,038	2,458,792
Prior period adjustments	-	-	-
Net position, beginning of year (as restated)	(1,899,712)	2,413,038	2,458,792
Total net position, end of year	$ (2,728,419)	$ 2,543,197	$ 4,044,040

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	West Union Square LLC	Pinecrest RAD LLC	Reserve on South Martin LP
Operating revenues:			
Tenant revenue	$ 532,881	$ 1,192,423	$ 365,548
Other revenues	1,055	12,889	7,363
Total operating revenues	533,936	1,205,312	372,911
Operating expenses:			
Administrative	162,182	235,660	127,646
Utilities	30,252	205,920	36,632
Ordinary repairs and maintenance	150,646	527,306	162,301
Insurance	43,172	50,308	18,810
General expenses	50,341	15,366	24,776
Depreciation	616,027	175,996	271,516
Total operating expenses	1,052,620	1,210,556	641,681
Operating loss	(518,684)	(5,244)	(268,770)
Non-operating revenues:			
Investment income	-	-	482
Interest expense	(155,178)	-	(10,381)
Net non-operating revenues (expenses)	(155,178)	-	(9,899)
Loss before special items	(673,862)	(5,244)	(278,669)
Special items - capital contributions	277,827	3,556,633	-
Special items - distributions	-	(6,226,863)	-
Change in net position	(396,035)	(2,675,474)	(278,669)
Total net position, beginning of year	7,022,098	2,449,710	(1,251,732)
Prior period adjustments	-	(2,550,301)	-
Net position, beginning of year (as restated)	7,022,098	(100,591)	(1,251,732)
Total net position, end of year	$ 6,626,063	$ (2,776,065)	$ (1,530,401)

See accompanying notes to financial statements.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - DISCRETELY PRESENTED COMPONENT UNITS (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Sutter View LLC	Total Discretely Presented Component Units
Operating revenues:		
Tenant revenue	$ 1,222,733	$ 5,567,732
Other revenues	616	34,763
Total operating revenues	1,223,349	5,602,495
Operating expenses:		
Administrative	368,463	1,381,933
Utilities	215,890	811,206
Ordinary repairs and maintenance	166,993	1,767,476
Insurance	38,093	200,278
General expenses	23,765	172,716
Depreciation	715,643	3,055,944
Total operating expenses	1,528,847	7,389,553
Operating loss	(305,498)	(1,787,058)
Non-operating revenues:		
Investment income	921	1,657
Interest expense	(370,255)	(1,169,829)
Net non-operating revenues (expenses)	(369,334)	(1,168,172)
Loss before special items	(674,832)	(2,955,230)
Special items - capital contributions	5,707,861	11,751,644
Special items and transfers	-	(6,226,863)
Change in net position	5,033,029	2,569,551
Total net position, beginning of year	4,226,047	15,418,241
Prior period adjustments	(3,897,820)	(6,448,121)
Net position, beginning of year (as restated)	328,227	8,970,120
Total net position, end of year	$ 5,361,256	$ 11,539,671

See accompanying notes to financial statements.

This page intentionally left blank.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Cincinnati Metropolitan Housing Authority (the "Authority") is a governmental, public organization created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low- and moderate-income families residing in Hamilton County, OH (the "County") including the City of Cincinnati, Ohio (the "City").

The Authority is responsible for operating certain low-rent housing programs in the County including the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The governing body of the Authority is a board of commissioners, which is composed of seven members. The members are appointed as follows: two by the city manager of the City of Cincinnati, Ohio; one by the Hamilton County Commissioners; one by the Court of Common Pleas; one by the Probate Court; one by the Township Association of Hamilton County; and one by the Municipal League of Hamilton County. A Chief Executive Officer is appointed by the Authority’s board of commissioners to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statement Presentation (continued)

On January 30, 2008, HUD issued PHI Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(B)(9), any investment income earned up to $500 on these funds may be retained by the Authority. Amounts in excess of $500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.

2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.

3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority, including the following component units:

<u>Blended Component Units</u>

Some component units, despite being legally separate, are so integrated with the primary government that they are in substance part of the primary government. The Authority's basic financial statements include the following entities as blended component units:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Touchstone Property Services, Inc.

Touchstone Property Services, Inc., an Ohio nonprofit corporation, was established by the Authority as a wholly owned subsidiary. Touchstone Property Services, Inc. was established for public, charitable, and educational purposes to revitalize neighborhoods in Hamilton County, and, in particular, the City of Cincinnati, Ohio, through planning and rebuilding; to assist the Authority in the planning, undertaking, developing, construction, and operation of housing for families who are low income; to develop, construct, renovate, acquire, own, lease, manage, and sell interest in real and personal property; and to promote and participate in other housing related or educational activities that assist residents of the Authority.

Park Eden Evanston, LLC

Park Eden Evanston, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio by the Authority as sole member of the company. Park Eden Evanston, LLC was established to acquire, hold, invest in, secure financing for, construct, rehabilitate, develop, improve, maintain, operate, and lease the Evanston, a 100-unit apartment community located in Cincinnati, Ohio, in a manner that furthers the purposes of the Authority, by providing decent, safe, sanitary, and affordable housing for low-income persons and families.

Horizon Hills, LLC

Horizon Hills, LLC a domestic limited liability company, was formed under the laws of the State of Ohio by the Authority as sole member of the company. Horizon Hills, LLC was established to acquire, hold, invest in, secure financing for, construct, rehabilitate, develop, improve, maintain, operate, and lease a 32-unit apartment community located in Cincinnati, Ohio, in a manner that furthers the purposes of the Authority, by providing decent, safe, sanitary, and affordable housing for low-income persons and families.

Discretely Presented Component Units

The following component units meet the criteria for discrete component unit presentation and are presented separately from the primary government in the basic financial statements to clearly distinguish the component unit balances and transactions from the primary government. These entities follow all applicable Financial Accounting Standards Board (FASB) standards, and financial statements are prepared on the accrual basis of accounting in accordance with GAAP. Since they do not follow governmental accounting for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

All of the discrete component units have a calendar year end of December 31, which differs from the Authority's year end of June 30, 2022. For reporting purposes, the information reported in the basic financial statements is presented as of and for the 12-month period ended December 31, 2021 for these discrete component units.

Springdale Senior, LP

Springdale Senior, LP, an Ohio limited partnership, was formed under the laws of the State of Ohio to construct, own, and operate Baldwin Grove, a 100 unit apartment community located in Springdale, Ohio. The property is intended to serve seniors with low income located in Hamilton County, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Reserve on South Martin, LP

Reserve on South Martin, LP, an Ohio limited partnership, was formed under the laws of the State of Ohio to acquire, rehabilitate, and manage the Reserve on South Martin property, which consists of 60 rental units rented to low-income individuals in Mt. Healthy, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

Cary Crossing, LLC

Cary Crossing, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to construct, own, and operate Cary Crossing, which consists of 36 rental units rented to low-income individuals in Mt. Healthy, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- On July 9, 2015, Cary Crossing, LLC purchased Apartments in exchange for 75-year ground lease with the Authority for $275,000 and two seller noted in the amount of $1,467,534.

West Union Square, LLC

West Union Square, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, construct, own, and operate West Union Square, which consists of 70 rental units rented to low-income individuals in Colerain Township, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- On April 24, 2017, West Union Square, LLC purchased Apartments in exchange for a 75-year ground lease with the Authority for $10 and three seller notes in the amount of $3,314,978.

Sutter View, LLC

Sutter View, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, rehabilitate, own, and operate Sutter View Apartments under the U.S. Department of Housing and Urban Development's (HUD) rental assistance demonstration (RAD) program, which consists of 114 rental units rented to low-income individuals in North Fairmount, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- On June 25, 2019, Sutter View, LLC purchased Sutter View Apartments in exchange for three seller notes receivable in the amount of $13,090,134 and entered into a 75-year ground lease with the Authority in exchange for a seller note in the amount of $5,097,000 and cash in the amount of $453,000. The project was developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development under Section 221(d)(4) of the National Housing Act.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Pinecrest RAD, LLC

Pinecrest RAD, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, rehabilitate, own, and operate Pinecrest Apartments under the U.S. Department of Housing and Urban Developments rental assistance demonstration program, which consists of 190 rental units rented to low-income individuals in Cincinnati, Ohio. The property was developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- On June 29, 2020, Pinecrest RAD, LLC purchased Pinecrest Apartments and entered into a 75-year ground lease with the Authority in exchange for two seller notes, a tax-exempt sponsor note for $8,130,000 and a taxable sponsor note for $950,000. The project was developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development under Section 221(d)(4) of the National Housing Act.

Park Eden Apartments, LLC

Park Eden Apartments, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, rehabilitate, own, and operate Park Eden Apartments under the U.S. Department of Housing and Urban Development's rental assistance demonstration program, which consists of 176 rental units rented to low-income individuals in Cincinnati, Ohio. The property was developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- On August 17, 2020, Park Eden Apartments, LLC purchased Park Eden Apartments and entered into a 75-year ground lease with the Authority in exchange for two notes with the Authority, a tax-exempt sponsor note for $7,810,000, a taxable sponsor note for $602,629, and cash in the amount of $597,371. The project was developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development under Section 221(d)(4) of the National Housing Act.

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

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

Public Housing Capital Fund Program

The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income households under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a household.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Business Activities
The Business Activities Fund is utilized as part of the Rental Assistance Demonstration ("RAD") program. RAD was created in order to give public housing authorities ("PHA") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% of their income towards rent. The Business Activities Fund holds the mortgage notes from the Authority's discretely presented component units and also provides management services to other PHA's and affiliate entities.

Central Office Cost Center
The Central Office Cost Center ("COCC") is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

CARES Act Funding Programs
During the year ended June 30, 2022, the Authority was awarded CARES Act funding as part of the Public and Indian Housing Program and Section 8 Housing Choice Vouchers Program. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

Mainstream Vouchers Program
The Authority administers a program of rental assistance payments to private owners on behalf of eligible persons with disabilities (elderly and non-elderly) in obtaining decent, safe, and sanitary rental housing.

Emergency Housing Vouchers Program
The Authority was awarded Emergency Housing Vouchers. These funds are to be used to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Choice Neighborhood Planning Grant
The objectives of the Choice Neighborhood Planning Grant Program are to stabilize property values, arrest neighborhood decline, assist in preventing neighborhood blight, and stabilize communities across America hardest hit by residential foreclosures and abandonment. These objectives will be achieved through the purchase and redevelopment of foreclosed and abandoned homes and residential properties that will allow those properties to turn into useful, safe and sanitary housing.

Section 8 New Construction Substantial Rehabilitation Program
The Section 8 New Construction and Substantial Rehabilitation program allows for the construction, purchase and rehabilitation of low-income housing units to be subsidized for a contracted period of time. Both for profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

F. Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

G. Accounts Receivable

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts earned and billed but not received and for amounts unbilled, but earned as of year-end.

H. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

I. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Inventory

Inventory consists of miscellaneous supplies and appliances and are valued at cost using the first in first out method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority writes down inventory to its net realizable value through the establishment of an allowance for obsolete inventory.

K. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes.

When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

L. Impairment of Long-Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended June 30, 2022, there were no impairment losses incurred.

M. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- Buildings and Improvements 10 - 40 Years
- Leasehold Improvements 15 - 20 Years

The Authority has established a capitalization threshold of $5,000.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Ground Leases

As part of its development activities, the Authority routinely enters into ground lease agreements. Under terms of the agreements, the Authority leases land it owns to the lessee and the lessee owns the improvements built on the land. Typically, the lease terms are seventy-five (75) years, and the lease agreements (land only) are recorded as operating leases and accounted for as follows:

> Rent will be reported as income over the lease term as it becomes receivable according to the provisions of the lease. However, if the rentals vary from the straight-line basis, the Authority will recognize the income on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which the benefit from the leased property is diminished, in which case that basis will be used.
>
> If at the inception of the lease, the fair value of the property is less than its cost or carrying amount, then a loss equal to that difference will be recognized at the inception of the lease.

O. Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income.

P. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

Q. Inter-program Receivables and Payables

Inter-program receivables and payables are all classified as either current assets or current liabilities and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

R. Prepaid Rent

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event take place.

T. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Ohio Public Employees' Retirement System ("OPERS") and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Other Post Employment Benefits

For purposes of measuring the net Other Post Employment Benefits ("OPEB") asset and deferred inflows of resources related to the net OPEB Asset, and OPEB expense or benefit, and information about the fiduciary net position of the Authority's Benefits Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

V. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

W. Equity / Net Position Classifications

Equity is classified as net position and displayed in three components:

<u>Net investment in capital assets</u> Consists of resources including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Equity / Net Position Classifications (continued)

Restricted net position Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

X. Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Y. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants.

Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

Z. Fair Value

The carrying amount of the Authority's financial instruments including cash and cash equivalents, accounts receivable and notes receivable closely approximate their fair value.

AA. Taxes

The Authority is a unit of local government under the State of Ohio law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

BB. Revenue Recognition

The Authority routinely receives funds from HUD and other grantors. Funds are recognized as revenue in accordance with GASB 33 when all eligibility requirements have been met. Receivables are recorded based upon amounts expensed for a program for which no funds have been received. Tenant rental revenue is recognized during the period of corresponding occupancy. Other receipts are recognized when the related expenses are incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CC. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

NOTE 2. CASH AND CASH EQUIVALENTS

Deposits

The State of Ohio statutes classify moneys held by the Authority into two categories:

- Active deposits - These are public deposits necessary to meet current demands for the Authority. Such moneys must be maintained either as cash in the Authority's commercial checking accounts or withdrawal on demand accounts, including negotiable order of withdrawal accounts, or in money market deposit accounts.

- Interim deposits - These are deposits of interim moneys. Interim moneys are those that are not needed for immediate use but that will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit (CDs) maturing no more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation and eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution. The general depository agreement required by HUD has additional collateral requirements.

Interim deposits are to be deposited or invested in the following securities:

- U.S. Treasury notes, bills, bonds, or other obligations or securities issued by the U.S. Treasury, or any other obligation guaranteed as to principal or interest by the United States.

- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association; all federal agency securities shall be direct issuances of the federal government agencies or instrumentalities.

- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days.

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

- Bonds and other obligations of the State of Ohio
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Deposits Primary Government

The Authority's total cash and cash equivalents held with financial institutions was $27,052,955 as of June 30, 2022. Of this balance, $750,000 is covered by federal depository insurance, and the remaining $26,302,955 is uncollateralized, as defined by the GASB (covered by collateral pools held by third party trustees pursuant to Section 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions but not in the Authority's name).

Cash Category	Primary-Government	Discretely Presented Component Units	Memorandum Only Total Reporting Entity
Unrestricted	$ 19,393,825	$ 2,313,472	$ 21,707,297
Tenant security deposits	799,499	320,405	1,119,904
Restricted	7,047,924	17,273,068	24,320,992
Total cash and cash equivalents	$ 27,241,248	$ 19,906,945	$ 47,148,193

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of June 30, 2022, the Authority's bank balances were not exposed to custodial credit risk.

Deposits Discretely Presented Component Units

All of the discretely presented component units' cash is held in bank deposits, checking accounts, savings accounts, and money market accounts. Regardless of the nature of funds on deposit, protection is provided by the Federal Deposit Insurance Corporation and eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

The restricted cash balances consist of tenant security deposits and funded reserves as follows:

Entity	Tenant Security Deposits	Operating Reserve	Replacement Reserve	Annual Contributions Contract Reserve	Other Reserves	Bond Collateral Proceeds	Total
Springdale	$ 29,658	$ 265,641	$ 695,358	$ 110,510	$ -	$ -	$ 1,101,167
South Martin	$ 25,091	$ 359,179	$ 228,262	$ -	$ -	$ -	$ 612,532
Cary Crossing	$ 7,709	$ 161,792	$ 33,351	$ -	$ -	$ -	$ 202,852
West Union	$ 118,795	$ 139,697	$ 27,388	$ 19,877	$ -	$ -	$ 305,757
Sutter View	$ 12,034	$ 145,470	$ 852,741	$ -	$ 868,267	$ -	$ 1,878,512
Pinecrest RAD	$ 86,652	$ -	$ 475,217	$ -	$ 140,064	$ 4,400,709	$ 5,102,642
Park Eden Apts	$ 34,519	$ -	$ 200,028	$ -	$ 168,464	$ 7,987,000	$ 8,390,011
	$ 314,458	$ 1,071,779	$ 2,512,345	$ 130,387	$ 1,176,795	$ 12,387,709	$ 17,593,473

Investments - Primary Government

The Authority's investments at June 30, 2022 are summarized below:

Investment	Maturity	Balance at June 30, 2022	Credit Rating S&P
Fifth Third Inst. Gov't MMkt.	0-1 year	$1,080,499	AAAm

Interest Rate Risk

Interest rate risk is defined as the risk that the Authority will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy, which limits investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, investments are to have a maximum maturity of three years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the prudent investor rule to attempt to limit such risk.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2022:

Description	Primary-Government	Discretely Presented Component Units	Memorandum Only - Total Reporting Entity
Accounts receivable HUD	$ 172,173	$ -	$ 172,173
Accounts receivable tenants, net	$ 1,311,281	$ 550,064	$ 1,861,345
Accounts receivable fraud recovery, net	58,385	-	58,385
Accounts receivable miscellaneous	2,204,771	6,216,281	8,421,052
Total accounts receivable, net	$ 3,746,610	$ 6,766,345	$ 10,512,955

NOTE 3. ACCOUNTS RECEIVABLE (continued)

Accounts Receivable HUD
As of June 30, 2022, accounts receivable HUD consisted of amounts due to the Authority for housing assistance payment subsidy and amounts expended under the FSS Program that has not yet been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable Tenants, Net
Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of $2,049,405.

Accounts Receivable - Fraud Recovery, Net
Accounts receivable fraud recovery, net represents amounts owed from tenants or other program participants who committed fraud or misrepresentation and now owe additional rent or retroactive rent. The amount is shown net of an allowance for doubtful accounts of $1,396,709.

Accounts Receivable Miscellaneous
Accounts receivable miscellaneous consists of amounts owed to the Authority for services provided to the discretely presented component units and managed properties for items such as management fees, development fees, construction costs, and relocation costs. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4. RESTRICTED DEPOSITS

As of June 30, 2022, restricted deposits consisted of the following:

Cash Category	Primary_ Government	Discretely Presented Component Units	Memorandum Only - Total Reporting Entity
Housing assistance payment reserves	$ 1,774,802	$ -	$ 1,774,802
Family Self Sufficient Escrow	1,016,151	-	1,016,151
Repairs and replacement reserve escrows	1,680,279	17,273,068	18,953,347
Debt service escrow	1,557,712	-	1,557,712
Annual Contribution Contract Reserve	248,192	-	248,192
Operating reserve	770,788	-	770,788
Tenant security deposits	799,499	320,405	1,119.904
Total restricted deposits	$ 7,847,423	$ 17,593,473	$ 25,440,896

Housing assistance payment reserves are restricted for use only in the various Section 8 Programs for future housing assistance payments.

Family Self Sufficient Escrows are restricted for use in the FSS Program by Housing Choice Voucher and Public Housing program participants.

Repairs and replacement reserve escrows are restricted for repairs and replacement of the buildings and equipment of certain Authority properties.

Debt service reserves are restricted for principal and interest costs related to the capital fund financing program bonds.

NOTE 4. RESTRICTED DEPOSITS (continued)

Annual Contribution Contract ("ACC") Reserves are restricted for use in specific public housing properties.

Operating reserves are restricted for future use in the case of an operating deficit related to the development of certain low-income housing projects.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the Authority or the discretely presented component units, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

NOTE 5. NOTES RECEIVABLE

Outstanding notes receivable of the primary government as of June 30, 2022, consisted of the following:

Description of Notes Receivable	Balance 7/1/21	Additions	Reductions	Allowance June 30, 2022	Balance 6/30/22
Lincoln Court Partnership, Phases I-IV	$ 10,389,773	$ -	$ -	$ (6,281,712)	$ 4,108,061
Laurel Home Partnership, Phases I-V	13,754,414	-	-	(7,871,459)	5,882,955
Reserve on South Martin, LP	10,446,418	424,525	-	-	10,870,943
Springdale Senior, LP	7,010,273	-	-	-	7,010,273
Cary Crossing, LLC	1,467,534	-	82,351	-	1,385,183
Central YMCA	1,865,857	-	-	-	1,865,857
West Union Square, LLC	3,296,802	18,176	-	-	3,314,978
Sutter View, LLC	13,090,134	-	-	-	13,090,134
Pinecrest RAD, LLC	12,170,927	4,645,126	-	-	16,816,053
Park Eden Apartments, LLC	11,569,114	3,125,003	-	-	14,694,117
Marianna Terrace, LLC	-	6,030,354	-	-	6,030,354
TOTAL NOTES RECEIVABLE	$ 85,061,246	$ 14,243,184	$ 82,351	$ (14,153,171)	$ 85,068,908

Notes receivable from Lincoln Court Partnerships Phases I and IV notes receivable from the periods from 2001 through 2003. Payments are due based on available cash flow with the unpaid balance due on maturity. Maturity dates range from 2041 through 2043. Interest rates range between 0 percent and 6.09 percent, accruing monthly. The notes are collateralized by the related building and land. The note is shown net of a $6,281,712 allowance for uncollectable amounts.

Laurel Home Partnerships, Phases I, II, IV, and V notes receivable from the periods from 2002 through 2006. Payments are due based on available cash flow with the unpaid balance due on maturity. Maturity dates range from 2042 through 2046. Interest rates range between 0 percent and 5.7 percent, accruing monthly. The notes are collateralized by the related building and land. The note is shown net of a $7,871,459 allowance for uncollectable amounts.

Reserve on South Martin, LP notes receivable due based on available cash flow, with the unpaid balance due on maturity, which is in October 2056. Interest rates range between 0 percent and 0.1 percent, accruing monthly. The notes are collateralized by the related building and land.

NOTE 5. NOTES RECEIVABLE (continued)

Springdale Senior, LP notes receivable are due based on available cash flow, with the unpaid balance due on maturity, which ranges from 2057 to 2081. Interest accrues monthly at rates ranging from 0 percent to 4.79 percent. The notes are collateralized by the related building. A development fee payable of $515,000 has been included in this balance.

Cary Crossing, LLC notes receivable due based on available cash flow, with the unpaid balance due on maturity, which ranges from 2026 to 2051. Interest accrues monthly at rates ranging from 0 percent to 0.25 percent. The notes are collateralized by the related building.

Central YMCA notes receivable due based on available cash flow with the unpaid balance due on maturity, which is in July 2038. The notes are noninterest bearing and collateralized by the related building and land.

West Union Square, LLC notes receivable due based on available cash flow, with the unpaid balance due on maturity, which is in April 2057. Interest accrues per annum at rates ranging from 0 percent to 1.0 percent. The notes are collateralized by the related building.

Sutter View, LLC notes receivable due based on available cash flow with the unpaid balance due on maturity, which is in June 2059. Interest rates range between 1.0 percent and 2.89 percent, accruing monthly. The notes are collateralized by the related building.

Pinecrest RAD, LLC notes receivable due based on available cash flow with the unpaid balance due on maturity, which is in June 2070. Interest rates range between 2.28 and 3.5 percent, accruing monthly. The notes are collateralized by the related building.

Park Eden Apartments, LLC notes receivable due based on available cash flow with the unpaid balance due on maturity, which is in August 2070. Interest rates range between 1.08 and 3.25 percent, accruing monthly. The notes are collateralized by the related building.

Marianna Terrace, LLC several notes made in connection with the rehabilitation of Marianna Terrace. The loans bear interest at rates from 0% to 5%, mature in terms from 40 to 50 years, are payable from available cash flow and are secured with mortgages on the underlying property.

Total notes receivable	$ 85,068,907
Less: allowance for uncollectable amounts	5,318,135
Notes receivable, net of current portion	$ 79,750,772

As of June 30, 2022, accrued interest on the aforementioned notes receivable amounted to $51,565,077, however, management has placed a 100% allowance on such amounts as collectability remains uncertain.

NOTE 6. CAPITAL ASSETS

The following is a summary of the primary government's changes in capital assets during the year ended June 30, 2022:

Description	July 1, 2021	Additions	Dispositions	Transfers	June 30, 2022
Non-depreciable:					
Land	$ 31,122,498	$ -	$ -	$ 882,043	$ 32,004,541
Construction in progress	12,482,673	7,122,373	-	(18,690,632)	914,414
Subtotal	43,605,171	7,122,373	-	(17,808,589)	32,918,955
Depreciable:					
Buildings and improvements	418,486,398	5,992,099	(9,138,280)	17,808,589	433,148,806
Furniture and equipment	6,639,060	-	(535,643)	-	6,103,417
Subtotal	425,125,458	5,992,099	(9,673,923)	17,808,589	439,252,223
Less: accumulated depreciation	244,626,768	7,711,938	(3,628,168)	-	248,710,538
Net capital assets	$ 224,103,861	$ 5,402,534	$ (6,045,755)	$ -	$ 223,460,640

Depreciation expense of the primary government for the year ended June 30, 2022, totaled $7,711,938.

The following is a summary of the discretely presented component units' changes in capital assets during the year ended December 31, 2021

Description	January 1, 2021	Additions	Dispositions	Transfers	December 31, 2021
Non-depreciable:					
Land	$ 3,783,898	$ -	$ -	$ -	$ 3,783,898
Construction in progress	35,458,048	12,779,831	-	(28,270,622)	19,967,257
Subtotal	39,241,946	12,779,831	-	(28,270,622)	23,751,155
Depreciable:					
Buildings and improvements	65,686,187	9,936,093	-	28,340,942	103,963,222
Furniture and equipment	2,115,606	196,503	-	-	2,312,109
Subtotal	67,801,793	10,132,596	-	28,340,942	106,275,331
Less: accumulated depreciation	12,998,508	3,055,944	-	70,320	16,124,772
Net capital assets	$ 94,045,231	$ 19,856,483	$ -	$ -	$ 113,901,714

Depreciation expense of the discretely presented component units for year ended December 31, 2021, totaled $3,055,944.

NOTE 7. ACCOUNTS PAYABLE

As of June 30, 2022, accounts payable consisted of the following:

Description	Primary_ Government	Discretely Presented Component Units	Memorandum Only - Total Reporting Entity
Accounts payable - vendors	$ 2,967,290	$ 4,290,497	$ 7,257,787
Accounts payable – Housing Urban Development	9,622	-	9,622
Accounts payable – Public Housing Agency projects	348,192	-	348,192
Accounts payable - other governments	583,903	118,711	702,614
Total accounts payable	$ 3,909,007	$ 4,409,208	$ 8,318,215

Accounts Payable Vendors
Accounts payable vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts payable – Housing Urban Development
As of June 30, 2022, accounts payable HUD consisted of amounts payable to the Department of Housing and Urban Development for overpayments of subsidies in the Section 8 Moderate Rehabilitation Single Room Occupancy Program.

Accounts payable – Public Housing Agency projects
As of June 30, 2022, accounts payable PHA Projects consisted of amounts payable to the Department of Housing and Urban Development for overpayments of subsidies in the Public Housing Program.

Accounts Payable Other Governments
Accounts payable other governments represents amounts due and payable to the City for payments in lieu of taxes.

NOTE 8. PAYMENTS IN LIEU OF TAXES

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for Authority owned properties in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the year ended June 30, 2022, PILOT expense for the Authority's primary government amounted to $544,856.

NOTE 9. COMPENSATED ABSENCES

The Authority follows GASB Statement No. 16, Accounting for Compensated Absences, to account for compensated absences. Accrued vacation is paid to all employees upon termination. Exempt employees shall receive, at resignation from employment for any reason except for termination, 5 percent of their accumulated sick leave balance per full completed year of service, up to a maximum of 50 percent.

For members of the AFSCME union, unused sick leave shall be forfeited upon the employee's separation for any reason except retirement, in which case the payout will be 50 percent of a maximum base of 1,600 hours, with a maximum of 800 hours paid.

For members of the IUOE union hired before July 1, 2003, sick leave shall be paid upon the employee's separation for any reason except termination, in which case the level of payout will be a maximum of 50 percent of the first 1,600 hours with 30 or more years of continuous service, with a maximum of 800 hours paid. Members with over 1,600 hours of accrued sick leave will receive 5 percent per year of service of those additional hours, with a maximum of 40 percent. Those members hired after July 1, 2003, and with a minimum of five years of service will receive a payout of 5 percent of their sick leave per five year increments of service, with a maximum of 40 percent.

For members of the Building Trades union, sick leave shall be paid upon the employee's separation for any reason except for termination, in which case the level of payout will be a percentage of unused leave based on years of service with a maximum of 40 percent with 30 or more years of continuous service. Members must be employed for a minimum of 5 years to receive any payout.

On June 30, 2022, total compensated absences liability totaled $1,502,192 of which $139,442 is current and $1,362,750 is long term.

NOTE 10. OTHER LIABILITIES

Changes in the Authority's long-term obligations for the year ended June 30, 2022, are as follows:

	Primary Government				
	July 1, 2021	Increase	Decrease	June 30, 2022	Due Within One Year
Long-Term Debt Obligations	$ 28,180,731	$ -	$ (4,258,833)	$ 23,921,898	$ 4,740,296
Compensated Absences	1,405,060	2,076,584	(1,979,452)	1,502,192	139,442
Ground Lease**	24,275,283	4,400,000	(482,333)	28,192,950	1,585,595
Other noncurrent Liabilities	11,302,735	497,273	(1,635,588)	10,164,420	3,401,243
Total	$ 65,163,809	$ 6,973,856	$ (8,356,205)	$ 63,781,460	$ 9,866,576

*** Ground Lease - presented above is classified as a deferred inflow of resources in the main financial data.*

Changes in Discretely Presented Units long-term obligations for the year ended December 31, 2021, are as follows:

	Discretely Presented Component Units				
	January 1, 2021	Increase	Decrease	December 31, 2021	Due Within One Year
Long-Term Debt Obligations	71,266,276	70,794,748	(6,083,453)	135,977,571	7,059,301
Other Noncurrent Liabilities	6,011,946	8,650,765	(531,965)	14,130,746	5,763,290
Total	$ 77,278,222	$ 79,445,513	$ (6,615,418)	$ 150,108,317	$ 12,822,591

NOTE 11. NOTES PAYABLE

As of June 30, 2022, the Authority's primary government had loans payable as follows:

Description of Long-Term Debt	Issue Amount	Interest Rate	Maturity	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Bonds:								
US Bank Series 2014 Taxable General Revenue Refunding Bonds	$ 440,000	4.25%	12/1/2024	$ 325,769	$ -	$ 19,038	$ 306,731	$ 21,154
US Bank Series 2014 Taxable General Revenue Refunding Bonds	600,000	5.60%	12/1/2033	444,231	-	25,962	418,269	28,846
	$ 1,040,000			$ 770,000	$ -	$ 45,000	$ 725,000	$ 50,000
Loan Funded by:								
Hamilton County, Ohio								
Hamilton County, Ohio - Phase I (HOME Program)	$ 1,000,000	2.00%	11/1/2021	$ -	$ -	$ -	$ -	
Hamilton County, Ohio - Phase II (HOME Program)	1,018,676	2.00%	9/1/2023	203,733	-	101,865	101,868	101,864
Hamilton County, Ohio - Phase III (HOME Program)	1,200,000	2.00%	8/1/2024	360,000	-	120,000	240,000	120,000
Hamilton County, Ohio - Phase IV (HOME Program)	900,000	2.00%	9/1/2025	360,000	-	90,000	270,000	90,000
Hamilton County, Ohio - Phase V (HOME Program)	1,150,000	2.00%	3/1/2027	690,000	-	115,000	575,000	115,000
Totals for Hamilton County, OH	$ 4,268,676			$ 1,613,733	$ -	$ 426,865	$ 1,186,868	$ 426,864
HUD Capital Fund Financing Program	20,000,000	4.55%	9/1/2026	7,164,426	-	1,181,399	5,928,136	2,853,867
HUD Energy Performance Contract Repayment Agreement	29,565,811	0.00%	11/30/2028	14,301,908	-	1,179,160	12,284,539	900,000
HUD Hope VI Repayment Agreement	4,105,985	0.00%	1/2/2024	1,368,679	-	456,211	912,448	456,221
Park Eden Evanston LLC Mortgage Loan	3,011,500	2.99%	12/1/2054	2,961,985	-	50,252	2,884,907	53,344
TOTAL BONDS, NOTES AND MORTGAGES PAYABLE	$ 61,991,972			$ 28,180,731	$ -	$ 3,338,887	$ 23,921,898	$ 4,740,296

Description of Notes Payable:

Hamilton County, Ohio HOME Loans

Hamilton County, Ohio, provided loans to the Authority under the HOME Investment Partnerships Program for the development of low-rent housing units in Hamilton County. These loans, which bear interest at the rate of 2%, will be forgiven at the rate of 10 percent annually commencing in the 16th year, provided that the units are preserved as low-income housing and there are no plans to convert the units to market rate.

Series 2014 Taxable General Refunding Bonds

These bonds were issued to expand the affordable housing program using locally available funds.

HUD Capital Fund Financing Program

This loan was acquired as part of a capital fund financing program to be used to fund capital improvement to existing public housing. This loan is to be repaid through the use of capital fund grants.

HUD Energy Performance Contract Repayment Agreement

The Authority entered into a repayment agreement as the result of an overpayment of an operating subsidy through an energy performance contract with the Low-Income Public Housing Program.

HOPE VI Repayment Agreement

The Authority entered into a repayment agreement as the result of an overpayment of an operating subsidy through a through an energy performance contract with the Low-Income Public Housing Program.

NOTE 11. NOTES PAYABLE (continued)

Park Eden Evanston, LLC Mortgage Loan

This mortgage loan is payable in monthly installments of $11,573, including interest, through maturity. The mortgage is collateralized by the real property consisting of Evanston Apartments and is insured by HUD under Section 223(f). The mortgage imposes certain conditions on the Park Eden Evanston, LLC, including, among others, prescribing operating policies, use of housing, and preventing any other liens or encumbrances on corporation property.

Maturities of notes payable over the next five years and in five-year increments consist of the following:

Year	Principal	Interest	Total
2023	4,740,296	471,505	5,211,801
2024	3,212,498	328,049	3,540,547
2025	2,704,216	221,290	2,925,506
2026	1,233,703	145,827	1,379,530
2027	1,035,112	140,143	1,175,255
2028 - 2032	8,603,563	445,014	9,048,577
2033 - 2034	2,392,480	855,567	3,248,062
	$ 23,921,898	$ 2,607,395	$ 26,529,278

Interest expense for the year ended June 30, 2022, totaled $418,055.

NOTE 11. NOTES PAYABLE (continued)

A summary of the Authority's discretely presented component units notes payable as of December 31, 2021, but presented herein at June 30, 2022 is as follows:

Description of Long-Term Debt	Balance 1/1/2021	Additions	Reductions	Balance 12/31/21	Due Within One Year
Springdale Senior, LP:					
Mortgage note - 5/3rd Bank	$ 884,803	$ -	$ 224,103	$ 660,700	$ 89,020
Mortgage Notes - CMHA	6,495,273	-	-	6,495,273	-
Reserve on South Martin, LP:					
Mortgage - CMHA	10,870,943	-	-	10,870,943	-
Cary Crossing, LLC:					
Bridge loan - CMHA	1,202,000	183,183	-	1,385,183	-
OHFA note	2,185,097	-	377,235	1,807,862	-
West Union Square, LLC:					
Surplus cash note/AHP	962,500		-	962,500	-
Mortgage note	1,376,422		17,200	1,359,222	-
Surplus cash note	500,000		-	500,000	-
Authority notes	1,670,419	182,059	-	1,852,478	-
OHFA note	1,319,309		464,915	854,394	-
Sutter View, LLC:					
Surplus cash notes	9,097,000	3,993,134	-	13,090,134	-
OHFA loan	5,000,000		5,000,000	-	-
Mortgage note	2,839,121	2,328,806	-	5,167,927	-
Pinecrest RAD, LLC:					
OHFA loans	9,840,000	2,263,863	-	12,103,863	7,059,301
HUD Mortgage	700,000	6,300,000	-	7,000,000	-
CMHA Notes	4,036,072	12,779,981	-	16,816,053	-
Park Eden Apartments, LLC:					
Mortgage note	842,200	2,710,319	-	3,552,519	-
CMHA notes	11,445,117	3,249,000	-	14,694,117	-
OHFA Loan	-	3,250,000	-	3,250,000	
Revenue Bonds		7,940,000	-	7,940,000	
TOTAL BONDS, NOTES AND MORTGAGES PAYABLE	$ 71,266,276	$ 45,180,345	$ 6,083,453	$ 110,363,168	$ 7,148,321

Notes payable to the Authority as evidenced by a Note Receivable (See Note 5):	Amount
Reserve on South Martin, LP	$ 10,870,943
Springdale Senior, LP	6,495,273
Cary Crossing, LLC	1,385,183
West Union Square, LLC	3,314,978
Sutter View, LLC	13,090,134
Park Eden Apartments, LLC	14,694,117
Total notes payable to the primary government	49,850,627
Total third party loans to discretely presented component units	60,512,541
Total Notes Payable	$ 110,363,168

NOTE 11. NOTES PAYABLE (continued)

Discretely Presented Component Units Notes payable to unrelated third parties:

Springdale Senior, LP

In September 2007, Springdale Senior, LP obtained permanent financing from Fifth Third Bank in an amount not to exceed $7,500,000. A total balance of $6,927,792 was drawn on the mortgage. Springdale Senior, LP made a principal payment in the amount of $5,943,000 in April 2009. The remaining principal amount of $1,557,000 bears interest at a monthly rate of LIBOR plus 2.15 percent. The mortgage matures on May 1, 2024. The loan is secured by the rental property. Accrued interest totaled $5,673 on December 31, 2021.

Cary Crossing, LLC

Cary Crossing, LLC entered into a promissory note with the Ohio Housing Finance Agency in the amount of $3,500,000. The note is unsecured and noninterest bearing for the first two years (the initial period). The interest rate will be 2 percent after the initial period. Eight annual principal and interest payments of $474,932 are due and started on April 15, 2018. Note payment dates correspond to the collection dates for the remaining member capital contributions. Accrued interest as of December 31, 2021, was $34,506.

West Union Square, LLC

In July 2017, West Union Square, LLC entered into a promissory note with Ohio Housing Finance Agency in the amount of $1,500,000. The note is secured by the investor member's capital contribution obligation and bears no interest for the period from July 2017 through June 2019. Beginning in July 2019, the note bears interest at 2.5 percent per annum. Commencing in April 2020, annual principal and interest payments are due in the amount of $207,917 through maturity in April 2027. On December 31, 2021 accrued interest was $20,521.

In April 2017, West Union Square, LLC entered into a mortgage note with The Huntington National Bank in the amount of $1,392,000 and bearing interest at 5.9 percent. Principal and interest payments are due in monthly installments of $8,256 and will commence following the conversion from a construction to permanent loan. The entire unpaid principal balance and all accrued interest are due and payable upon maturity in November 2036. On December 31, 2021 accrued interest was $9,155.

Sutter View, LLC

On June 1, 2019, Sutter View, LLC entered into a note with ORIX Real Estate Capital, LLC in the amount of $7,250,000. The note bears interest at 4.67 percent per annum. Payments of interest only were paid from July 1, 2019, through April 1, 2021. Thereafter, monthly installments of principal and interest are to be made in the amount of $33,390. The note matures in April 2061 and is secured by real estate. On December 31, 2021, accrued interest was $22,732.

NOTE 11. NOTES PAYABLE (continued)

Discretely Presented Component Units Notes payable to unrelated third parties (continued):

Park Eden Apartments, LLC:

Park Eden Apartments entered into two notes with the Ohio Housing Finance Agency. The notes are secured by 4th and 5th mortgages on the property, accrues interest at rates from 1.8% to a maximum of 4%. $7,810,000 matures in August 2070 and $3,250,000 matured in August 2022.

On August 1, 2020, Park Eden Apartments entered into a HUD 223(f) multi-family promissory note in the original amount of $8,422,000. The loan bears interest at 3.12% and matures in August 2062. Interest only payments are due until August 1, 2022. thereafter, monthly principal and interest payments of $30,735 are due.

Multifamily Housing Revenue Bonds issued in connection with the Park Eden Apartments development, dated August 20, 2020. Interest accrues at .4% with principal and interest becoming due on September 1, 2023.

Pinecrest RAD, LLC:

Pinecrest RAD, LLC has a HUD insured Section 221(d)(4) mortgage note held by Orix Real Estate Capital, LLC (dba Lument Capital) in the original amount of $7,000,000 bearing interest at 3.12%. Interest only payments on the note began on July 1, 2020 through April 1, 2022 and monthly installments of $25,545 will commence on May 1, 2022. Any unpaid principal and interest are due at maturity on April 1, 2062. The note is secured by real estate and an assignment of rent and leases.

On June 1, 2020, Pinecrest RAD, LLC entered into a note with Ohio Housing Finance Agency in the amount of $4,370,000. The note bears interest at the greater of Prime Rate minus 1% and 4% per annum. Interest only payments on the note will begin on July 1, 2020 through the maturity date. The note matures in June 2022 and is secured by real estate.

On June 1, 2020, Pinecrest RAD, LLC entered into a note with Ohio Housing Finance Agency in the amount of $7,000,000. The note bears interest at the greater of Prime Rate minus 1% and 4% per annum. Interest only payments on the note will begin on July 1, 2020 through the maturity date. The note matures in June 2022 and is secured by real estate.

On June 23, 2020, Pinecrest RAD LLC entered into a note with Ohio Housing Finance Agency in the amount of $1,900,000. The note bears interest at 0%. The note matures in March 2065 and is secured by real estate. At December 31, 2021, the outstanding principal balance was $1,900,000.

NOTE 12. PENSION PLAN

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Authority's 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 Combined Plan is a cost sharing, multiple employer defined benefit pension plan with defined contribution features. While members (e.g., the Authority's employees) may elect the Combined Plan, the majority of employee members are in OPERS' Traditional Pension Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC).

OPERS issues a publicly available standalone financial report that includes financial statements, required supplemental 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 Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642; or by calling (800) 222-7377.

Benefits Provided

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

Group A	Group B	Group C
Eligible to Retire Prior to January 7, 2013 or Five Years after January 7, 2013	20 Years of Service Credit Prior to January 7, 2013 or Eligible to Retire 10 Years after January 7, 2013	Members not in Other Groups and Members Hired on or after January 7, 2013
Age and service requirements:	Age and service requirements:	Age and service requirements:
Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age 57 with 25 years of service credit or age 62 with 60 months of service credit
Formula:	Formula:	Formula:
2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	2.2 percent of FAS multiplied by years of service for the first 35 years and 2.5 percent 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.

NOTE 12. PENSION PLAN (continued)

Benefits Provided (continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the initial benefit amount. The base amount of a member's pension benefit is locked upon receipt of the benefit payment for calculation of the annual cost of living adjustment. Cost of living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

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 retired prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Funding Policy

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions to OPERS totaled $1,622,245 for the year ended June 30, 2022, all of which was allocated to pension.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits.

The amount available for defined contribution benefits in the member directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lumpsum 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the combined plan will be consolidated under the Traditional pension plan (defined benefit plan) and the Combined plan will no longer be available for new hires beginning in 2022.

NOTE 12. PENSION PLAN (continued)

Funding Policy (continued)

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 **	00.0%
Total Employer	14.0%
Employee	10.0%

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions used to fund pension benefits was $1,689,475 for fiscal year ending December 31, 2022

Net Pension Liability

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

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

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

NOTE 12. PENSION PLAN (continued)

Net Pension Liability (continued)

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) it benefits 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 include 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 net pension liability would be effective when the changes are legally enforceable.

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

The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities.

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

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* as of and for the year ended June 30, 2022:

Description	OPERS Traditional Pension Plans
Portion of the Net Pension Liability Prior Measurement Date	0.0713570%
Portion of the Net Pension Liability Current Measurement Date	0.0741720%
Current Measurement Date Change in Proportionate Share	0.002815%
Proportionate Share of Net Pension Liability	$ 5,744,625
Pension Expense	$ 916,988

	July 1, 2021	Increase	Decrease	June 30, 2022
Net Pension Liability	$ 9,958,454	$ -	$ (4,213,829)	$ 5,744,625

NOTE 12. PENSION PLAN (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

On June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the OPERS Traditional and Combined Pension Plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 842,344	$ -
Differences between expected and actual experience	347,596	(219,176)
Changes in proportionate difference between Authority Contributions and proportionate share of contributions	-	-
Net differences between projected and actual investment earnings on pension plan investments	-	(7,828,038)
Total	$ 1,189,940	$ (8,047,214)

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

Year ending June 30:	Amount
2023	$ (1,049,573)
2024	(2,708,352)
2025	(1,850,174)
2026	(1,252,339)
2027	(55)
Thereafter	3,219
	$ (6,857,274)

$802,732 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

Actuarial Assumptions

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.

NOTE 12. PENSION PLAN (continued)

Actuarial Assumptions (continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Actuarial Assumptions
Valuation date	December 31, 2021
Actuarial cost method	Individual entry age
Cost of living adjustments	Pre-January 7, 2013 Retirees: 3 percent; Post January 7, 2013 Retirees: 3 percent simple through 2022, then 2.05 percent simple
Salary increases, including inflation	2.75% 10.75%
Wage inflation	2.75%
Investment rate of return	6.90%
Experience study date	Period of five years ended December 31, 2020

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses, and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3 percent for 2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit 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.

NOTE 12. PENSION PLAN (continued)

Investment Rate of Return

The allocation of investment assets within 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 long term expected rate of return on defined benefit investment assets was determined using a building blocks method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the board of trustees' investment consultant.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.78%
International equity	23.0%	4.88%
Private equity	12.0%	7.43%
Real estate	11.0%	3.66%
Fixed income	24.0%	1.03%
Risk parity	5.0%	2.92%
Other	4.0%	2.85%
Total	100%	4.21%

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of net pension liability calculated using the current period discount rate assumption of 6.9%, as well as what the Authority's collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.9%) or 1 percentage point higher (7.9%) than the current rate.

	1% Decrease (5.9%)	Current Assumption (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability	$ 15,682,826	$ 5,744,625	$ (1,650,000)

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN

Plan Description and Benefits Provided

Ohio Revised Code limits the Authority's obligation related to 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.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

Plan Description and Benefits Provided (continued)

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. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in accrued liabilities.

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 postemployment 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.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and reemployed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2021, measurement date health care valuation.

In order to qualify for postemployment health care coverage, generally, age and service retirees under the traditional pension and combined plans must be at least age sixty with twenty or more years of qualifying Ohio service credit, or thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive 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.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

Plan Description and Benefits Provided (continued)

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, OPERS no longer allocated a portion of its employer contributions to health care for the Traditional Pension Plan and Combined Plan.

Employer contribution rates are expressed as a percentage of covered payroll. In 2021-2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 20212022, OPERS did not allocate any employer contributions to health care for members in the Traditional Pension Plan and 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 20212022 was 4.0 percent.

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

None of the Authority's contractually required contribution was allocated to health care for the fiscal year ending June 30, 2022.

Contributions

OPERS' Postemployment Healthcare Plan was established under, and is administered in accordance with, Internal Revenue Code (IRC) Section 401(h). Each year, the OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for the funding of postemployment health care coverage. Health care funding is discretionary and dependent on both the pension funding and future projections.

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.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

Net OPEB Asset (continued)

The net OPEB asset represents the Authority's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the 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.

The net OPEB asset and the total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. 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. Following is the information related to the proportionate share and OPEB expense:

Description	OPERS
Portion of the Net OPEB Asset Prior Measurement Date	0.07136%
Portion of the Net OPEB Asset Current Measurement Date	0.07739%
Current Measurement Date Change in Proportionate Share	0.00603%
Proportionate Share of Net OPEB Asset	$ 2,423,879
OPEB Benefit	$ 1,738,930

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

For the year ended June 30, 2022, the Authority recognized an OPEB benefit of $1,738,930. On June 30, 2022, 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 in proportionate difference between Authority contributions and proportionate share of contributions	$ -
Total Deferred Outflows of Resources	$ -
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ (1,155,535)
Differences between expected and actual expense	(367,665)
Changes in assumptions	(981,159)
Changes in proportion and differences between Authority contributions and proportionate share of conributions	-
Total Deferred Inflows of Resources	$ (2,504,359)

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year ending June 30:		Amount
2023	$	(1,548,809)
2024		(537,119)
2025		(252,478)
2026		(165,953)
	$	(2,504,359)

$19,996 reported as deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ending June 30, 2023

Actuarial Assumptions

In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions.

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the system and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Actuarial valuation date	December 31, 2020
Rolled forward measurement date	December 31, 2021
Experience study	Five year period ended December 31, 2020
Actuarial cost method	Individual entry age
Single discount rate	6.0%
Investment rate of return	6.0%
Municipal bond rate	1.84%
Wage inflation	2.75%
Projected salary increases, including inflation	2.75% - 10.75%
Healthcare cost trend rates	5.50% initial, 3.50% ultimate in 2034

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

Actuarial Assumptions (continue)

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

Discount Rate

A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) 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 1.84 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 the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Investment Rate of Return

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 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care related payments are assumed to occur midyear. Accordingly, the money weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3 percent for 2021.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

Investment Rate of Return (continued)

The allocation of investment assets within the health care portfolio is approved by the board, as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit.

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

The table below displays the board approved asset allocation policy for 2021 and the long-term expected real rates of return.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25.0%	3.78%
International equity	25.0%	4.88%
REIT's	7.0%	3.71%
Fixed income	34.0%	0.91%
Risk parity	2.00%	2.92%
Other	7.0%	1.93%
Total	100%	18.00%

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare cost trend rates:

	1% Decrease (5.0%)	Current Trend Rate (6.0%)	1% Increase (7.0%)
Net OPEB asset	$ (1,425,469)	$ (2,423,879)	$ (3,252,576)

Sensitivity of the Authority's proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Trend Rates

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.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

Sensitivity of the Authority's proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Trend Rates (continued)

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 2022 is 5.50 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.

The following presents the net OPEB asset of the Authority, as well as what the Authority's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.0%) or 1-percentage-point higher (7.0%) than the current healthcare cost trend rates:

	1% Decrease	Current Health Care Trend Rate Assumptions	1% Increase
Authority’s proportionate share of the Net OPEB Asset	$ (2,450,072)	$ (2,423,879)	$ (2,392,806)

NOTE 14. RELATED PARTY TRANSACTIONS

The primary government provides property management and development services to the discretely presented component units (DPCU's). For the year ended June 30, 2022, the primary government charged the DPCU's $562,549 for property management services and received $5,635,634 in developer fees previously accrued.

The primary government is also reimbursed by the DPCU's for salaries and benefits for Authority employees that work on DPCU properties. For the year ended June 30, 2022 salaries charged to the DPCU's totaled $807,423.

Included in accounts receivable for the primary government and accounts payable for the DPCU's is $347,595 owed under the aforementioned arrangements.

NOTE 15. RESTRICTED NET POSITION

Restricted net position consists of the following as of June 30, 2022:

Description	Primary_ Government	Discretely Presented Component Units	Memorandum Only Total Reporting Entity
Housing assistance payments reserves	$ 1,774,802	$ -	$ 1,774,802
Repairs and replacement reserve escrows	1,432,087	17,273,068	18,705,155
Operating reserves	770,788	-	770,788
Debt service reserves	1,557,712	-	1,557,712
Annual Contributions Contract reserves	248,192	-	248,192
Total restricted net position	$ 5,783,581	$ 17,273,068	$ 23,056,649

Housing assistance payment reserves are restricted for use only in the various Section 8 programs for future housing assistance payments.

Repairs and replacement reserve escrows are restricted for repairs and replacement of the buildings and equipment of the discretely presented component units.

Operating reserves are restricted for future use in the case of an operating deficit related to the development of the discretely presented component units.

Debt service reserves are restricted for principal and interest costs related to the capital fund financing program bonds.

Annual Contributions Contract Reserves are restricted for use in specific public housing properties.

NOTE 16. RISK MANAGEMENT

The Authority maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The Authority also maintains employee major medical, vision, and dental coverage with private carriers.

The Authority is a member in Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk sharing and purchasing pool composed of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to midsize public entities, including pools (of which OHAPCI is a member).

NOTE 16. RISK MANAGEMENT (continued)

OHAPCI is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member housing authorities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. There were no changes to the policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage. The following is a summary of insurance coverage at year end:

Primary property	$500 million/occurrence
Automobile liability	$6 million/occurrence
Casualty/General liability	$6 million/occurrence
Crime	$500,000/occurrence
Pollution	$1 million/$2 million (aggregate)

NOTE 17. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of June 30, 2022, the Authority estimates that no material liabilities will result from such audits.

The Authority is a defendant in several lawsuits arising from its normal course of business. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority's attorney that resolution of these matters will not have a materially adverse effect on the financial condition of the Authority.

NOTE 18. DISCRETELY PRESENTED UNIT RESTATEMENT

Sutter View, LLC 2020 Audit was restated to correct capital assets and capital contributions at acquisition. This restatement resulted in a $3.9MM reduction to investment in capital assets and therefore net position.

Total change in net position was $6.5MM which included the Sutter View restatement and $2.6MM due to timing issues of the Pinecrest RAD, LLC.

NOTE 19. BLENDED COMPONENT UNITS

A condensed statement of net position for the Authority's blended component units as of June 30, 2022 is presented as follows:

	Touchstone Property Services, Inc.	Park Eden Evanston, LLC	Horizon Hills, LLC
Assets:			
Current assets	$ 286,710	$ 406,603	$ 2,408,044
Capital assets, net	42	3,822,998	2,813,094
Other non-current assets	17,992	631,369	378,000
Total assets	304,744	4,860,970	5,599,138
Liabilities:			
Current	1,116,103	167,812	289,093
Non-current	234,458	2,831,562	-
Total liabilities	1,350,561	2,999,374	289,093
Net Position:			
Net investment in capital assets	42	3,822,998	2,813,094
Restricted	17,992	631,369	378,000
Unrestricted	(1,063,851)	(2,592,771)	2,118,951
Net position	$ (1,045,817)	$ 1,861,596	$ 5,310,045

	Touchstone Property Services, Inc.	Park Eden Evanston, LLC	Horizon Hills, LLC
Operating revenues:			
Tenant revenue	$ -	$ 755,485	$ 141,273
Other revenues	615,666	33	-
Total operating revenues	615,666	755,518	141,273
Operating expenses:			
Administrative	311,359	174,278	22,509
Maintenance and utilities	19,214	542,784	54,381
General expenses	25,704	45,355	1,663
Depreciation	-	170,699	6,388
Total operating expenses	356,277	933,116	84,941
Other income (expense)			
Interest income	1	564	-
Interest expense	-	(87,101)	-
Net other expense	1	(86,537)	-
Net (loss) income	$ 259,390	$ (264,135)	$ 56,332

Note 20. SUBSEQUENT EVENTS

On July 11, 2022, the Authority closed on a transaction to convert 56 public housing units to project-based voucher units under HUD's Rental Assistance Demonstration Program. Bennett Point Apartments Development Corporation, a wholly owned subsidiary of the Authority, has committed as the managing member of the new entity, Bennett Point Apartments, LLC. As part of this conversion, the newly formed Park Eden Apartments, LLC has committed to entering into a mortgage insured under HUD's Section 221(d)(4) program in the amount of $5,700,000 and approximately $7,480,000 in soft debt. These proceeds will be utilized to complete a rehabilitation of the facility. Full rehabilitation is estimated to be completed during the fiscal year ending November 20, 2023.

Note 20. SUBSEQUENT EVENTS (continued)

On July 19, 2023, the Authority converted of the Riverview and San Marco projects which was included in Public Housing Program AMP 212. The project utilized 131 project-based vouchers for the converted units at the Riverview and San Marco buildings. Riverview San Marco Corporation, a wholly owned subsidiary of the Authority, has committed to the role of General Partner and Managing Member of the new entity, Riverview San Marco, LLC. The newly formed Riverview San Marco, LLC committed to entering into a mortgage insured under HUD's Section 221(d)(4) program in the amount of $6,475,000, along with approximately $15,700,000 in soft debt and $14,200,000 in Federal and Historic tax credit equity. These proceeds will be utilized to complete a substantial rehabilitation of the facilities. Full rehabilitation is estimated to be completed during the fiscal year ending June 30, 2025.

The Authority is planning to close on a 9% Low Income Housing Tax Credit project in September 2023 known as Logan Commons. This newly constructed project will include 42 affordable housing units for Seniors in the community of Over-the-Rhine community in the City of Cincinnati. The project plans to utilize 34 awarded project-based vouchers, along with Operating Subsidy for 8 public housing units, to subsidize rents affordable to residents at 60% AMI or less. Southwest Ohio Housing Development, Inc., a wholly owned subsidiary of the Authority, has committed to the role of General Partner and Managing Member of the new entity, Logan Commons, LLC. The newly formed entity of Logan Commons, LLC plans to utilize a first mortgage in the amount of approximately $2,700,000, along with soft debt of approximately $3,550,000 and Federal tax credit equity of approximately $7,975,000, for construction this building to be placed in service during the fiscal year ending June 30, 2025.

On February 8, 2022, the Authority closed on a transaction to convert 74 public housing units to project-based voucher units under HUD's Rental Assistance Demonstration Program. Marianna Terrace Development Corp, a wholly owned subsidiary of the Authority, has committed as the managing member of the new entity, Marianna Terrace, LLC. As part of this conversion, the newly formed Marianna Terrace, LLC has committed to a mortgage insured under HUD's Section 221(d)(4) program in the amount of $4,600,000, approximately $6,534,000 in soft debt and $6,769,787 in Federal tax credit equity. These proceeds will be utilized to complete a rehabilitation of the facility. Full rehabilitation is estimated to be completed during the fiscal year ending June 30, 2024.

Note 21. PENDING LITIGATION

The Authority is a defendant in a number of lawsuits arising from claims for personal injury, property damage, breach of contract, and personnel matters. Management believes that the ultimate resolution of these matters will not have a material adverse impact on the financial position of the Authority.

Note 22. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The financial statements were re-issued due to the correction of errors in the previously issued financial statements. The Financial Data Schedules (FDS) were corrected to reclassify $1,034,981 from the Unrestricted Net Position to Net Investment in Capital Assets. The FDS were corrected to reclassify $46,617 from the Management Fee Income to Miscellaneous Other Income from the COCC. The FDS were corrected to reduce HUD PHA Operating Grants in the amount of $512,847 in PHC Public Housing CARES Act Funding to Other Expense. The FDS were corrected to reduce HUD PHA Operating Grants in the amount of $45,172 in HCV CARES Act Funding to Other Expense. The FDS were corrected to reduce Other Revenue in the amount of $3,305, increase Administrative salaries in the amount $22,366 and decrease Unrestricted Net Cash in the amount of $25,671 in COCC CARES Act funding. The FDS were corrected to increase Unrestricted Cash in the amount of $25,671 and decrease Administrative salaries in the COCC.

Note 22. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS (continued)

Project Total	Original FDS	Adjustment	Reissued FDS
512.4 Unrestricted Net Position	37,905,048	(1,034,981)	36,870,067
508.4 Net Investment in Capital Assets	209,310,931	1,034,981	210,345,912

COCC	Original FDS	Adjustment	Reissued FDS
111 Cash - Unrestricted	969,696	25,671	995,367
91100 Administrative Salaries	4,863,602	(25,671)	4,837,931
70710 Management Fee	(6,146,204)	46,617	(6,099,587)
71500 Other Revenue	(224,469)	(46,617)	(271,086)

14.CCC Central Office Cost Center CARES Act Funding	Original FDS	Adjustment	Reissued FDS
111 Cash - Unrestricted	25,671	(25,671)	0
71500 Other Revenue	(542,525)	3,305	(539,220)
91100 Administrative Salaries	0	22,366	22,366

14. PHC Public Housing CARES Act Funding	Original FDS	Adjustment	Reissued FDS
70600 HUD PHA Operating Grants	(2,729,826)	512,847	(2,216,979)
91900 Other	1,584,881	(512,847)	1,072,034

14. HCC HCV CARES Act Funding	Original FDS	Adjustment	Reissued FDS
70600 HUD PHA Operating Grants	(2,021,773)	45,172	(1,976,601)
91900 Other	767,475	(45,172)	722,303

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS/PERIODS***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	$ 1,600,214	$ 1,548,032	$ 1,567,893	$ 1,440,532	$ 1,496,109	$ 1,541,505	$ 1,622,245	$ 1,689,475
Contributions in relation to the contractually required contribution	1,600,214	1,548,032	1,567,893	1,440,532	1,496,109	1,541,505	1,622,245	1,689,475
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered employee payroll	$ 11,430,100	$ 11,057,371	$ 11,199,235	$ 10,247,325	$ 10,686,615	$ 11,010,747	$ 11,937,656	$ 11,633,614
Contributions as a percentage of covered employee payroll	14.00%	14.00%	14.00%	14.06%	14.00%	14.00%	13.59%	14.52%

*** = Until a full 10 year trend is compiled the Authority is presenting information for those years/periods that are available.

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE LAST TEN PLAN FISCAL YEARS (DECEMBER 31)***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

	December 31, 2014	December 31 2015	December 31 2016	December 31 2017	December 31 2018	December 31 2019	December 31 2020	December 31 2021
Authority's proportion of the net pension liability	0.0083%	0.0765%	0.0753%	0.0682%	0.0674%	0.0684%	0.0714%	0.0742%
Authority's proportionate share of the net pension liability	$ 9,753,026	$13,186,934	$17,018,192	$10,501,520	$18,291,775	$13,081,431	$ 9,958,454	$ 5,744,625
Authority's covered employee payroll	$11,963,253	$11,736,175	$11,395,353	$10,237,829	$10,309,453	$10,981,901	$11,854,299	$11,633,614
Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	81.52%	112.36%	149.34%	102.58%	177.43%	119.12%	84.01%	49.38%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	81.20%	77.39%	84.66%	74.70%	82.17%	86.88%	92.62%

*** = Until a full 10 year trend is compiled the Authority is presenting information for those years/periods that are available.

SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Contractually required contribution	$ 51,544	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	51,544	-	-	-	-
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's covered employee payroll	$ 10,247,325	$ 10,686,615	$ 11,010,747	$ 11,937,656	$ 11,633,614
Contributions as a percentage of covered employee payroll	0.50%	- %	- %	- %	- %

*** = Years listed represent the Authority's fiscal year (June 30). Information prior to 2018 is not available. The Authority will continue to present information for years available until a full 10year trend is compiled.

SCHEDULE OF THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE LAST TEN FISCAL PLAN YEARS (DECEMBER 31)***

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Authority's net OPEB liability (asset)	$ 7,888,168	$ 9,267,284	$ 10,030,432	$ (1,343,668)	$ (2,423,879)
Authority's covered employee payroll	$ 10,237,829	$ 10,309,453	$ 10,981,901	$ 11,854,299	$ 11,633,614
Authority's net OPEB liability as a percentage of its covered Employee payroll	77.05%	89.89%	91.34%	(11.33)%	(20.84)%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.14%	46.33%	47.80%	115.57%	128.23%

*** = Amounts presented for each year were determined as of the Authority's measurement date (December 31). Information prior to 2017 is not available. The Authority will continue to present information for years available until a full 10year trend is compiled.

CINCINNATI METROPOLITAN HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Program Title	Federal ALN Number	Grant Expenditures
U.S. Department of Housing and Urban Development:		
Public and Indian Housing Program		
Public and Indian Housing Program – Operating Subsidy	14.850	$ 35,306,327
COVID-19 Public and Indian Housing (CARES Act Funding)	14.850	2,729,826
Total Public and Indian Housing Program	14.850	38,036,153
Public Housing Capital Fund Program	14.872	4,210,773
Choice Neighborhood Planning Grant	14.892	276,990
Family Self Sufficiency	14.896	313,797
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	86,813,019
COVID-19 Emergency Housing Vouchers	14.871	1,280,006
COVID- 19 Housing Choice Vouchers	14.871	2,021,773
		90,114,798
Mainstream Vouchers	14.879	624,066
Total Housing Voucher Cluster		90,738,864
Section 8 Project Based Cluster		
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	56,614
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856	194,057
Total Section 8 Project Based Cluster		250,671
Total Expenditures of Federal Awards		$ 133,827,248

CINCINNATI METROPOLITAN HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. REIMBURSEMENT BASED GRANTS

The United States Department of Housing and Urban Development's Real Estate Assessment Center (REAC) has interpreted federal awards expended for Single Audit determination purposes to be reported as follows:

(1) For subsidy programs (Low Rent and Section 8), federal awards expended would equal the net Annual Contributions Contract (ACC) subsidy for the Authority's fiscal period under audit. Specifically, the net Low Rent operating subsidy received, and the net Section 8 (Voucher or Certificate) dollars received, net of year-end adjustments, by the Authority would be the federal awards expended for the fiscal period under audit.

(2) For grant programs, federal awards expended would equal the Authority disbursements for allowable costs for that specific grant made within the fiscal period under audit (this would include disbursements charged against the grant award and program income).

In accordance with the above guidance, the Authority reports the program grant revenue on Schedule for the following programs: ALN #14.850 Public and Indian Housing Program, ALN #14.872 Public Housing Capital Fund Program, ALN #14.850 Public and Indian Housing Program, ALN #14.892 Choice Neighborhood Planning Grant, ALN #14.896 Family Self Sufficiency, ALN #14.249 Section 8 Moderate Rehabilitation Single Room Occupancy, and ALN #14.856 Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY WIDE BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	$7,681,880		$583	$2,313,472	$2,471,205	$18,171		$1,775,144	$901,581	$44,591	$169,336	$3,798,969
112 Cash - Restricted - Modernization and Development	$248,192			$17,273,068	$235,951			$175,006			$10,000	
113 Cash - Other Restricted	$1,907,995				$791,410					$3,416		$1,188,822
114 Cash - Tenant Security Deposits	$673,831			$320,405	$34,741			$11,794			$79,133	
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	$10,511,898	$0	$583	$19,906,945	$3,533,307	$18,171	$0	$1,961,944	$901,581	$48,007	$258,469	$4,987,791
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects				$0	$124,456	$47,717						
124 Accounts Receivable - Other Government												
125 Accounts Receivable - Miscellaneous	$56,826		$1,021	$6,216,281	$170,040			$150,206		$0	$35,211	$0
126 Accounts Receivable - Tenants	$2,809,062			$2,599,469	$281,472			$0		$0	$270,152	$0
126.1 Allowance for Doubtful Accounts -Tenants	-$1,783,899			-$2,049,405	$0			$0		$0	-$212,134	-$1,396,709
126.2 Allowance for Doubtful Accounts - Other	$0		$0	$0	$0	$0		-$53,372		$0	$0	$0
127 Notes, Loans, & Mortgages Receivable - Current												
128 Fraud Recovery	$0											$1,455,094
128.1 Allowance for Doubtful Accounts - Fraud	$0											$0
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	$1,081,989	$0	$1,021	$6,766,345	$575,968	$47,717	$0	$96,834	$0	$0	$93,229	$58,385
131 Investments - Unrestricted	$1,080,500											
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	$544,827			$89,688	$19,443			$199			$1,340	$67,276
143 Inventories	$1,112			$0								
143.1 Allowance for Obsolete Inventories	$0			$0								
144 Inter Program Due From	$0		$0	$0	$0			$0				
145 Assets Held for Sale												
150 Total Current Assets	$13,220,326	$0	$1,604	$26,762,978	$4,128,718	$65,888	$0	$2,058,977	$901,581	$48,007	$353,038	$5,113,452
161 Land	$26,771,978			$3,783,898	$516,932			$2,695,985			$1,578,043	
162 Buildings	$357,429,508			$103,963,222	$7,289,687			$2,669,546	$30,536,094		$6,396,100	$366,286
163 Furniture, Equipment & Machinery - Dwellings	$2,504,330			$2,291,014	$155,974			$24,665			$1,422	$388,691
164 Furniture, Equipment & Machinery - Administration	$1,354,149			$21,095	$15,403							$168,463
165 Leasehold Improvements												
166 Accumulated Depreciation	-$211,576,764			-$16,124,772	-$1,341,903			-$733,673	-$6,664,526		-$3,537,891	-$897,682
167 Construction in Progress	$458,091		$411,877	$19,967,257	$41			$30,015			$1,556	
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	$176,941,292	$0	$411,877	$113,901,714	$6,636,134	$0	$0	$4,686,538	$23,871,568	$0	$4,439,230	$25,758
171 Notes, Loans and Mortgages Receivable - Non-Current				$0	$0			$79,089,548				$885,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								$0				
173 Grants Receivable - Non Current												
174 Other Assets	$557,496			$494,177	$0			$0			$0	$581,731
176 Investments in Joint Ventures												
180 Total Non-Current Assets	$177,498,788	$0	$411,877	$114,395,891	$6,636,134	$0	$0	$83,776,086	$23,871,568	$0	$4,439,230	$1,492,489
200 Deferred Outflow of Resources	$273,684			$0								$285,587
290 Total Assets and Deferred Outflow of Resources	$190,992,798	$0	$413,481	$141,158,869	$10,764,852	$65,888	$0	$85,835,063	$24,773,149	$48,007	$4,792,268	$6,891,528

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY WIDE BALANCE SHEET (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted		$5,744	$58,780	$9,551	$995,367	$20,244,374		$20,244,374
112 Cash - Restricted - Modernization and Development				$0	$1,011,130	$18,953,347		$18,953,347
113 Cash - Other Restricted		$195,455	$954,903	$325,644		$5,367,645		$5,367,645
114 Cash - Tenant Security Deposits				$0		$1,119,904		$1,119,904
115 Cash - Restricted for Payment of Current Liabilities				$0				
100 Total Cash	$0	$201,199	$1,013,683	$335,195	$2,006,497	$45,685,270	$0	$45,685,270
121 Accounts Receivable - PHA Projects				$0				
122 Accounts Receivable - HUD Other Projects				$0		$172,173		$172,173
124 Accounts Receivable - Other Government				$0				
125 Accounts Receivable - Miscellaneous				$0	$1,791,467	$8,421,052		$8,421,052
126 Accounts Receivable - Tenants				$0		$5,960,155		$5,960,155
126.1 Allowance for Doubtful Accounts -Tenants				$0		-$5,442,147		-$5,442,147
126.2 Allowance for Doubtful Accounts - Other				$0	$0	-$53,372		-$53,372
127 Notes, Loans, & Mortgages Receivable - Current				$0				
128 Fraud Recovery				$0		$1,455,094		$1,455,094
128.1 Allowance for Doubtful Accounts - Fraud				$0		$0		$0
129 Accrued Interest Receivable				$0				
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$0	$0	$0	$1,791,467	$10,512,955	$0	$10,512,955
131 Investments - Unrestricted				$0	$382,423	$1,462,923		$1,462,923
132 Investments - Restricted				$0				
135 Investments - Restricted for Payment of Current Liability				$0				
142 Prepaid Expenses and Other Assets				$0	$492,823	$1,215,596		$1,215,596
143 Inventories				$0	$160,530	$161,642		$161,642
143.1 Allowance for Obsolete Inventories				$0	$0	$0		$0
144 Inter Program Due From				$0	$0	$0		$0
145 Assets Held for Sale				$0				
150 Total Current Assets	$0	$201,199	$1,013,683	$335,195	$4,833,740	$59,038,386	$0	$59,038,386
161 Land				$0	$441,603	$35,788,439		$35,788,439
162 Buildings				$0	$28,461,585	$537,112,028		$537,112,028
163 Furniture, Equipment & Machinery - Dwellings				$0		$5,366,096		$5,366,096
164 Furniture, Equipment & Machinery - Administration				$0	$1,490,320	$3,049,430		$3,049,430
165 Leasehold Improvements				$0				
166 Accumulated Depreciation				$0	-$23,958,099	-$264,835,310		-$264,835,310
167 Construction in Progress				$0	$12,834	$20,881,671		$20,881,671
168 Infrastructure				$0				
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$0	$0	$6,448,243	$337,362,354	$0	$337,362,354
171 Notes, Loans and Mortgages Receivable - Non-Current				$0		$79,974,548	-$223,776	$79,750,772
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				$0		$0		$0
173 Grants Receivable - Non Current				$0				
174 Other Assets				$0	$1,284,652	$2,918,056		$2,918,056
176 Investments in Joint Ventures				$0				
180 Total Non-Current Assets	$0	$0	$0	$0	$7,732,895	$420,254,958	-$223,776	$420,031,182
200 Deferred Outflow of Resources				$0	$630,669	$1,189,940		$1,189,940
290 Total Assets and Deferred Outflow of Resources	$0	$201,199	$1,013,683	$335,195	$13,197,304	$480,483,284	-$223,776	$480,259,508

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY WIDE BALANCE SHEET (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	$950,601		$32,430	$4,409,208	$1,447,096	$5,910		$1,371			$176,341	$26
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	$100,337			$305,878	$14,248			$439				$100,469
322 Accrued Compensated Absences - Current Portion	$39,717			$0	$5,928			$28			$1,018	$24,109
324 Accrued Contingency Liability												
325 Accrued Interest Payable				$0	$7,253						$604,129	
331 Accounts Payable - HUD PHA Programs				$0								
332 Account Payable - PHA Projects	$348,192											
333 Accounts Payable - Other Government	$568,158							$15,745				
341 Tenant Security Deposits	$673,830			$227,516	$35,690			$45,177			$79,133	
342 Unearned Revenue	$221,943	$0		$188,290	$6,132			$0			$19,854	$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$3,753,863			$7,059,301	$53,344						$476,868	
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities	$248,192			$5,763,290								
346 Accrued Liabilities - Other	$2,567,373		$5,216		$3,317							$4,518
347 Inter Program - Due To	$0											
348 Loan Liability - Current												
310 Total Current Liabilities	$9,472,206	$0	$37,646	$17,953,483	$1,573,008	$5,910	$0	$62,760	$0	$0	$1,357,343	$129,122
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$14,458,813			$103,303,867	$3,055,338						$1,435,000	
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other	$122,713			$8,361,848				$2,402				$893,437
354 Accrued Compensated Absences - Non Current	$253,239			$0	$10,682						$9,041	$193,584
355 Loan Liability - Non Current				$0								
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities	$1,321,265			$0								$1,378,710
350 Total Non-Current Liabilities	$16,156,030	$0	$0	$111,665,715	$3,066,020	$0	$0	$2,402	$0	$0	$1,444,041	$2,465,731
300 Total Liabilities	$25,628,236	$0	$37,646	$129,619,198	$4,639,028	$5,910	$0	$65,162	$0	$0	$2,801,384	$2,594,853
400 Deferred Inflow of Resources	$2,426,862			$0				$28,192,950				$2,532,377
508.3 Nonspendable Fund Balance												
508.4 Net Investment in Capital Assets	$158,710,227	$0	$411,877	$8,737,719	$6,636,134		$0	$4,686,538	$23,871,568	$0	$1,730,296	$25,758
509.3 Restricted Fund Balance												
510.3 Committed Fund Balance												
511.3 Assigned Fund Balance												
511.4 Restricted Net Position	$1,785,282	$0		$17,273,068	$1,027,361		$0	$175,006	$0	$3,416	$10,000	$295,384
512.3 Unassigned Fund Balance												
512.4 Unrestricted Net Position	$2,442,191	$0	-$36,042	-$14,471,116	-$1,537,671	$59,978	$0	$52,715,407	$901,581	$44,591	$250,588	$1,443,156
513 Total Equity - Net Assets / Position	$162,937,700	$0	$375,835	$11,539,671	$6,125,824	$59,978	$0	$57,576,951	$24,773,149	$48,007	$1,990,884	$1,764,298
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$190,992,798	$0	$413,481	$141,158,869	$10,764,852	$65,888	$0	$85,835,063	$24,773,149	$48,007	$4,792,268	$6,891,528

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY WIDE BALANCE SHEET (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft				$0				
312 Accounts Payable <= 90 Days				$341	$353,174	$7,376,498		$7,376,498
313 Accounts Payable >90 Days Past Due				$0				
321 Accrued Wage/Payroll Taxes Payable			$3,896	$0	$213,112	$738,379		$738,379
322 Accrued Compensated Absences - Current Portion				$0	$68,642	$139,442		$139,442
324 Accrued Contingency Liability				$0				
325 Accrued Interest Payable				$0		$611,382		$611,382
331 Accounts Payable - HUD PHA Programs		$9,622		$0		$9,622		$9,622
332 Account Payable - PHA Projects				$0		$348,192		$348,192
333 Accounts Payable - Other Government				$0		$583,903		$583,903
341 Tenant Security Deposits				$0		$1,061,346		$1,061,346
342 Unearned Revenue	$0			$0	$0	$436,219		$436,219
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				$0	$456,221	$11,799,597		$11,799,597
344 Current Portion of Long-term Debt - Operating Borrowings				$0				
345 Other Current Liabilities				$0	$411,450	$6,422,932		$6,422,932
346 Accrued Liabilities - Other				$0	$161,177	$2,741,601		$2,741,601
347 Inter Program - Due To				$0		$0		$0
348 Loan Liability - Current				$0				
310 Total Current Liabilities	$0	$9,622	$3,896	$341	$1,663,776	$32,269,113	$0	$32,269,113
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				$0	$456,227	$122,709,245	-$223,776	$122,485,469
352 Long-term Debt, Net of Current - Operating Borrowings				$0				
353 Non-current Liabilities - Other				$0		$9,380,400		$9,380,400
354 Accrued Compensated Absences - Non Current				$0	$896,204	$1,362,750		$1,362,750
355 Loan Liability - Non Current				$0		$0		$0
356 FASB 5 Liabilities				$0				
357 Accrued Pension and OPEB Liabilities				$0	$3,044,650	$5,744,625		$5,744,625
350 Total Non-Current Liabilities	$0	$0	$0	$0	$4,397,081	$139,197,020	-$223,776	$138,973,244
300 Total Liabilities	$0	$9,622	$3,896	$341	$6,060,857	$171,466,133	-$223,776	$171,242,357
400 Deferred Inflow of Resources				$0	$5,592,334	$38,744,523		$38,744,523
508.3 Nonspendable Fund Balance				$0				
508.4 Net Investment in Capital Assets	$0		$0	$0	$5,535,795	$210,345,912		$210,345,912
509.3 Restricted Fund Balance				$0				
510.3 Committed Fund Balance				$0				
511.3 Assigned Fund Balance				$0				
511.4 Restricted Net Position		$195,455	$954,903	$325,644	$1,011,130	$23,056,649		$23,056,649
512.3 Unassigned Fund Balance				$0				
512.4 Unrestricted Net Position	$0	-$3,878	$54,884	$9,210	-$5,002,812	$36,870,067		$36,870,067
513 Total Equity - Net Assets / Position	$0	$191,577	$1,009,787	$334,854	$1,544,113	$270,272,628	$0	$270,272,628
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$201,199	$1,013,683	$335,195	$13,197,304	$480,483,284	-$223,776	$480,259,508

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED JUNE 30, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
70300 Net Tenant Rental Revenue	$8,965,326			$5,567,732	$787,272						$758,521
70400 Tenant Revenue - Other				$0							
70500 Total Tenant Revenue	$8,965,326	$0	$0	$5,567,732	$787,272	$0	$0	$0	$0	$0	$758,521
70600 HUD PHA Operating Grants	$35,196,841	$2,216,979	$276,990		$109,486	$313,797				$624,066	
70610 Capital Grants	$4,210,773										
70710 Management Fee											
70720 Asset Management Fee											
70730 Book Keeping Fee											
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue											
70800 Other Government Grants	$2,186,170										
71100 Investment Income - Unrestricted	$1,169			$1,657	$565						$18
71200 Mortgage Interest Income				$0				$5,088,155			
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery										$1,882	
71500 Other Revenue	$833,214		$40,200	$34,763	$615,647		$539,220	$955,662	$28,290		$972,975
71600 Gain or Loss on Sale of Capital Assets	-$6,074,422										
72000 Investment Income - Restricted											
70000 Total Revenue	$45,319,071	$2,216,979	$317,190	$5,604,152	$1,512,970	$313,797	$539,220	$6,043,817	$28,290	$625,948	$1,731,514
91100 Administrative Salaries	$1,096,281			$374,196	$103,106	$157,386	$22,366				$134,236
91200 Auditing Fees	$31,735			$50,267							
91300 Management Fee	$3,780,974	$175,949		$330,624	$52,728						$67,445
91310 Book-keeping Fee	$345,033	$2,055									
91400 Advertising and Marketing					$4,452						
91500 Employee Benefit contributions - Administrative	$461,213			$144,526	$37,397	$71,715					$48,905
91600 Office Expenses	$270,822	$136,158	$113	$21,669	$15,561						$236
91700 Legal Expense	$11,324			$10,630	-$162						
91800 Travel											$521
91810 Allocated Overhead											
91900 Other	$1,101,186	$1,072,034	$7,046	$450,021	$258,294	$83,159	$516,854	$19,558			$143,916
91000 Total Operating - Administrative	$7,098,568	$1,386,196	$7,159	$1,381,933	$471,376	$312,260	$539,220	$19,558	$0	$0	$395,259

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY REVENUE AND EXPENSE SUMMARY (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue					$0		$16,078,851		$16,078,851
70400 Tenant Revenue - Other					$0		$0		$0
70500 Total Tenant Revenue	$0	$0	$0	$0	$0	$0	$16,078,851	$0	$16,078,851
70600 HUD PHA Operating Grants	$86,813,019	$1,976,601	$56,614	$1,280,006	$194,057		$129,058,456		$129,058,456
70610 Capital Grants					$0		$4,210,773		$4,210,773
70710 Management Fee					$0	$6,099,587	$6,099,587	-$6,099,587	$0
70720 Asset Management Fee					$0	$579,938	$579,938	-$579,938	$0
70730 Book Keeping Fee					$0	$1,468,582	$1,468,582	-$1,468,582	$0
70740 Front Line Service Fee					$0				
70750 Other Fees					$0	$870,470	$870,470	-$870,470	$0
70700 Total Fee Revenue					$0	$9,018,577	$9,018,577	-$9,018,577	$0
70800 Other Government Grants					$0		$2,186,170		$2,186,170
71100 Investment Income - Unrestricted	$157				$0	$727	$4,293		$4,293
71200 Mortgage Interest Income					$0		$5,088,155		$5,088,155
71300 Proceeds from Disposition of Assets Held for Sale					$0				
71310 Cost of Sale of Assets					$0				
71400 Fraud Recovery	$42,916				$0		$44,798		$44,798
71500 Other Revenue	$128,582				$0	$271,086	$4,419,639		$4,419,639
71600 Gain or Loss on Sale of Capital Assets					$0	$28,667	-$6,045,755		-$6,045,755
72000 Investment Income - Restricted	$154				$0		$154		$154
70000 Total Revenue	$86,984,828	$1,976,601	$56,614	$1,280,006	$194,057	$9,319,057	$164,064,111	-$9,018,577	$155,045,534
91100 Administrative Salaries	$2,441,972	$605,688	$11,551	$85,031	$19,263	$4,837,931	$9,889,007		$9,889,007
91200 Auditing Fees	$10,705				$0	$69,992	$162,699		$162,699
91300 Management Fee	$1,509,012	$182,855			$0		$6,099,587	-$6,099,587	$0
91310 Book-keeping Fee	$943,133	$178,361			$0		$1,468,582	-$1,468,582	$0
91400 Advertising and Marketing	$11,329	$10,490			$0	$21,032	$47,303		$47,303
91500 Employee Benefit contributions - Administrative	$709,344	$190,744	$3,399	$22,985	$7,695	-$374,767	$1,323,156		$1,323,156
91600 Office Expenses	$180,520	$3,091			$0	$331,631	$959,801		$959,801
91700 Legal Expense	$15,361	$1,810			$0	$95,505	$134,468		$134,468
91800 Travel	$55				$0	$2,934	$3,510		$3,510
91810 Allocated Overhead					$0				
91900 Other	$213,735	$722,303			$0	$1,954,510	$6,542,616	-$870,470	$5,672,146
91000 Total Operating - Administrative	$6,035,166	$1,895,342	$14,950	$108,016	$26,958	$6,938,768	$26,630,729	-$8,438,639	$18,192,090

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY REVENUE AND EXPENSE SUMMARY (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
92000 Asset Management Fee	$549,480	$3,305			$25,218						$1,935
92100 Tenant Services - Salaries	$14,933										
92200 Relocation Costs	$194,340				$11,500						$1,574
92300 Employee Benefit Contributions - Tenant Services											
92400 Tenant Services - Other	$453,807			$0							
92500 Total Tenant Services	$663,080	$0	$0	$0	$11,500	$0	$0	$0	$0	$0	$1,574
93100 Water	$1,607,446			$211,538	$0						$40,170
93200 Electricity	$1,982,496			$384,459	$224,480						$13,862
93300 Gas	$1,185,437			$101,689	$4,313						$34,722
93400 Fuel											
93500 Labor											
93600 Sewer	$3,428,689			$113,520							$72,349
93700 Employee Benefit Contributions - Utilities											
93800 Other Utilities Expense				$0	$545						
93000 Total Utilities	$8,204,068	$0	$0	$811,206	$229,338	$0	$0	$0	$0	$0	$161,103
94100 Ordinary Maintenance and Operations - Labor	$2,176,270			$145,448	$4,480						$90,423
94200 Ordinary Maintenance and Operations - Materials and Other	$1,553,175	$79,644	$293	$158,092	$327,219						$62,780
94300 Ordinary Maintenance and Operations Contracts	$10,233,355	$747,834		$1,463,936	$55,342						$457,903
94500 Employee Benefit Contributions - Ordinary Maintenance	$3,000										
94000 Total Maintenance	$13,965,800	$827,478	$293	$1,767,476	$387,041	$0	$0	$0	$0	$0	$611,106
95100 Protective Services - Labor											
95200 Protective Services - Other Contract Costs	$3,000,775				$1,629						
95300 Protective Services - Other				$0							
95500 Employee Benefit Contributions - Protective Services											
95000 Total Protective Services	$3,000,775	$0	$0	$0	$1,629	$0	$0	$0	$0	$0	$0
96110 Property Insurance	$1,131,517			$117,052	$74,393						
96120 Liability Insurance											$33,289
96130 Workmen's Compensation	$38,361			$4,549	$1,186	$1,537					$2,138
96140 All Other Insurance				$78,677							
96100 Total insurance Premiums	$1,169,878	$0	$0	$200,278	$75,579	$1,537	$0	$0	$0	$0	$35,427
96200 Other General Expenses	$2,553,948			$33,017							$6,812
96210 Compensated Absences											
96300 Payments in Lieu of Taxes	$544,856			$104,064							
96400 Bad debt - Tenant Rents	$589,617			$24,454							$12,641
96500 Bad debt - Mortgages											
96600 Bad debt - Other				$11,181							
96800 Severance Expense											
96000 Total Other General Expenses	$3,688,421	$0	$0	$172,716	$0	$0	$0	$0	$0	$0	$19,453

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY REVENUE AND EXPENSE SUMMARY (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee					$0		$579,938	-$579,938	$0
92100 Tenant Services - Salaries					$0	$199,299	$214,232		$214,232
92200 Relocation Costs					$0	$18,912	$226,326		$226,326
92300 Employee Benefit Contributions - Tenant Services					$0				
92400 Tenant Services - Other					$0		$453,807		$453,807
92500 Total Tenant Services	$0	$0	$0	$0	$0	$218,211	$894,365	$0	$894,365
93100 Water					$0	$86,720	$1,945,874		$1,945,874
93200 Electricity					$0	$50,436	$2,655,733		$2,655,733
93300 Gas					$0	$32,821	$1,358,982		$1,358,982
93400 Fuel					$0				
93500 Labor					$0				
93600 Sewer					$0	$91,076	$3,705,634		$3,705,634
93700 Employee Benefit Contributions - Utilities					$0				
93800 Other Utilities Expense					$0		$545		$545
93000 Total Utilities	$0	$0	$0	$0	$0	$261,053	$9,666,768	$0	$9,666,768
94100 Ordinary Maintenance and Operations - Labor	$12,934				$299	$76,501	$2,506,355		$2,506,355
94200 Ordinary Maintenance and Operations - Materials and Other	$78,448	$1,149			$0	$59,915	$2,320,715		$2,320,715
94300 Ordinary Maintenance and Operations Contracts	$173,561	$25,644			$0	$379,350	$13,536,925		$13,536,925
94500 Employee Benefit Contributions - Ordinary Maintenance					$0		$3,000		$3,000
94000 Total Maintenance	$264,943	$26,793	$0	$0	$299	$515,766	$18,366,995	$0	$18,366,995
95100 Protective Services - Labor					$0				
95200 Protective Services - Other Contract Costs	$44,878				$0	$1,763	$3,049,045		$3,049,045
95300 Protective Services - Other		$15,330			$0		$15,330		$15,330
95500 Employee Benefit Contributions - Protective Services					$0				
95000 Total Protective Services	$44,878	$15,330	$0	$0	$0	$1,763	$3,064,375	$0	$3,064,375
96110 Property Insurance					$0		$1,322,962		$1,322,962
96120 Liability Insurance	$47,310	$28,979			$0	$20,497	$130,075		$130,075
96130 Workmen's Compensation	$33,294	$4,269	$186	$2,042	$300	$54,962	$142,824		$142,824
96140 All Other Insurance					$0		$78,677		$78,677
96100 Total insurance Premiums	$80,604	$33,248	$186	$2,042	$300	$75,459	$1,674,538	$0	$1,674,538
96200 Other General Expenses	$937,662	$5,888			$0	$437,736	$3,975,063		$3,975,063
96210 Compensated Absences					$0				
96300 Payments in Lieu of Taxes					$0		$648,920		$648,920
96400 Bad debt - Tenant Rents					$0		$626,712		$626,712
96500 Bad debt - Mortgages					$0				
96600 Bad debt - Other					$0		$11,181		$11,181
96800 Severance Expense					$0				
96000 Total Other General Expenses	$937,662	$5,888	$0	$0	$0	$437,736	$5,261,876	$0	$5,261,876

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY REVENUE AND EXPENSE SUMMARY (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program
96710 Interest of Mortgage (or Bonds) Payable	$300,410			$1,169,829	$82,615						$35,030
96720 Interest on Notes Payable (Short and Long Term)											
96730 Amortization of Bond Issue Costs											$14,390
96700 Total Interest Expense and Amortization Cost	$300,410	$0	$0	$1,169,829	$82,615	$0	$0	$0	$0	$0	$49,420
96900 Total Operating Expenses	$38,640,480	$2,216,979	$7,452	$5,503,438	$1,284,296	$313,797	$539,220	$19,558	$0	$0	$1,275,277
97000 Excess of Operating Revenue over Operating Expenses	$6,678,591	$0	$309,738	$100,714	$228,674	$0	$0	$6,024,259	$28,290	$625,948	$456,237
97100 Extraordinary Maintenance											
97200 Casualty Losses - Non-capitalized				$0							
97300 Housing Assistance Payments				$0						$577,941	
97350 HAP Portability-In											
97400 Depreciation Expense	$6,258,092			$3,055,944	$177,087			$47,874	$610,722		$238,295
97500 Fraud Losses											
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense											
90000 Total Expenses	$44,898,572	$2,216,979	$7,452	$8,559,382	$1,461,383	$313,797	$539,220	$67,432	$610,722	$577,941	$1,513,572
10010 Operating Transfer In	$7,293,808										
10020 Operating transfer Out	-$7,293,808										
10030 Operating Transfers from/to Primary Government											
10040 Operating Transfers from/to Component Unit											
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											
10070 Extraordinary Items, Net Gain/Loss											
10080 Special Items (Net Gain/Loss)				$5,524,781				$0			
10091 Inter Project Excess Cash Transfer In	$952,610										
10092 Inter Project Excess Cash Transfer Out	-$952,610										
10093 Transfers between Program and Project - In											
10094 Transfers between Project and Program - Out											
10100 Total Other financing Sources (Uses)	$0	$0	$0	$5,524,781	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$420,499	$0	$309,738	$2,569,551	$51,587	$0	$0	$5,976,385	-$582,432	$48,007	$217,942
11020 Required Annual Debt Principal Payments	$2,436,727	$0	$0	$0	$50,251	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$159,579,956	$0	$26,069	$15,506,002	$1,761,283	$263	$0	$55,571,093	$25,355,581	$0	$1,467,991
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$2,937,245		$40,028	-$6,535,882	$4,312,954	$59,715		-$3,970,527			$304,951
11050 Changes in Compensated Absence Balance											
11060 Changes in Contingent Liability Balance											
11070 Changes in Unrecognized Pension Transition Liability											
11080 Changes in Special Term/Severance Benefits Liability											
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents											
11100 Changes in Allowance for Doubtful Accounts - Other											
11170 Administrative Fee Equity											
11180 Housing Assistance Payments Equity											
11190 Unit Months Available	55452			2100	1200					1061	1332
11210 Number of Unit Months Leased	50518			1908	1146					1061	1260
11270 Excess Cash	-$1,879,879										
11610 Land Purchases	$0										
11620 Building Purchases	$4,210,773										
11630 Furniture & Equipment - Dwelling Purchases	$0										
11640 Furniture & Equipment - Administrative Purchases	$0										
11650 Leasehold Improvements Purchases	$0										
11660 Infrastructure Purchases	$0										
13510 CFFP Debt Service Payments	$0										
13901 Replacement Housing Factor Funds	$0										

CINCINNATI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE – ENTITY REVENUE AND EXPENSE SUMMARY (continued)
FOR THE YEAR ENDED JUNE 30, 2022

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.EHV Emergency Housing Voucher	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
96710 Interest of Mortgage (or Bonds) Payable					$0		$1,587,884		$1,587,884
96720 Interest on Notes Payable (Short and Long Term)					$0				
96730 Amortization of Bond Issue Costs					$0		$14,390		$14,390
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$0	$1,602,274	$0	$1,602,274
96900 Total Operating Expenses	$7,363,253	$1,976,601	$15,136	$110,058	$27,557	$8,448,756	$67,741,858	-$9,018,577	$58,723,281
97000 Excess of Operating Revenue over Operating Expenses	$79,621,575	$0	$41,478	$1,169,948	$166,500	$870,301	$96,322,253	$0	$96,322,253
97100 Extraordinary Maintenance					$0				
97200 Casualty Losses - Non-capitalized					$0		$0		$0
97300 Housing Assistance Payments	$79,797,638		$42,654	$313,445	$150,694		$80,882,372		$80,882,372
97350 HAP Portability-In					$0				
97400 Depreciation Expense	$14,164				$0	$365,704	$10,767,882		$10,767,882
97500 Fraud Losses					$0				
97600 Capital Outlays - Governmental Funds					$0				
97700 Debt Principal Payment - Governmental Funds					$0				
97800 Dwelling Units Rent Expense					$0				
90000 Total Expenses	$87,175,055	$1,976,601	$57,790	$423,503	$178,251	$8,814,460	$159,392,112	-$9,018,577	$150,373,535
10010 Operating Transfer In					$0		$7,293,808	-$7,293,808	$0
10020 Operating transfer Out					$0		-$7,293,808	$7,293,808	$0
10030 Operating Transfers from/to Primary Government					$0				
10040 Operating Transfers from/to Component Unit					$0				
10050 Proceeds from Notes, Loans and Bonds					$0				
10060 Proceeds from Property Sales					$0				
10070 Extraordinary Items, Net Gain/Loss					$0				
10080 Special Items (Net Gain/Loss)					$0		$5,524,781		$5,524,781
10091 Inter Project Excess Cash Transfer In					$0		$952,610	-$1,100,192	-$147,582
10092 Inter Project Excess Cash Transfer Out					$0		-$952,610	$1,100,192	$147,582
10093 Transfers between Program and Project - In					$0				
10094 Transfers between Project and Program - Out					$0				
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$5,524,781	$0	$5,524,781
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$190,227	$0	-$1,176	$856,503	$15,806	$504,597	$10,196,780	$0	$10,196,780
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$2,486,978		$2,486,978
11030 Beginning Equity	$2,606,070	$17,012	$190,617	$98,400	$315,939	$4,115,634	$266,611,910		$266,611,910
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$651,545	-$17,012	$2,136	$54,884	$3,109	-$3,076,118	-$6,536,062		-$6,536,062
11050 Changes in Compensated Absence Balance					$0				
11060 Changes in Contingent Liability Balance					$0				
11070 Changes in Unrecognized Pension Transition Liability					$0				
11080 Changes in Special Term/Severance Benefits Liability					$0				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					$0				
11100 Changes in Allowance for Doubtful Accounts - Other					$0				
11170 Administrative Fee Equity	$1,468,914				$0		$1,468,914		$1,468,914
11180 Housing Assistance Payments Equity	$295,384				$0		$295,384		$295,384
11190 Unit Months Available	10900		200	535	0	0	72780		72780
11210 Number of Unit Months Leased	10533		186	535	0	0	67147		67147
11270 Excess Cash					$0		-$1,879,879		-$1,879,879
11610 Land Purchases					$0	$0	$0		$0
11620 Building Purchases					$0	$0	$4,210,773		$4,210,773
11630 Furniture & Equipment - Dwelling Purchases					$0	$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases					$0	$0	$0		$0
11650 Leasehold Improvements Purchases					$0	$0	$0		$0
11660 Infrastructure Purchases					$0	$0	$0		$0
13510 CFFP Debt Service Payments					$0	$0	$0		$0
13901 Replacement Housing Factor Funds					$0	$0	$0		$0

CINCINNATI METROPOLITAN HOUSING AUTHORITY
NOTES TO OTHER SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

REAC Supplemental Information Requirement

As required by HUD for REAC reporting purposes, the Authority prepares its financial data schedules (FDS) in accordance with HUD requirements in a prescribed format. The HUD-prescribed format differs from the required classification of several balances under accounting principles generally accepted in the United States of America (GAAP) as follows:

(1) Depreciation expense and housing assistance payments are excluded from operating activities;
(2) Gain (loss) on sales of capital assets, interest income, and capital grants are included in operating activities;
(3) Tenant receivable and allowance for doubtful accounts are reflected separately;
(4) The blended component unit activities are presented in the other business activities column, which is included in total programs;
(5) Certain receivable and payable accounts between project funds must be presented on the FDS at their net amounts, which may cause offsetting variances to the corresponding asset and liability balances, as compared to the financial statements;
(6) HUD requires certain cash accounts to be presented as restricted on FDS, which do not meet the GAAP definition of restricted cash, and further impacts the calculation of restricted net position;
(7) The calculation of net investment in capital assets is restricted to a formulaic use of lines 160, 343, 344, 351, and 352 of the FDS. It does not consider adjustments for debt that did not finance the acquisition of capital assets or other liabilities that would reduce the balance from a GAAP perspective.

In addition, the FDS prepared by the Authority includes minor differences from the statement of net position and the statement of revenue, expenses, and changes in net position that management has determined to be immaterial.

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

Cincinnati Metropolitan Housing Authority
Hamilton County
1627 Western Avenue
Cincinnati, Ohio 45214

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities and the aggregate discretely presented component units of the Cincinnati Metropolitan Housing Authority, Hamilton County, (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 10, 2023, except for the restatement described in Note 22, which is as of December 4, 2023.

Our report includes a reference to other auditors who audited the financial statements of the Park Eden Apartments, LLC and Sutter View, 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 are reported on separately by those auditors.

In addition, our report includes a reference to other auditors who audited the financial statements of the Springdale Senior, LP; Cary Crossing, LLC; West Union Square, LLC; Pinecrest RAD, LLC; and Reserve on South Martin, LP discretely presented component units, as described in our report on the Authority's financial statements. The financial statements of the Springdale Senior, LP; Cary Crossing, LLC; West Union Square, LLC; Pinecrest RAD, LLC; and Reserve on South Martin, LP discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Springdale Senior, LP; Cary Crossing, LLC; West Union Square, LLC; Pinecrest RAD, LLC; and Reserve on South Martin, LP discretely presented component units or that are reported separately by those auditors who audited the financial statements of the Springdale Senior, LP; Cary Crossing, LLC; West Union Square, LLC; Pinecrest RAD, LLC; and Reserve on South Martin, LP discretely presented component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio
August 10, 2023, except for the restatement described in Note 22, which is as of December 4, 2023

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 EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Cincinnati Metropolitan Housing Authority
Hamilton County
1627 Western Avenue
Cincinnati, Ohio 45214

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cincinnati Metropolitan Housing Authority's, Hamilton County, (Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Cincinnati Metropolitan Housing Authority's major federal programs for the year ended June 30, 2022. Cincinnati Metropolitan Housing Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Cincinnati Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Keith Faber
Auditor of State
Columbus, Ohio
August 10, 2023

This page intentionally left blank.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
HAMILTON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Housing Voucher Cluster: AL# 14.871 - Section 8 Housing Choice Vouchers AL# 14.879 - Mainstream Voucher Program & AL# 14.850 - Public and Indian Housing Program
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 3,000,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2022-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible to both: (a) to present fairly and with fully disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles; and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due to deficiencies in the Authority's financial statement monitoring and review process, the following financial statement conditions were noted:

- Primary government pension expense was overstated by $756,207, pension deferred inflows was overstated by $229,756, pension deferred outflows was understated by $1,235,090, and the net pension liability was understated by $708,639.
- The Authority incorrectly classified the Pinecrest Limited Liability Corporation Rental Assistance Demonstration (RAD) seller's note balance as non-current liabilities on the primary government Statement of Net Position. This misclassification resulted in an overstatement of other non-current liabilities and an understatement of deferred inflows of resources - ground lease in the amount of $7,791,427.
- The primary government’s notes receivable was understated by $2,935,898 on the Statement of Net Position.
- The primary government's accounts payable was overstated by $4,063,038 on the Statement of Net Position.
- The primary government’s accounts receivable was overstated by $5,334,024 on the Statement of Net Position.
- The current amount of notes payable for the primary government on the Statement of Net Position was understated by $1,536,088.
- The non-current amount of notes payable for the primary government on the Statement of Net Position was overstated by $3,252,003.
- The beginning net position amounts for the aggregate discretely presented component units did not agree to the prior year audited Authority financial statements for the Park Eden Apartments, LLC. It was overstated by $1,734,391.

The Authority has made all corrections noted above in their accounting system and financial statements, where applicable.

FINDING NUMBER 2022-001
(Continued)

Failure to accurately post and disclose financial activity can lead to material misstatements in financial reporting and increases the risk that errors, theft, and fraud may occur and not be detected in a timely manner.

We recommend the Authority ensure that accurate amounts are presented on the financial statements.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

This page intentionally left blank.

CINCINNATI METROPOLITAN HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
2 CFR 200.511(b)
June 30, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-002	Material Weakness – The books and records of the Authority were not adequately maintained or properly closed at year end.	Partially Corrected	Reissued as Finding #2022-001.
2021-002	Material Weakness – The Authority's beginning of year net position did not agree to the prior year audited financial statements. Management was unable to determine the cause off this difference.	Partially Corrected	Reissued as management letter comment.
2021-003	Material Weakness – The Authority was unable to properly support the capital asset balances recorded in the general ledger.	Fully Corrected	
2021-004	Significant Deficiency & Questioned Cost – AL 14.871, U.S. Department of Housing and Urban Development – Housing Voucher Cluster Section 8 Housing Choice Vouchers. During the recertification process for one tenant, the Authority incorrectly input the tenant's income into the subsidy calculation software, resulting in an overpayment of a housing assistance payment.	Fully Corrected	
2021-005	Material Weakness & Material Noncompliance - AL 14.871, U.S. Department of Housing and Urban Development COVID 19 - Housing	Fully Corrected	

	Voucher Cluster Section 8 Housing Choice Vouchers & AI 14.850 U.S. Department of Housing and Urban Development COVID 19 – Public and Indian Housing – Low Income Public Housing		
2021-006	Material Weakness – The Authority was unable to properly prepare the SEFA so that it agreed to the underlying supporting expenditures and reconciled back to the general ledger.	Partially Corrected	Reissued as management letter comment.

CMHA

CINCINNATI METROPOLITAN HOUSING AUTHORITY
CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2022

Finding Number: **2022-001**

Cincinnati Metropolitan Housing Authority (CMHA) Response:
As noted by AOS all entries described in the finding have been entered and posted presenting fairly stated financial statements. Unfortunately, as in all industries CMHA continued to be challenged with staffing turnover & shortage in 2021 and 2022 in the finance department causing at times the usage of short-term accounting (temporary) staff until accounting and management positions were recruited for and hired which occurred early 2023. At this point the CMHA finance department has been stabilized and all staff are being provided with continuous training. Also, the prior fiscal year 2021 Audit, due to Covid issues was completed 8 months late after the audit submission deadline (CMHA received an extension) in November 2022, which was 5 months after FY2022 year-end (6/30/2022). This late completion of the prior year caused changes to beginning balances for FY2022 and caused the staff to redo reconciliations that were completed for FY2022 year-end impacting the submitted Hinkle trial balances for FY2022 audit and causing the CMHA finance staff to redo and submit new reconciliations and client requested adjusting entries. Seven (7) out of the eight (8) entries listed in Finding 2022-001 were client requested entries based on staff re-work.

Planned Corrective Action:
CMHA has taken significant steps during the current calendar year (2023) to hire quality staff and management, provide training and resources, and implement additional protocols surrounding financial statement reviews and monitoring processes.

The department has restructured and continues to adjust where necessary for continuous improvement and strengthening of the finance department. Training and education are being provided to increase industry knowledge and training where weaknesses are recognized. Monitoring and new procedures have been implemented to ensure timely and accurate reconciliations and to fairly state financial statements. New software and procedures are being introduced and established to create efficiencies such as new software for high volume bank/cash reconciliations as well as automating accounts payable and other processes.

Anticipated Completion Date: Completed as of Fiscal Year 06/30/2022 Audit report date.
Responsible Contact Person: Cedric Oluoch, VP Finance & Administration

OHIO AUDITOR OF STATE
KEITH FABER

CINCINNATI METROPOLITAN HOUSING AUTHORITY

HAMILTON 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 12/7/2023

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