WAYNE METROPOLITAN HOUSING AUTHORITY

Financial Condition

As of

December 31, 2019

Together with Auditors' Report

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Directors
Wayne Metropolitan Housing Authority
345 North Market Street
Wooster, Ohio 44691

We have reviewed the *Independent Auditor's Report* of the Wayne Metropolitan Housing Authority, Wayne County, prepared by Kevin L. Penn, Inc, for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 23, 2020

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WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO

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Kevin L. Penn, Inc.

Certified Public Accountant
11811 Shaker Boulevard, Suite 421
Cleveland, Ohio 44120
(216)421-1000
Fax:(216)421-1001
Email: klpenncpa@aol.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Wayne Metropolitan Housing Authority
Ravenna, Ohio 44266

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

I believe the audit evidence I obtained is sufficient and appropriate to support my audit opinions.

Opinion

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Wayne Metropolitan Housing Authority. I did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary

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

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

The Supplemental Financial Data Schedules and Schedule of Federal Award Expenditures is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. I subjected these schedules to the auditing procedures I applied to the basic financial statements. I also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 29, 2020, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.

May 29, 2020
Cleveland, Ohio

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

Since the MD&A is designed to focus on the 2019 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by $607,765 or 12% from what was reported at December 31, 2018. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position.
- Revenues increased by $82,651 or 1.1% during 2019.
- Total expenses of all Authority programs increased by $266,395, or 3.5% during 2019.

Authority Financial Statements

The Authority financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority.

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

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

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

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

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

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

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

Fund Financial Statements

The Authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the funds maintained by the Authority are done so as required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

THE AUTHORITY'S PROGRAMS

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The Authority earns administrative fees to cover the cost of administering the program.

State / Local – State / Local represents Authority owned housing properties that are not subsidized by HUD; management services that the Authority provides to a local non-profit entity under contract for management (Secrest Village Apartments); Community Housing Impact and Preservation programs that the Authority administers and implements under contract with both Wayne County and the City of Wooster; and a multi-family project that is subsidized by USDA Rural Development (Shreve Manor Apartments). The revenue and expenses for these services are identified and tracked separate from the HUD activities.

The Authority's properties not subsidized by HUD or USDA Rural Development are generally dedicated to clients of the local Board of Developmental Disabilities (DD) or the local Mental Health and Recovery Board (MHRB). Some of these properties have debt attached to them, however most received a portion of their acquisition costs from either client-family contributions, from the State of Ohio Community Capital Assistance Funds applied for through the Board of DD, or from a forgivable grant received through the Ohio Department of Mental Health.

The Authority's management contract is with a not-for-profit entity that depends on the Authority to handle all of its management concerns including day-to-day operations as well as corporate accounting and reporting.

The net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For calendar year 2019, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pension costs (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*.

GASB 68 and GASB 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.

2. Minus plan assets available to pay these benefits.

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

The Ohio revised Code permits but does not require the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability.

As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

AUTHORITY STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in business-type activities.

TABLE 1

STATEMENT OF NET POSITION

	2019	2018
Current Assets	$ 1,253,174	$ 1,103,722
Capital and Non-Current Assets	7,673,442	7,721,619
Total Assets	$ 8,926,616	$ 8,825,341
Deferred Outflows	$ 485,681	$ 606,228
Total Assets & Deferred Outflows	**$ 9,412,297**	**$ 9,431,569**
Current Liabilities	$ 481,386	$ 440,238
Long-Term Liabilities	4,429,412	3,607,966
Total Liabilities	$ 4,910,798	$ 4,048,204
Deferred Inflows	$ 27,090	$ 301,191
Net Position:		
Net Investment in Capital Assets	$ 5,760,748	$ 5,675,422
Restricted Net Position	100,944	67,409
Unrestricted Net Position	(1,387,283)	(660,657)
Total Net Position	$ 4,474,409	$ 5,082,174
Total Liabilities, Deferred Inflows, and Net Position	**$ 9,412,297**	**$ 9,431,569**

Major Factors Affecting the Statement of Net Position

During 2019, current assets increased by $149,452, and current liabilities increased by $41,148. The increase in current assets is mostly due to an increase in both restricted and unrestricted cash. The increase in current liabilities is mainly a net effect of a decrease in accounts payable and an increase in accrued liabilities and our short-term line of credit balance.

Net Investment in Capital Assets also increased from $5,675,422 to $5,760,748. The $85,326 increase can be attributed to significant improvements and rehabilitation of several properties in 2019, offset by regular annual depreciation. For more detail see "Capital Assets" presented later in this report.

The following table presents details on the change in Unrestricted Net Position.

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

	Unrestricted	Restricted	Investment In Capital Assets
Beginning Balance - January 1, 2019	$ (660,657)	$ 67,409	$ 5,675,422
Results of Operation	(607,765)		
Adjustments:			
Current Year Depreciation Expense (1)	444,420		(444,420)
Capital Expenditure, Net of Disposal (2)	(404,259)		404,259
Current Year Debt Proceeds, Net of Retirement	(125,487)		125,487
Transfer to (from) Restricted Net Position	(33,535)	33,535	
Ending Balance - December 31, 2019	**$ (1,387,283)**	**$ 100,944**	**$ 5,760,748**

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

(2) Capital expenditures represent an outflow of unrestricted net position, but are not treated as an expense against Results of Operations, and therefore must be deducted.

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

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018
Revenues		
Total Tenant Rent Revenues	$ 1,087,059	$ 1,104,572
Operating Subsidies	5,584,854	5,637,415
Capital Grants	345,371	278,044
Investment Income	5,908	3,029
Other Revenues	323,222	240,703
Total Revenues	**7,346,414**	**7,263,763**
Expenses		
Administrative	2,018,964	1,858,269
Utilities	369,250	393,270
Maintenance	839,940	632,079
General and Interest Expenses	247,768	262,151
Housing Assistance Payments	4,033,837	4,112,967
Depreciation	444,420	429,048
Total Expenses	**7,954,179**	**7,687,784**
Net Increases (Decreases)	**$ (607,765)**	**$ (424,021)**

Major Factors Affecting The Statement Of Revenue, Expenses And Changes In Net Position

Tenant revenue decreased by $17,513 during 2019 in comparison to 2018. The decrease was likely due to slight decreases in unit occupancy and tenant share of rent as compared to last year. Capital Grants show an increase of $67,327 from 2018 due to higher spending for capital expenditures from the grant during the year. Overall total revenue increased by $82,651 from 2018, mostly due to increased Capital Grant and local grant funding.

Administrative expenses increased by $160,695 from the previous year. This was mostly the result of increased wages and benefits expense due to more employees, and also the expense for proportionate share of pension and OPEB liabilities per GASB 68 and GASB 75 requirements. All other expense categories experienced modest increases or decreases of 10 percent or less.

CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had $7,366,042 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of $40,160 or about 0.5% from the end of 2018. This decrease was mainly a net result of improvements and rehabilitation of several properties, combined with payment of mortgage debts and the accumulated depreciation of all properties and other fixed assets.

TABLE 4

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATON)

	2019	2018
Land and Land Rights	$ 2,310,732	$ 2,310,732
Buildings and Improvements/Additions	20,592,355	20,337,534
Furniture & Equipment	772,261	746,492
Construction in Progress	180,210	94,091
Accumulated Depreciation	(16,489,516)	(16,082,647)
Total	**$ 7,366,042**	**$ 7,406,202**

The following reconciliation identifies the change in Capital Assets.

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TABLE 5

CHANGE IN CAPITAL ASSETS

Beginning Balance - January 1, 2019	$ 7,406,202
Current Year Additions	404,260
Current Year Depreciation Expense	(444,420)
Adjustments to A/D to Properly State Assets	37,551
Disposal of Assets	(37,551)
Ending Balance - December 31, 2019	**$ 7,366,042**
Current Year Additions are summarized as follows:	
Buildings Improvements & Additions	269,061
Equipment Additions	49,081
Change in Construction in Progress	86,118
Total Additions, 2019	$ 404,260

Debt Outstanding

As of year-end, the Authority has $1,644,260 in debt (mortgages and loans) outstanding compared to $1,730,780 in the previous year. The $86,520 decrease was a net result of principal payments made on current debt during the year, as well as an increase in our short-term line of credit balance.

TABLE 6

CONDENSED STATEMENT OF CHANGES IN DEBT OUTSTANDING

Beginning Balance - January 1, 2019	$ 1,730,780
Current Year Loans	38,966
Current Year Loan Retirements	(125,486)
Ending Balance - December 31, 2019	**$ 1,644,260**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Stan W. Popp, Executive Director of the Wayne Metropolitan Housing Authority, who can be reached by phone at (330) 264-2727.

Specific requests may be submitted to the Wayne Metropolitan Housing Authority at:

345 North Market Street, Wooster, Ohio 44691
Fax: (330) 263-1521
Email: spopp@waynemha.org

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted (Note 1)	$	837,197
Cash and Cash Equivalents - Restricted (Note 3)		247,545
Receivable, (Net of Allowance for Doubtful Accounts of $371,370)		58,388
Inventory (Net of Allowance for obsolete)		27,024
Prepaid Expenses and Other Assets		83,020
Total Current Assets		1,253,174
Non-Current Assets		
Other Noncurrent Assets		307,400
Capital Assets: (Note 4)		
Non-Depreciable Capital Assets		2,490,942
Depreciation Capital Assets		4,875,100
Total Non-Current Assets		7,673,442
Deferred Outflow of Resources - Pension		485,681
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$	9,412,297

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

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts Payable	$	660
Accrued Wages/Payroll		59,643
Tenant Security Deposits		69,769
Accrued Compensated Absences - Current Portion		8,400
Intergovernmental Payable		83,676
Unearned Revenue		16,275
Other Liabilities		75,842
Current Portion of Long-Term Debt		167,121
Total Current Liabilities		481,386
Non-Current Liabilities		
Noncurrent Liabilities - Other		205,419
Net Pension Liability		1,897,438
Net OPEB Liability		801,816
Accrued Compensated Absences, Net of Current Portion		47,600
Long-Term Debt - Net of Current Portion		1,477,139
Total Non-Current Liabilities		4,429,412
Total Liabilities	$	4,910,798
Deferred Inflow of Resources - Pension	$	27,090
Net Position		
Investment in Capital Assets	$	5,760,748
Restricted		100,944
Unrestricted		(1,387,283)
Total Net Position	$	4,474,409

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

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

Operating Revenue:	
HUD Operating Subsidies and Grants	$ 5,584,854
Tenant Revenue	1,087,059
Other Revenue	318,722
Total Operating Revenue	6,990,635
Operating Expenses:	
Administrative Expense	2,018,844
Tenant Services	120
Utilities	369,250
Maintenance and Operations	839,941
General Expenses	194,623
Housing Assistance Payments	4,033,837
Depreciation Expense	444,419
Total Operating Expenses	7,901,034
Net Operating Income (Loss)	(910,399)
Non-Operating Revenues (Expenses)	
Interest and Investment Income	5,908
Interest Expense	(53,145)
Gain(Loss) on Sale of Capital Assets	4,500
Total Non-Operating Revenues (Expenses)	(42,737)
Excess of Revenue Over(Under) Expenses before Capital Grants	(953,136)
Capital Grants	345,371
Change in Net Position	(607,765)
Net Position - Beginning of Year	5,082,174
Net Position - End of Year	$ 4,474,409

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

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows From Operating Activities:	
Cash Received from HUD	$ 5,584,854
Cash Received from Tenant	1,028,671
Cash Received from Other Income	318,722
Cash Payments for Housing assistance payments	(4,033,837)
Cash Payments for Administrative	(1,304,150)
Cash Payments for Other Operating Expenses	(1,209,311)
Net Cash Provided (Used) by Operating Activities	384,949
Cash Flows From Capital and Related Financing Activities:	
Property and Equipment Additions	(404,259)
Gain(Loss) on Sale of Capital Assets	4,500
Debt Payments (including Interest)	(86,520)
Interest Expense	(53,145)
Capital Grant Funds Received	345,371
Net Cash Provided (Used) by Capital and Related Financing Activities	(194,053)
Cash Flows From Investing Activities:	
Interest and Investment Income	5,908
Net Cash Provided (Used) by Investing Activities	5,908
Increase (Decrease) in Cash and Cash Equivalents	196,804
Cash and Cash Equivalents - Beginning of Year	887,938
Cash and Cash Equivalents - End of Year	$ 1,084,742

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

Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:		
Operating Income (Loss)	$	(910,399)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:		
Depreciation		444,419
(Increase) decrease in:		
Receivables		35,916
Inventory		(665)
Other Noncurrent Assets		8,017
Deferred Outflow of Resources - Pension		120,547
Prepaid Expenses		12,101
Increase (decrease) in:		
Accounts Payable		(2,846)
Accrued Wages/Payroll		4,370
Unearned Revenue		2,179
Compensated Absences		(1,183)
Other Liabilities		(1,262)
Intergovernmental Payable		(8,142)
Accrued Pension		935,801
Deferred Inflow of Resources - Pension		(274,101)
Tenant Security Deposits		3,199
Noncurrent Liabilities - Other		16,998
Net Cash Provided (Used) by Operating Activities	$	384,949

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

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

Organization and Reporting Entity

The Wayne Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61 is the "primary government". A fundamental characteristic of a primary government is that it is a calendar year independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability are the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

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

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

The Authority's basic financial statements consist of a statement of net position, a statement of revenues and expenses, changes in net position, and a statement of cash flows.

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

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

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

Measurement Focus and Basis of Accounting
The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents
The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, and certificate of deposits regardless of maturity, to be cash equivalents.

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

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	30 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	5 years
Autos	5 years
Computers	5 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At December 31, 2019, the carrying amount of the Authority's deposits was $1,084,742 (including $247,545 of restricted funds, and $100 of petty cash).

At December 31, 2019, the bank balance of the Authority's cash deposits was $1,214,660. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2019, deposits totaling $500,000 were covered by Federal Depository Insurance and deposits totaling $714,660 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by calendar and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2019, the Authority had no investments.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

Cash and investments at year-end were as follows:

Cash and Investment Type	Fair Value	Investment Maturities (≤ 1 Year)
Carrying Amount of Deposits	$ 1,084,642	$ 1,084,642
Petty Cash	100	100
Totals	$ 1,084,742	$ 1,084,742

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $247,545 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	$ 59,701
Tenant Security Deposits	69,769
FSS Escrow Funds	76,832
Reserve for Replacement and Mortgage Sinking Funds	41,243
Total Restricted Cash	$ 247,545

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2019 by class is as follows:

	Balance 12/31/2018	Reclasses	Additions	Deletions	Balance 12/31/2019
Capital Assets Not Being Depreciated					
Land	$ 2,310,732	$ -	$ -	$ -	$ 2,310,732
Construction in Progress	94,091	(212,320)	298,439	-	180,210
Total Capital Assets Not Being Depreciated	2,404,823	(212,320)	298,439	-	2,490,942
Capital Assets Being Depreciated					
Buildings and Improvements	20,337,534	202,545	66,514	(14,238)	20,592,355
Furniture, Equipment, and Machinery - Dwelling	182,003	-	1,207	-	183,210
Furniture, Equipment, and Machinery - Admin	564,489	9,775	38,099	(23,312)	589,051
Subtotal Capital Assets Being Depreciated	21,084,026	212,320	105,820	(37,550)	21,364,616
Accumulated Depreciation					
Buildings and Improvements	(15,420,273)	-	(392,862)	14,238	(15,798,897)
Furniture and Equipment - Dwelling	(173,745)	-	(3,678)	-	(177,423)
Furniture and Equipment - Admin	(488,629)	-	(47,879)	23,312	(513,196)
Subtotal Accumulated Depreciation	(16,082,647)	-	(444,419)	37,550	(16,489,516)
Capital Assets Being Depreciated, Net	5,001,379	212,320	(338,599)	-	4,875,100
Total Capital Assets, Net	$ 7,406,202	$ -	$ (40,160)	$ -	$ 7,366,042

Depreciation is calculated using the straight line method with lives varying between 5 and 30 years. The depreciation expense for the year ended December 31, 2019 was $444,419.

NOTE 5: RESTRICTED NET ASSETS

The Authority's restricted net assets are as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of the amounts used	$ 59,701
Reserve for Replacement and Mortgage Sinking Funds	41,243
Total Restricted Net Assets	$100,944

NOTE 6: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees).

State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Wayne MHA 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.

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

Net Pension Liability (Continued)

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

	State and Local
2019 Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee	10.0%
2019 Actual Contribution Rates:	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	2.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $125,381 for 2019.

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

	OPERS Traditional Plan	OPERS Combined Plan
Proportionate Share of the Net Pension Liability/(Asset) - Prior Measurement Date	$ 1,042,785	$ (5,817)
Proportionate Share of the Net Pension Liability/(Asset) - Current Measurement Date	1,897,439	0
Change in Proportionate Share	$ 854,653	$ 5,817
Proportion of the Net Pension Liability/Asset	0.006928%	0%
Pension Expense	$ 420,245	$ 0

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

Traditional Plan:

Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 88
Changes in Assumptions	257,536
Authority contributions subsequent to the measurement date	165,176
Total Deferred Outflows of Resources	$422,800
Deferred Inflows of Resources	
Differences between expected and actual experience	$ (24,914)

$165,176 reported as deferred outflows of resources related to pension resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Calendar Year Ending December 31	Traditional Pension Plan Net Deferred Outflows of Resources
2019	$(171,152)
2020	(83,069)
2021	(23,892)
2022	(119,773)
2023	-
Thereafter	-
Total	$(397,885)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% 3.25 - 10.75%
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Health Care Cost Trend Rate	7.5% initial, 3.25% ultimate in 2028
Actuarial Cost Method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projections Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2016.

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

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2018.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	17.00%	5.57%
TOTAL	100.00%	5.16%

Discount Rate

The discount rate used to measure the total pension liability was 8 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Authority's proportionate share of the net pension liability/(assets)			
Traditional Plan	$ 2,803,068	$ 1,897,439	$ 1,144,852

Net OPEB Liability

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

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

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

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

NOTE 7: **OTHER POST EMPLOYEMENT BENEFITS**

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

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

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS. OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member directed plan is a defined contribution plan and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features. As of December 2018, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2018, when plans funded through the 401(h) Trust were terminated.

The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2018. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2018 and the net positions transferred to the 115Ttrust on July 1, 2018. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans.

NOTE 7: **OTHER POST EMPLOYEMENT BENEFITS** (Continued)

Plan Description – OPERS (continued)

Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage.

Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2019, Authority contributed at a rate of 14 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. Active member contributions do not fund health care. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage.

The portion of employer contributions allocated to healthcare was 1.0% for calendar year 2018. As recommended by OPERSs actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2019 decrease to 0%.

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

NOTE 7: **OTHER POST EMPLOYEMENT BENEFITS** (Continued)

Plan Description – OPERS (continued)

Authority's contractually required contribution was $146,278 for the fiscal year 2019. Of this amount, $20,897 was used to fund health care.

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

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

Proportionate Share of the Net OPEB Liability	$ 801,815
Proportion of the Net OPEB Liability	0.0061500%
OPEB Expense	$ 20,897

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

Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 272
Changes in Assumptions	36,758
Authority contributions subsequent to the measurement date	25,851
Total Deferred Outflows of Resources	$ 62,881
Deferred Inflows of Resources	
Differences between expected and actual experience	$ (2,176)

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

Fiscal Year Ending December 31:	
2019	$ (28,739)
2020	(7.394)
2021	(6,055)
2022	(18,518)
Thereafter	0
Total	$ (60,706)

NOTE 7: **OTHER POST EMPLOYEMENT BENEFITS** (Continued)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of benefits 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, 2016, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% 3.25 - 10.75%
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Health Care Cost Trend Rate	7.5% initial, 3.25% ultimate in 2028
Actuarial Cost Method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

NOTE 7: **OTHER POST EMPLOYEMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (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. The System's 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 table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	17.00%	5.57%
TOTAL	100.00%	5.16%

Discount Rate: The single discount rate used to measure the OPEB liability was 3.85 percent. 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 discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

NOTE 7: **OTHER POST EMPLOYEMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (continued)

The following table presents the Authority's proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 3.85 percent, as well as what The Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.96%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$ 1,025,820	$ 801,815	$ 623,671

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability.

The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 7.50%.

If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease (6.50%)	Current Cost Trend Rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net OPEB liability	$ 770,718	$ 801,815	$ 837,630

NOTE 8: <u>**COMPENSATED ABSENCES**</u>

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2019, based on the vesting method, $56,000 was accrued by the Authority for unused vacation and sick time. The current portion is $8,400 and the long term portion is $47,600.

NOTE 9: <u>**INSURANCE**</u>

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-six (36) Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	$ 1,500	$250,000,000 (Per Occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	6,000,000
Automobile Liability	500/0	ACV/6,000,000
Law Enforcement	0	6,000,000
Public Officials	0	6,000,000
Crime	500	1,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 10: LONG-TERM DEBT

As of December 31, 2019 the Authority's long-term debt is as follows:

	Balance at 12/31/2019
Loan payable to JPMorgan Chase Bank to finance the purchase and rehabilitation of the administration building at 345 North Market Street. The total amount borrowed for this financing was $1,125,000 at a fixed rate of 5.75% for 15 years.	$ 391,276
Loan payable to Commercial & Savings Bank to consolidate existing loans for the acquisition of 2 properties from the former Home Place Housing Corporation, and for the purchase and renovation of the property located at 224 East South Street, Shreve. The interest rate on this debt is at a fixed rate of 4.75% for 15 years. Total amount borrowed for the financing was $209,409.	167,582
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000, due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1. Proceeds of the bond were used to purchase the property located at 1401 Moreland Road.	30,100
Mortgage Revenue Bond dated February 24, 2003 in the amount of $55,000, due in February 2033; interest rate of 4.625% with an annual payment of principal and interest due February 1. Proceeds of the bond were used to purchase a property located at 1701 Westwood Circle.	34,700
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in April 2010, where the Authority received a grant for $9,038 to be used for the purchase of property located at 1701 Westwood Circle. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	3,163
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000 due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1 of each year. Bond proceeds were used to purchase a property located at 617-619 Jefferson Avenue, Orrville.	30,100

NOTE 10: **LONG-TERM DEBT (Continued)**

The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in February 2009 where the Authority received a grant for $10,000 to be used for renovations to the property located at 617-619 Jefferson Avenue, Orrville. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	2,722
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in March 2010 where the Authority received a grant for $5,725 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	1,972
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in July 2010 where the Authority received a grant for $8,950 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	3,282
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in June 2011 where the Authority received a grant for $9,250 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	3,957
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities on March 2010 where the Authority received a grant for $6,043 to be used for renovation of property at 2610 Impala Street. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant less the prorated amount of number of months used by DD clients.	2,081

NOTE 10: **LONG-TERM DEBT (Continued)**

The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in March 2010 where the Authority received a grant for $8,176 to be used for renovations to the property located at 571 North Grant Street. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	2,816
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in January 2011, where the Authority received a grant for $104,262 to be used for the purchase of property located at 1688 Barnes Drive. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	41,705
The PHA entered into a contractual agreement with Ohio Department of Mental Health in June 2012, where the Authority assumed the remaining forgivable loan balance from the former Home Place Housing Corporation. The original loan was dated April 1989 in the amount of $634,000 at 0% interest. The loan has a restriction that the properties shall be used for approved mental health purposes for a period of 40 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used.	146,211
Loan payable to USDA Rural Development to finance the purchase of property located at 208 East South Street, Shreve. The total amount borrowed for this financing was $740,000 at a fixed rate of 3.25% over 50 years. USDA Rural Development subsidizes a portion of the interest for the first 30 years, and the Authority pays an effective interest rate of 1%.	688,425
Loan payable to Commercial & Savings Bank for the purchase of property located at 111 South Main Street, Rittman. The interest rate on this debt is at a fixed rate of 4.5% for 15 years. Total amount borrowed for the financing was $64,811.	55,202
Total Outstanding Debt	$ 1,605,294
Less Current Portion	(128,155)
Total Long-Term Debt	$ 1,477,139

NOTE 10: **LONG-TERM DEBT (Continued)**

The following is a summary of changes in long-term debt For the Year Ended December 31, 2019:

	Balance - (Restated) at 12/31/18	Additions	Balance Deletions	Due Within at 12/31/18	One Year
Compensated Absences	$ 57,183	$ 132,558	$(133,741)	$ 56,000	$ 8,400
Loan Payable	1,730,780	38,966	(125,486)	1,644,260	167,121
Net OPEB Liability	726,485	75,330		801,815	0
Net Pension Liability	1,036,968	860,470		1,897,439	0
Total	$3,551,416	$1,107,324	$(259,227)	$4,399,514	$ 175,521

See Note 6 and 7 for information on the Authority's net pension liability.

The $1,644,260 includes a line of credit of $38,966.

Maturities of the debt over the next five years are as follows:

For the Year Ended December 31,	Principal	Interest	Total Payments
2020	167,121	45,719	212,840
2021	133,549	40,116	173,665
2022	139,453	34,212	173,665
2023	145,669	27,996	173,665
2024	131,667	21,495	153,162
2025-2029	267,277	70,639	337,916
2030-2034	117,938	38,704	156,642
2035-2039	67,123	27,063	94,186
2040-2044	78,949	44,959	123,908
2045-2049	92,859	57,056	149,915
2050-2054	109,220	40,695	149,915
2055-2059	128,464	21,451	149,915
2060-2064	64,972	2,492	67,464
TOTAL	$1,644,260	$ 472,597	$ 2,116,857

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NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at December 31, 2019.

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

The Authority had the following inter-program receivable or payable balances at December 31, 2019:

Program/Project	Due From	Due To
State/Local	$ 255,339	$ -
Business Activities	-	(111,105)
10.427 Rural Rental Assistance Program	-	(76,496)
Central Office Cost Center	-	(67,738)
TOTAL	$ 255,339	$ (255,339)

These amounts represent funds that are owed from various programs to each other as a result of the movement of money between bank accounts, the timing of the payment of invoices, and other such purposes to support operations as permitted.

NOTE 13: **OPERATING TRANSFER**

The Authority had the following operating transfers in 2019:

Program/Project	Transfer From	Transfer To
Capital Fund	$ 94,950	$ -
Public Housing	-	94,950
TOTAL	$ 94,950	$ 94,950

This transfer represents the Capital Fund Grant allocation to support operations as permitted.

NOTE 14: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 15 **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial assistance programs of the Wayne Metropolitan Housing Authority (the Authority) For the Year Ended December 31, 2019. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

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

NOTE 16 **SUBSEQUENT EVENTS**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through May 29, 2020, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the Financial Statements; however the following subsequent event has occurred, which required disclosure in the in the Notes to the Financial Statements.

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

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
111	Cash - Unrestricted	$ 437,670		333,883	
113	Cash - Other Restricted				20,231
114	Cash - Tenant Security Deposits	37,985		3,731	19,060
115	Cash - Restricted for Payment of Current Liabilities				
100	Total Cash	475,655	-	337,614	39,291
122	Acct. Rec. - HUD Other Projects				
124	Acct. Rec. - Other Governments				
125	Acct. Rec. - Misc.				
126	Acct. Rec. - Tenants	17,505		1,786	1,190
126.1	Allowance Doubtful Accts. - Tenants	(13,210)		(1,496)	(697)
127	Notes, Loans, & Mortgages Rec. - Current				
128	Fraud Recovery	80,871		812	706
128.1	Allowance Doubtful Accts.	(73,343)		(406)	(670)
129	Accrued Interest Receivable				
120	Net Total Receivables	11,823	-	696	529
142	Prepaid Expenses	43,540		4,073	7,839
143	Inventories				
144	Inter Program Due From				
145	Assets Held for Sale				
150	**Total Current Assets**	531,018	-	342,383	47,659
161	Land	1,394,687		160,421	65,690
162	Buildings	14,593,250		892,386	901,446
163	Furniture, Equip. & Mach. - Dwellings	149,284			19,766
164	Furniture, Equip. & Mach. - Admin.	279,841			6,864
166	Accumulated Depreciation	(13,804,338)		(307,783)	(258,928)
167	Construction in Progress	121,629			
160	Net Fixed Assets	2,734,353	-	745,024	734,838
171	Notes, Loans, & Mortgages Rec. - Non Current				
174	Other Assets				
200	Deferred Outflow of Resources	75,595		1,708	8,131
190	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 3,340,966**	**$ -**	**$ 1,089,115**	**$ 790,628**

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
312	A/P <= 90 days	$ -			
321	Accrued Wage/Taxes Payable				
322	Accrued Compensated Absences - Current Portion				
333	Accounts Payable - Other Government	37,873		4,857	18,866
341	Tenant Security Deposits	37,985		3,731	19,060
342	Unearned Revenue	9,820		91	2,798
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.				7,724
344	Current Portion of Long-term Debt - Operating Borrowings				
345	Other Current Liabilities	2,600			
346	Accrued Liabilities - Other	22,862		30	4,614
347	Inter Program - Due To				76,496
357	Accrued Pension	420,130		9,494	45,187
310	Total Current Liabilities	531,270	-	18,203	174,745
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,				680,701
353	Non-current Liabilities - Other				
354	Accrued Comp. Abs. - Noncurrent				
	TOTAL Liabilities	531,270	-	18,203	855,446
400	Deferred Inflow of Resources	4,217		95	454
508.1	Invested in Capital Assets Net	2,734,353		745,024	46,413
511.1	Restricted Net Position				20,231
512.1	Unrestricted Net Position	71,126		325,793	(131,916)
513	TOTAL Equity/Net Position	2,805,479	-	1,070,817	(65,272)
600	**TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY**	**$ 3,340,966**	**$ -**	**$ 1,089,115**	**$ 790,628**

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
111	Cash - Unrestricted	$ 51,521	$ 14,023	$ -	$ 100
113	Cash - Other Restricted	136,533		21,012	
114	Cash - Tenant Security Deposits		7,988	1,005	
115	Cash - Restricted for Payment of Current Liabilities				
100	Total Cash	188,054	22,011	22,017	100
122	Acct. Rec. - HUD Other Projects				
124	Acct. Rec. - Other Governments		10,000		
125	Acct. Rec. - Misc.			4,394	16,344
126	Acct. Rec. - Tenants		2,657	2,486	
126.1	Allowance Doubtful Accts. - Tenants		(1,702)	(2,024)	
127	Notes, Loans, & Mortgages Rec. - Current			2,400	
128	Fraud Recovery	275,845	12,762		
128.1	Allowance Doubtful Accts.	(266,220)	(11,602)		
129	Accrued Interest Receivable				
120	Net Total Receivables	9,625	12,115	7,256	16,344
142	Prepaid Expenses	4,611	6,030	5,965	10,962
143	Inventories			1,128	25,896
144	Inter Program Due From		255,339		
145	Assets Held for Sale				
150	**Total Current Assets**	202,290	295,495	36,366	53,302
161	Land		255,170	297,294	137,470
162	Buildings		1,226,748	1,314,513	1,664,012
163	Furniture, Equip. & Mach. - Dwellings		14,160		
164	Furniture, Equip. & Mach. - Admin.	25,291		47,098	229,957
166	Accumulated Depreciation	(25,291)	(264,036)	(649,742)	(1,179,398)
167	Construction in Progress		21,205	37,376	
160	Net Fixed Assets	-	1,253,247	1,046,539	852,041
171	Notes, Loans, & Mortgages Rec. - Non Current			307,400	
174	Other Assets				
200	Deferred Outflow of Resources	113,785	3,690	23,540	259,232
190	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 316,075**	**$ 1,552,432**	**$ 1,413,845**	**$1,164,575**

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
312	A/P <= 90 days	$ 660		$ -	$ -
321	Accrued Wage/Taxes Payable				59,643
322	Accrued Compensated Absences - Current Portion				8,400
333	Accounts Payable - Other Government		15,200	6,880	
341	Tenant Security Deposits		7,988	1,005	
342	Unearned Revenue		1,235	2,331	
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.		15,850	31,528	73,053
344	Current Portion of Long-term Debt - Operating Borrowings			38,966	
345	Other Current Liabilities				
346	Accrued Liabilities - Other		3,444	37,898	4,394
347	Inter Program - Due To			111,105	67,738
357	Accrued Pension	632,380	20,505	130,828	1,440,730
310	Total Current Liabilities	633,040	64,222	360,541	1,653,958
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,		130,361	347,854	318,223
353	Non-current Liabilities - Other	76,832		128,587	
354	Accrued Comp. Abs. - Noncurrent				47,600
	TOTAL Liabilities	709,872	194,583	836,982	2,019,781
400	Deferred Inflow of Resources	6,347	206	1,313	14,458
508.1	Invested in Capital Assets Net	-	1,107,036	667,157	460,765
511.1	Restricted Net Position	59,701		21,012	
512.1	Unrestricted Net Position	(459,845)	250,607	(112,619)	(1,330,429)
513	TOTAL Equity/Net Position	(400,144)	1,357,643	575,550	(869,664)
600	**TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY**	**$ 316,075**	**$1,552,432**	**$ 1,413,845**	**$1,164,575**

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
111	Cash - Unrestricted	$ 837,197		$ 837,197
113	Cash - Other Restricted	177,776		177,776
114	Cash - Tenant Security Deposits	69,769		69,769
115	Cash - Restricted for Payment of Current Liabilities	-		-
100	Total Cash	1,084,742	-	1,084,742
122	Acct. Rec. - HUD Other Projects	-		-
124	Acct. Rec. - Other Governments	10,000		10,000
125	Acct. Rec. - Misc.	20,738		20,738
126	Acct. Rec. - Tenants	25,624		25,624
126.1	Allowance Doubtful Accts. - Tenants	(19,129)		(19,129)
127	Notes, Loans, & Mortgages Rec. - Current	2,400		2,400
128	Fraud Recovery	370,996		370,996
128.1	Allowance Doubtful Accts.	(352,241)		(352,241)
129	Accrued Interest Receivable	-		-
120	Net Total Receivables	58,388	-	58,388
142	Prepaid Expenses	83,020		83,020
143	Inventories	27,024		27,024
144	Inter Program Due From	255,339	(255,339)	-
145	Assets Held for Sale	-		-
150	**Total Current Assets**	1,508,513	(255,339)	1,253,174
161	Land	2,310,732		2,310,732
162	Buildings	20,592,355		20,592,355
163	Furniture, Equip. & Mach. - Dwellings	183,210		183,210
164	Furniture, Equip. & Mach. - Admin.	589,051		589,051
166	Accumulated Depreciation	(16,489,516)		(16,489,516)
167	Construction in Progress	180,210		180,210
160	Net Fixed Assets	7,366,042	-	7,366,042
171	Notes, Loans, & Mortgages Rec. - Non Current	307,400		307,400
174	Other Assets	-		-
200	Deferred Outflow of Resources	485,681		485,681
190	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 9,667,636**	**$ (255,339)**	**$ 9,412,297**

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
312	A/P <= 90 days	$ 660		$ 660
321	Accrued Wage/Taxes Payable	59,643		59,643
322	Accrued Compensated Absences - Current Portion	8,400		8,400
333	Accounts Payable - Other Government	83,676		83,676
341	Tenant Security Deposits	69,769		69,769
342	Unearned Revenue	16,275		16,275
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.	128,155		128,155
344	Current Portion of Long-term Debt - Operating Borrowings	38,966		38,966
345	Other Current Liabilities	2,600		2,600
346	Accrued Liabilities - Other	73,242		73,242
347	Inter Program - Due To	255,339	(255,339)	-
357	Accrued Pension	2,699,254		2,699,254
310	Total Current Liabilities	3,435,979	(255,339)	3,180,640
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,	1,477,139		1,477,139
353	Non-current Liabilities - Other	205,419		205,419
354	Accrued Comp. Abs. - Noncurrent	47,600		47,600
	TOTAL Liabilities	5,166,137	(255,339)	4,910,798
400	Deferred Inflow of Resources	27,090		27,090
508.1	Invested in Capital Assets Net	5,760,748		5,760,748
511.1	Restricted Net Position	100,944		100,944
512.1	Unrestricted Net Position	(1,387,283)		(1,387,283)
513	TOTAL Equity/Net Position	4,474,409	-	4,474,409
600	**TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY**	**$ 9,667,636**	**$ (255,339)**	**$ 9,412,297**

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
703	Net Tenant Rental Revenue	$ 599,259	$ -	$ 21,167	$ 132,494
704	Tenant Revenue - Other	2,697		65	726
705	Total Tenant Revenue	601,956	-	21,232	133,220
706	HUD PHA Operating Grants	726,701	36,930	109,254	
706.1	Capital Grants	345,371			
707.1	Management Fee				
707.2	Asset Management Fee				
707.3	Bookkeeping Fee				
707.4	Front Line Service Fee				
707.5	Other Fees				
708	Other Government Grants				121,149
711	Investment Income - Unrestricted	5,100		641	73
714	Fraud Recovery				
715	Other Revenue	13,649			4,322
716	Gain or Loss on Sale of Capital Assets	4,000			
720	Investment Income - Restricted				28
700	TOTAL REVENUE	1,696,777	36,930	131,127	258,792
911	Admin Salaries	122,849	23,457	2,776	13,213
912	Audit	2,880		547	912
913	Management Fee	145,860		9,619	26,104
913.1	Bookkeeping Fee	19,800		3,600	3,600
914	Advertising and Marketing				
915	Employee Benefits	191,339	13,473	4,494	21,441
916	Office Expenses	649		36	40
917	Legal Expense	3,060		303	
918	Travel	9,625		21	214
919	Other	22,333		381	3,582
	Total Operating - Admin.	518,395	36,930	21,777	69,106
920	Asset Management Fee	26,880			
925	Tenant Services - Other				
931	Water	100,591		703	52,668
932	Electricity	81,044		76	12,231
933	Gas	17,567		238	2,105
936	Sewer	1,448			
930	Total Utilities	200,650	-	1,017	67,004

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
941	Ordinary Maint. & Operations - Labor	$ 43,950		993	4,727
942	Ordinary Maint. & Operations - Materials & Other	97,990		5,973	7,694
943	Ordinary Maint. & Operations - Contracts	399,021		23,157	49,056
945	Employee Benefits Contributions - Ordinary Maint.	57,417		1,334	6,282
940	Total Maintenance	598,378	-	31,457	67,759
961.1	Property Insurance	45,491		4,521	8,120
961.2	Liability Insurance				
961.3	Workmen's Compensation	280		4	73
961.4	All Other Insurance	1,109			309
961	Total Insurance	46,880	-	4,525	8,502
963	Payments in Lieu of Taxes	39,012		12,933	18,890
964	Bad Debt - Tenant Rents	9,581		109	
960	Total Other General Expenses	48,593	-	13,042	18,890
96710	Interest of Mortgage Payable	25,050			11,360
967	Total Interest Expense	25,050	-	-	11,360
	TOTAL OPERATING EXPENSES	1,464,826	36,930	71,818	242,621
970	Excess Operating Revenue over Expenses	231,951	-	59,309	16,171
973	Housing Assistance Payments				
974	Depreciation Expense	199,877		36,856	38,719
900	TOTAL EXPENSES	1,664,703	36,930	108,674	281,340
1001	Operating Transfer In	30,000			
1002	Operating Transfer Out	(94,950)			
10091	Inter Project Excess Cash Transfer In	46,443			
10092	Inter Project Excess Cash Transfer Out	(46,443)			
1010	Total Other Financing Sources (Uses)	(64,950)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (32,876)	$ -	$ 22,453	$ (22,548)

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
703	Net Tenant Rental Revenue		106,587	140,027	
704	Tenant Revenue - Other		73,344	10,693	
705	Total Tenant Revenue	-	179,931	150,720	-
706	HUD PHA Operating Grants	4,553,838			
706.1	Capital Grants				
707.1	Management Fee				329,780
707.2	Asset Management Fee				28,680
707.3	Bookkeeping Fee				112,920
707.4	Front Line Service Fee				451,278
707.5	Other Fees			150,318	66,868
708	Other Government Grants		25,850	11,132	
711	Investment Income - Unrestricted			18	
714	Fraud Recovery	6,440			-
715	Other Revenue	8,274	10,000	33,769	496
716	Gain or Loss on Sale of Capital Assets				500
720	Investment Income - Restricted			48	
700	TOTAL REVENUE	4,568,552	215,781	346,005	990,522
911	Admin Salaries	161,455	5,996	38,255	421,279
912	Audit	2,084	576	1,684	2,051
913	Management Fee	129,552	8,700	9,945	
913.1	Bookkeeping Fee	80,970	3,600	1,350	
914	Advertising and Marketing				
915	Employee Benefits	333,099	9,734	63,755	474,703
916	Office Expenses	981	168	2,568	11,838
917	Legal Expense	100	525	510	
918	Travel	1,556	118	2,481	593
919	Other	21,177	462	9,259	14,212
	Total Operating - Admin.	730,974	29,879	129,807	924,676
920	Asset Management Fee			1,800	
925	Tenant Services - Other	120			
931	Water		12,169	15,164	3,101
932	Electricity		8,147	21,350	13,853
933	Gas		6,160	13,657	6,194
936	Sewer			784	
930	Total Utilities	-	26,476	50,955	23,148

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
941	Ordinary Maint. & Operations - Labor	$ -	$ 2,145	$ 13,686	$ 150,714
942	Ordinary Maint. & Operations - Materials & Other	1,248	8,504	13,224	36,161
943	Ordinary Maint. & Operations - Contracts	2,187	33,687	71,332	64,192
945	Employee Benefits Contributions - Ordinary Maint.	-	2,900	19,156	149,903
940	Total Maintenance	3,435	47,236	117,398	400,970
961.1	Property Insurance		6,536	6,458	6,796
961.2	Liability Insurance	601			
961.3	Workmen's Compensation	395	10	195	744
961.4	All Other Insurance	70		1,744	447
961	Total Insurance	1,066	6,546	8,397	7,987
963	Payments in Lieu of Taxes		15,260	9,949	60
964	Bad Debt - Tenant Rents		1,099	3,827	
960	Total Other General Expenses	-	16,359	13,776	60
96710	Interest of Mortgage Payable			16,735	
967	Total Interest Expense	-	-	16,735	-
	TOTAL OPERATING EXPENSES	735,595	126,496	338,868	1,356,841
970	Excess Operating Revenue over Expenses	3,832,957	89,285	7,137	(366,319)
973	Housing Assistance Payments	4,033,837			
974	Depreciation Expense		44,261	52,863	71,843
900	TOTAL EXPENSES	4,769,432	170,757	391,731	1,428,684
1001	Operating Transfer In				
1002	Operating Transfer Out				64,950
10093	Transfers between Program and Project-In				
10094	Transfers between Program and Project-Out				
1010	Total Other Financing Sources (Uses)	-	-	-	64,950
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (200,880)	$ 45,024	$ (45,726)	$ (373,212)

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
703	Net Tenant Rental Revenue	$ 999,534		$ 999,534
704	Tenant Revenue – Other	87,525		87,525
705	Total Tenant Revenue	1,087,059	-	1,087,059
706	HUD PHA Operating Grants	5,426,723		5,426,723
706.1	Capital Grants	345,371		345,371
707.1	Management Fee	329,780	$ (329,780)	-
707.2	Asset Management Fee	28,680	(28,680)	-
707.3	Bookkeeping Fee	112,920	(112,920)	-
707.4	Front Line Service Fee	451,278	(426,692)	24,586
707.5	Other Fees	217,186		217,186
708	Other Government Grants	158,131		158,131
711	Investment Income – Unrestricted	5,832		5,832
714	Fraud Recovery	6,440		6,440
715	Other Revenue	70,510		70,510
716	Gain or Loss on Sale of Capital Assets	4,500		4,500
720	Investment Income - Restricted	76		76
700	TOTAL REVENUE	8,244,486	(898,072)	7,346,414
911	Admin Salaries	789,280		789,280
912	Audit	10,734		10,734
913	Management Fee	329,780	(329,780)	-
913.1	Bookkeeping Fee	112,920	(112,920)	-
914	Advertising and Marketing	-		-
915	Employee Benefits	1,112,038		1,112,038
916	Office Expenses	16,280		16,280
917	Legal Expense	4,498		4,498
918	Travel	14,608		14,608
919	Other	71,406		71,406
	Total Operating - Admin.	2,461,544	(442,700)	2,018,844
920	Asset Management Fee	28,680	(28,680)	-
925	Tenant Services - Other	120		120
931	Water	184,396		184,396
932	Electricity	136,701		136,701
933	Gas	45,921		45,921
936	Sewer	2,232		2,232
930	Total Utilities	369,250	-	369,250

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
941	Ordinary Maint. & Operations - Labor	216,215		216,215
942	Ordinary Maint. & Operations - Materials & Other	170,794		170,794
943	Ordinary Maint. & Operations - Contracts	642,632	(426,692)	215,940
945	Employee Benefits Contributions - Ordinary Maint.	236,992		236,992
940	Total Maintenance	1,266,633	(426,692)	839,941
961.1	Property Insurance	77,922		77,922
961.2	Liability Insurance	601		601
961.3	Workmen's Compensation	1,701		1,701
961.4	All Other Insurance	3,679		3,679
961	Total Insurance	83,903	-	83,903
963	Payments in Lieu of Taxes	96,104		96,104
964	Bad Debt - Tenant Rents	14,616		14,616
960	Total Other General Expenses	110,720	-	110,720
96710	Interest of Mortgage Payable	53,145		53,145
967	Total Interest Expense	53,145		53,145
	TOTAL OPERATING EXPENSES	4,373,995	(898,072)	3,475,923
970	Excess Operating Revenue over Expenses	3,870,491		3,870,491
973	Housing Assistance Payments	4,033,837		4,033,837
974	Depreciation Expense	444,419		444,419
900	TOTAL EXPENSES	8,852,251	(898,072)	7,954,179
1001	Operating Transfer In	30,000	(30,000)	-
1002	Operating Transfer Out	(30,000)	30,000	-
10093	Transfers between Program and Project-In	46,443	(46,443)	-
10094	Transfers between Program and Project-Out	(46,443)	46,443	-
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (607,765)	$ -	$ (607,765)

Wayne Metropolitan Housing Authority
Additional Information Required by HUD
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments	Housing Choice Vouchers
11190	Unit Months Available	2,688	192	540	11,448
11210	Number of Unit Month Leased	2,640	190	502	10,796

Wayne Metropolitan Housing Authority
Additional Information Required by HUD
For the Year Ended December 31, 2019

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	**Account Description**	**State & Local**	**Business Activities**
11190	Unit Months Available	348	180
11210	Number of Unit Month Leased	321	180

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SIX (1) CALENDAR YEARS
(UNAUDITED)

Traditional Plan	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability	0.006928%	0.006647%	0.006481%	0.006637%	0.006512%	0.006512%
Authority's Proportionate Share of the Net Pension Liability	$1,897,439	$1,042,785	$1,471,725	$1,149,614	$785,421	$767,680
Authority's Covered-Employee Payroll	$989,324	$936,703	$895,935	$825,992	$798,433	$863,231
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	191.79%	111.33%	164.27%	139.18%	98.37%	88.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension (Asset)	0.000000%	0.004273%	0.006200%	0.006710%	0.003501%	0.003501%
Authority's Proportionate Share of the Net Pension (Asset)	$0	($5,817)	($3,451)	($3,265)	($1,347)	($367)
Authority's Covered-Employee Payroll	$55,518	$53,528	$52,306	$24,417	$12,800	$0
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	0.00%	10.87%	6.60%	13.37%	10.52%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Amounts presented as of the Authority's measurement date which is the prior year.

(2) Information prior to 2013 is not available.

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST THREE (2) CALENDAR YEARS
(UNAUDITED)

	2018	2017	2016
Authority's Proportion of the Net OPEB Liability	0.0061500%	0.0066900%	0.0061000%
Authority's Proportionate Share of the Net OPEB Liability	$ 801,815	$ 726,485	$ 61,612
Authority's Covered Employee Payroll	$ 1,044,842	$ 989,231	$ 948,241
Authority's Proportionate Share of the Net OPEB Liability as a percentage of its covered employee payroll	76.74%	73.44%	6.50%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	46.33%	54.14%	68.52%

(1) Amounts presented as of the Authority's measurement date which is the prior year.

(2) Information prior to 2016 is not available.

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
LAST SEVEN (1) CALENDAR YEARS
(UNAUDITED)

	2019	2018	2017	2016	2015	2014	2013
Contractually required employer contribution							
Traditional Plan	$ 118,719	$ 112,284	$ 107,512	$ 106,542	$ 99,119	$ 95,812	$ 112,220
Combined Plan	$ 6,662	$ 6,423	$ 6,277	$ 3,148	$ 2,930	$ 1,536	$ -
Total Required Contributions	$ 125,381	$ 118,707	$ 113,789	$ 109,690	$ 102,049	$ 97,348	$ 112,220
Contributions in relation to the contractually required contribution	$ (125,381)	$ (118,707)	$ (113,789)	$ (109,690)	$ (102,049)	$ (97,348)	$ (112,220)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll							
Traditional Plan	$ 989,324	$ 935,703	$ 895,935	$ 887,850	$ 825,992	$ 798,433	$ 863,231
Combined Plan	$ 55,518	$ 53,528	$ 52,306	$ 26,233	$ 24,417	$ 12,800	$ -
Contribution as a percentage of covered-employee payroll:							
Traditional Plan	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	13.00%
Pension	12.52%	12.52%	12.52%	12.00%	12.00%	13.00%	10.00%
OPEB	1.49%	1.49%	1.49%	2.00%	2.00%	1.00%	4.00%

(1) – Information prior to 2013 is not available.

Ohio Public Employees' Retirement System

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for calendar years presented.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for the calendar years presented. 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. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Expenditures	Fund Expended
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low Rent Public Housing Program	14.850	$ 726,701	$ 0
Capital Fund Program	14.872	345,371	0
Project Based Rental Assistance Program	14.195	109,254	0
Section 8 Housing Choice Voucher Program	14.871	4,553,838	0
PIH Family Self-Sufficiency Program	14.896	36,930	0
Total Direct Awards		5,772,094	0
U.S. Department of Agriculture			
Direct Programs:			
Rural Rental Assistance Payments	10.427	121,149	0
Rural Rental Housing Loan	10.415	0	688,425
Total U.S. Department of Agriculture		121,149	688,425
Total Federal Expenditures		$5,874,815	$ 688,425

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

Kevin L.
Penn, Inc.

Certified Public Accountant
11811 Shaker Boulevard, Suite 421
Cleveland, Ohio 44120
(216)421-1000
Fax:(216)421-1001
Email: klpenncpa@aol.com

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

Board of Trustees
Wayne Metropolitan Housing Authority
Wooster, Ohio 44691

I have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities, of the Wayne Metropolitan Housing Authority, Wayne County, (the Authority) as of and For the Year Ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated May 29, 2020.

Internal Control Over Financial Reporting

As part of my financial statement audit, I considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support my opinion**(s)** on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, I have not opined on it.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, I did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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

Kevin L. Penn, Inc.

May 29, 2020
Cleveland, Ohio

Kevin L.
Penn, Inc.

Certified Public Accountant
11811 Shaker Boulevard, Suite 421
Cleveland, Ohio 44120
(216)421-1000
Fax:(216)421-1001
Email: klpenncpa@aol.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Wayne Metropolitan Housing Authority
Wooster, Ohio 44691

Report on Compliance for each Major Federal Program

I have audited Wayne Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Wayne Metropolitan Housing Authority's major federal programs for the Year Ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

I believe my audit provides a reasonable basis for my compliance opinion on each of the Authority's major programs. However, my audit does not provide a legal determination of the Authority's compliance.

Opinion on each Major Federal Program

In my opinion, Wayne Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs For the Year Ended December 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Kevin L. Penn, Inc.

May 29, 2020
Cleveland, Ohio

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major program:	Unmodified
Are there any reportable findings under 2 CFR Section 200.516(a)?	No
Identification of major programs:	
14.871	Housing Choice Voucher
14.850	Low Rent Public Housing
Dollar threshold used to distinguish between Type A and Type B programs:	Type A: > $750,000 Type B: all others
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings

None

There were no prior year audit findings.

OHIO AUDITOR OF STATE
KEITH FABER

WAYNE METROPOLITAN HOUSING AUTHORITY

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUJY 7, 2020

OHIO AUDITOR OF STATE
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