



OHIO AUDITOR OF STATE  
**KEITH FABER**





**FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY  
DECEMBER 31, 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Fayette Metropolitan Housing Authority  
Fayette County  
121 E. East Street  
Washington Court House, Ohio 43160

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the Fayette Metropolitan Housing Authority, Fayette County, Ohio (Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Fayette Metropolitan Housing Authority, Fayette County, Ohio as of December 31, 2021, and the respective changes in financial position and its cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

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***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Financial Data Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
August 29, 2022

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FAYETTE METROPOLITAN HOUSING AUTHORITY  
 FAYETTE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2021

**(UNAUDITED)**

The Fayette Metropolitan Housing Authority's (the Authority's) management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

- During 2021 the Authority's Net Position increased by \$166,854 (or 24.06%). Since the Authority engages only in business-type activities, the increase is all in the category of business-type Net Position. Net Position was \$693,447 and \$860,301 for years 2020 and 2021, respectively.
- The revenue increased by \$220,670 (or 8.62%) during 2021 and was \$2,559,603 and \$2,780,273 for the years 2020 and 2021, respectively.
- The total expenses for the Authority increased by \$231,478 (or 9.72%). Total expenses were \$2,381,941 and \$2,613,419 for the years 2020 and 2021, respectively.

**USING THIS ANNUAL REPORT**

The Report includes the following sections:

|                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MD&A<br>~ Management's Discussion and Analysis ~                                                                                                                                                             |
| Basic Financial Statements<br>~ Statement of Net Position ~<br>~ Statement of Revenues, Expenses and Changes in Net Position ~<br>~ Statement of Cash Flows ~<br>~ Notes to the Basic Financial Statements ~ |
| Supplementary and Other Information<br>~ Financial Data Schedules ~<br>~ Schedule of Federal Awards Expenditures ~                                                                                           |

FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021

**(UNAUDITED)**

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

**Government-Wide Financial Statements**

The Government-wide 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 like 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". 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:

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 assets, 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 do not meet the definition of "Net Position Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position".

The Government-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (like an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

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

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

FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(UNAUDITED)

**Fund Financial Statements**

The Authority is accounted for as an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

Many of the programs maintained by the Authority are required by the U. S. Department of Housing & Urban Development. Others are segregated to enhance accountability and control.

**The Authority's Programs**

Housing Choice Voucher (HCV) 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 Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of adjusted household income.

Other Programs- In addition to the housing choice voucher program, the Authority also operates the following programs:

Section 8 New Construction/Single Unit Program – SRO - Provides housing assistance payments to participating owners on behalf of eligible tenants occupying the units under a lease agreement between the landlords and tenants.

Mainstream Vouchers – This Program is exactly like the HCV except it only subsidizes households where one or more family members have a disability.

HOME Investment Partnership Programs - Funded by the US Department of Housing & Urban Development (HUD), the Tenant Based Rental Assistance (TBRA) funds are distributed to the County or City to provide help for paying rent, utility bills, and both rental and utility security deposits.

Shelter Plus Care – Provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS), and related diseases. Rental assistance grants must be matched with supportive services.

Emergency Housing Vouchers – This Program is to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

Business Activities – Represents non-HUD resources developed from a variety of activities.

FAYETTE METROPOLITAN HOUSING AUTHORITY  
 FAYETTE COUNTY  
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**AUTHORITY-WIDE STATEMENT**

**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 - Condensed Statement of Net Position Compared to Prior Year**

|                                                      | <u>2021</u>         | <u>2020</u>         |
|------------------------------------------------------|---------------------|---------------------|
| Current and Other Assets                             | \$ 673,543          | \$ 570,136          |
| Capital Assets                                       | 1,390,849           | 1,021,421           |
| Total Assets and Deferred Outflows of Resources      | <u>\$ 2,064,392</u> | <u>\$ 1,591,557</u> |
|                                                      |                     |                     |
| Current Liabilities                                  | \$ 201,088          | \$ 133,655          |
| Long-Term Liabilities                                | 1,003,003           | 764,455             |
| Total Liabilities and Deferred Inflows of Resources  | <u>1,204,091</u>    | <u>898,110</u>      |
|                                                      |                     |                     |
| Net Position:                                        |                     |                     |
| Net Investment in Capital Assets                     | 303,522             | 195,746             |
| Restricted Net Position                              | 7,795               | 68,105              |
| Unrestricted Net Position                            | <u>548,984</u>      | <u>429,596</u>      |
| Total Net Position                                   | <u>860,301</u>      | <u>693,447</u>      |
|                                                      |                     |                     |
| Total Liabilities, Deferred Inflows and Net Position | <u>\$ 2,064,392</u> | <u>\$ 1,591,557</u> |

For more detail information see Statement of Net Position presented elsewhere in this report.

**Major Factors Affecting the Statement of Net Position**

Current assets increased by \$103,407 or 18.14% in 2021 as a result of a much higher cash balance. Total liabilities also increased during the year by \$305,981 or 34.07% which was the result of the purchase of three properties and capitalized improvements with debt to cover all.

Capital Assets increased by a net amount of \$369,428 or 36.17%. This was the result of the new purchases, other capitalized improvements, and the current year's depreciation.

For more detail see "Capital Assets and Debt Administration" below.

FAYETTE METROPOLITAN HOUSING AUTHORITY  
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**Table 2 - Changes of Net Position**

|                                       | <b>Net Investment<br/>in Capital</b> |                  |                   |
|---------------------------------------|--------------------------------------|------------------|-------------------|
|                                       | <b>Unrestricted</b>                  | <b>Assets</b>    | <b>Restricted</b> |
| Beginning Balance                     | \$429,596                            | \$195,746        | \$68,105          |
| Results of Operation                  | 227,164                              | 0                | (60,310)          |
| Adjustments:                          |                                      |                  |                   |
| Current year Depreciation Expense (1) | 57,616                               | (57,616)         | 0                 |
| Capital Expenditure (2)               | (474,058)                            | 474,058          | 0                 |
| Retirement of Debt                    | (79,853)                             | 79,853           | 0                 |
| New Debt Issued                       | 341,500                              | (341,500)        | 0                 |
| Rounding Adjustment                   | 4                                    | (4)              | 0                 |
| Ending Balance                        | <u>\$548,984</u>                     | <u>\$303,522</u> | <u>\$7,795</u>    |

- 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 treated as an expense against results of operations and must be deducted.

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

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FAYETTE METROPOLITAN HOUSING AUTHORITY  
 FAYETTE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2021

(UNAUDITED)

**Table 3 - Statement of Revenue, Expenses & Changes in Net Position**

|                                    | <u>2021</u>              | <u>2020</u>              |
|------------------------------------|--------------------------|--------------------------|
| <b><u>Revenues</u></b>             |                          |                          |
| Total Tenant Revenues              | \$ 180,181               | 166,903                  |
| Operating Grants                   | 2,328,546                | 2,242,870                |
| Investment Income                  | 1,106                    | 841                      |
| Other Revenues                     | 270,440                  | 148,989                  |
| <b>Total Revenues</b>              | <b><u>2,780,273</u></b>  | <b><u>2,559,603</u></b>  |
| <b><u>Expenses</u></b>             |                          |                          |
| Administrative                     | 372,488                  | 242,863                  |
| Tenant Services                    | -                        | 101,813                  |
| Utilities                          | 730                      | 198                      |
| Maintenance                        | 34,072                   | 59,709                   |
| General and Interest               | 19,376                   | 21,404                   |
| Housing Assistance Payments        | 2,129,137                | 1,905,213                |
| Depreciation                       | 57,616                   | 50,741                   |
| <b>Total Expenses</b>              | <b><u>2,613,419</u></b>  | <b><u>2,381,941</u></b>  |
| Net Increases (Decreases)          | 166,854                  | 177,662                  |
| Beginning net position             | 693,447                  | 515,785                  |
| <b>Total net position - ending</b> | <b><u>\$ 860,301</u></b> | <b><u>\$ 693,447</u></b> |

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

The Operating Grant Revenue increased \$85,676 or 3.82% for 2021. The increase is due to HUD funding received during the year.

Total expenses increased by \$231,478 or 9.72%. The main reason for this increase is additional housing assistance payments made during the year of \$223,924 or 11.75%.

FAYETTE METROPOLITAN HOUSING AUTHORITY  
 FAYETTE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 DECEMBER 31, 2021

(UNAUDITED)

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of December 31, 2021, the Authority had \$1,390,849 invested in capital assets as reflected in the following schedule, which represents a net change due to current year additions, disposals and depreciation.

**Table 4 - Condensed Statement of Changes in Capital Assets**

|                          | <u>2021</u>             | <u>2020</u>             |
|--------------------------|-------------------------|-------------------------|
| Land                     | \$ 295,538              | \$ 259,075              |
| Building and Improvement | 1,608,854               | 1,293,747               |
| Equipment                | 41,991                  | 41,991                  |
| Construction in Progress | 38,735                  | -                       |
| Accumulated Depreciation | <u>(594,269)</u>        | <u>(573,392)</u>        |
| <br>Total                | <br><u>\$ 1,390,849</u> | <br><u>\$ 1,021,421</u> |

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes to the financial statements:

**Table 5 - Changes in Capital Assets**

|                                                |        |                             |
|------------------------------------------------|--------|-----------------------------|
| Beginning Balance                              | \$     | 1,021,421                   |
| Current year Additions                         |        | 474,058                     |
| Current Year Dispositions, net of depreciation |        | (47,015)                    |
| Current year Depreciation Expense              |        | (57,616)                    |
| Rounding Adjustment                            |        | <u>1</u>                    |
| <br>Ending Balance                             | <br>\$ | <br><u><u>1,390,849</u></u> |

FAYETTE METROPOLITAN HOUSING AUTHORITY  
 FAYETTE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**(UNAUDITED)**

Current year Additions are summarized as follows:

|                                  |        |                           |
|----------------------------------|--------|---------------------------|
| Land - 905 Vince St              | \$     | 17,250                    |
| Land - Grace St                  |        | 20,613                    |
| Land - 60 Hickory Ln             |        | 14,000                    |
| House - 905 Vince St             |        | 157,501                   |
| House - 60 Hickory Ln            |        | 127,821                   |
| Improvements - 1103 Gulfview     |        | 21,853                    |
| Improvements - 1254 Dayton Ave   |        | 41,191                    |
| Improvements - 855 Blackstone    |        | 1,640                     |
| Improvements - 1412 Lindberg     |        | 14,834                    |
| Improvements - 363 Ely St        |        | 2,390                     |
| Improvements - Vine St           |        | 16,230                    |
| Construction in Process          |        | 38,735                    |
| <br>Total Current Year Additions | <br>\$ | <br><u><u>474,058</u></u> |

**Debt Outstanding**

As of December 31, 2021, the Authority had \$1,087,327 of outstanding debt compared to \$825,678 last year. Please see note 8 of the financial statement for further detail. The table below summarizes the changes that took place during the year:

**Table 6 - Condensed Statement of Changes in Debt Outstanding**

|                           |        |                             |
|---------------------------|--------|-----------------------------|
| Beginning Balance         | \$     | 825,678                     |
| Current Year Debt Issued  |        | 341,500                     |
| Current Year Debt Retired |        | (79,853)                    |
| Rounding Adjustment       |        | 2                           |
| <br>Ending Balance        | <br>\$ | <br><u><u>1,087,327</u></u> |

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance
- Inflationary pressure on utility rates, supplies and other costs



FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021

**(UNAUDITED)**

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Larry Gray, Executive Director for the Fayette Metropolitan Housing Authority, at (740) 335-7525. Specific requests may be submitted to the Authority at 121 E. East Street, Washington Court House, OH 43160.

**FAYETTE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Position**  
**December 31, 2021**

***ASSETS***

**Current assets**

|                                      |                       |
|--------------------------------------|-----------------------|
| Cash and cash equivalents            | \$ 645,005            |
| Restricted cash and cash equivalents | 9,939                 |
| Receivables, net                     | 18,599                |
| <b>Total current assets</b>          | <b><u>673,543</u></b> |

**Noncurrent assets**

|                                 |                                   |
|---------------------------------|-----------------------------------|
| Capital assets:                 |                                   |
| Non-Depreciable capital assets  | 334,273                           |
| Depreciable capital assets, net | 1,056,576                         |
| <b>Total capital assets</b>     | <b><u>1,390,849</u></b>           |
| <b>Total noncurrent assets</b>  | <b><u>1,390,849</u></b>           |
| <b>Total assets</b>             | <b><u><u>\$ 2,064,392</u></u></b> |

***LIABILITIES***

**Current liabilities**

|                                  |                       |
|----------------------------------|-----------------------|
| Accounts payable                 | \$ 83,074             |
| Unearned revenue                 | 31,546                |
| Tenant security deposits         | 2,144                 |
| Long-Term Debt - Current Portion | 84,324                |
| <b>Total current liabilities</b> | <b><u>201,088</u></b> |

**Noncurrent liabilities**

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Long-Term Debt - Noncurrent Portion | 1,003,003                         |
| <b>Total noncurrent liabilities</b> | <b><u>1,003,003</u></b>           |
| <b>Total liabilities</b>            | <b><u><u>\$ 1,204,091</u></u></b> |

***NET POSITION***

|                            |                                 |
|----------------------------|---------------------------------|
| Invested in capital assets | \$ 303,522                      |
| Restricted net position    | 7,795                           |
| Unrestricted net position  | 548,984                         |
| <b>Total net position</b>  | <b><u><u>\$ 860,301</u></u></b> |

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

**FAYETTE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended December 31, 2021**

|                                                    |                          |
|----------------------------------------------------|--------------------------|
| <b><i>OPERATING REVENUES</i></b>                   |                          |
| Tenant revenue                                     | \$ 180,181               |
| Operating grants                                   | 2,328,546                |
| Other operating revenue                            | 194,657                  |
| <b>Total operating revenues</b>                    | <b><u>2,703,384</u></b>  |
| <br><b><i>OPERATING EXPENSES</i></b>               |                          |
| Administrative                                     | 372,488                  |
| Tenant services                                    | 0                        |
| Utilities                                          | 730                      |
| Maintenance                                        | 34,072                   |
| General and insurance                              | 2,067                    |
| Housing assistance payment                         | 2,129,137                |
| Depreciation                                       | 57,616                   |
| <b>Total operating expenses</b>                    | <b><u>2,596,110</u></b>  |
| <b>Operating income (loss)</b>                     | <b><u>107,274</u></b>    |
| <br><b><i>NONOPERATING REVENUES (EXPENSES)</i></b> |                          |
| Gain from sale of capital assets                   | 75,783                   |
| Interest income                                    | 1,106                    |
| Interest expense                                   | (17,309)                 |
| <b>Total nonoperating revenues (expenses)</b>      | <b><u>59,580</u></b>     |
| Change in net position                             | 166,854                  |
| Beginning net position                             | 693,447                  |
| <b>Total net position - ending</b>                 | <b><u>\$ 860,301</u></b> |

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

**FAYETTE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

|                                                                   |                          |
|-------------------------------------------------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |                          |
| Cash Received from Operating Grants                               | \$ 2,316,227             |
| Cash Received from Tenants                                        | 180,181                  |
| Cash Received from Other Revenue                                  | 194,657                  |
| Cash Payments for Operating expenses                              | (371,177)                |
| Cash Payments for Housing Assistance                              | <u>(2,129,137)</u>       |
| <b>Net Cash Provided (Used) by Operating Activities</b>           | <b><u>190,751</u></b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |                          |
| Interest earned                                                   | <u>1,106</u>             |
| <b>Net Cash Provided (Used) by Investing Activities</b>           | <b><u>1,106</u></b>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</b>             |                          |
| Loan Debt Payments                                                | (42,941)                 |
| Loan Proceeds                                                     | 341,500                  |
| Proceeds from sale of Asset                                       | 134,378                  |
| Property and Equipment Purchased                                  | (474,058)                |
| Interest Paid                                                     | <u>(17,309)</u>          |
| <b>Net Cash Provided (Used) by Capital and Related Activities</b> | <b><u>(58,430)</u></b>   |
| Net Increase (Decrease) in Cash                                   | 133,427                  |
| Cash and cash equivalents - Beginning of year                     | <u>521,517</u>           |
| <b>Cash and cash equivalents - End of year</b>                    | <b><u>\$ 654,944</u></b> |

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

**FAYETTE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows - Cont'd**  
**For the Year Ended December 31, 2021**

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

|                                                                                 |           |                       |
|---------------------------------------------------------------------------------|-----------|-----------------------|
| Net Operating Income (Loss)                                                     | \$        | 107,274               |
| Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities |           |                       |
| - Depreciation                                                                  |           | 57,616                |
| - ODODD Loan Forgiveness                                                        |           | (36,912)              |
| - (Increases) Decreases in Accounts Receivable                                  |           | 30,020                |
| - Increases (Decreases) in Accounts Payable                                     |           | 40,704                |
| - Increases (Decreases) in Unearned Revenue                                     |           | (7,951)               |
|                                                                                 |           | <hr/>                 |
| <b>Net Cash Provided by Operating Activities</b>                                | <b>\$</b> | <b><u>190,751</u></b> |

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

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low- and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Basis of Presentation

The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used 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. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD programs. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

Proprietary Fund Types

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

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

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.

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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.

Description of Programs

The Authority uses a single enterprise fund to maintain its financial records on the accrual basis. The following are the various major programs which are included in the enterprise fund:

Housing Choice Voucher Program (HCV) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Authority subsidizes the balance.

Section 8 New Construction Program- Provides housing assistance payments to participating owners on behalf of eligible tenants to provide decent, safe, and sanitary housing for very low-income families at rents they can afford. Housing Assistance Payments are used to make up the difference between that approved rent due to the owner for the dwelling unit and the occupant family's required contribution towards rent. Assisted families must pay the highest of 30% of their monthly adjusted income, 10% of gross family income, or the portion of welfare assistance designated for housing toward rent.

Emergency Housing Vouchers – This Program is to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

Other Business Activities- Represents non-HUD resources and derived from a variety of other activities mainly DD rentals.

Use of Estimates

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

Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash and Investments

Restricted cash and investments represent amounts received from HUD to be used strictly for providing housing assistance to families and individuals in need. As of December 31, 2021 total restricted cash to be used for housing assistance was \$7,795. In addition, the Authority is also holding \$2,144 of funds for tenant security deposits.



Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

Accounts Receivable-Net

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for uncollectable receivables was \$12,910 as of December 31, 2021.

Due From/To Other Programs

There was no Inter-program receivables and payables as of December 31, 2021 on the Financial Data Schedule.

Accounting and Reporting for Non-exchange Transactions

Non-exchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- Imposed non-exchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e., property taxes and fines).
- Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

The Authority's grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions. GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met, or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.
- Purpose restrictions specify the purpose for which resources are required to be used, (i.e., capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, the authority that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

Capital Assets

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

Capital assets are stated at cost and depreciation is computed using the straight-line method over the estimated useful life of the assets. Donated capital assets are recorded at fair market value on the date of receipt. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the assets life, are not capitalized. The capitalization threshold used by the Authority is \$500. The following are the useful lives used for depreciation purposes:

|                          |          |                              |         |
|--------------------------|----------|------------------------------|---------|
| Building-residential     | 30 years | Furniture                    | 7 years |
| Building-non-residential | 40 years | Equipment-dwelling           | 5 years |
| Building improvements    | 15 years | Equipment-non-dwelling       | 7 years |
| Land improvements        | 15 years | Vehicles                     | 5 years |
| Leasehold improvements   | 15 years | Computer Software & hardware | 3 years |

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is submitted to HUD and once approved, is adopted by the Board of the Housing Authority.

Net Position

Net position represents the difference between assets and liabilities. The investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, constructions, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**2. DEPOSITS AND INVESTMENTS**

Deposits

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

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

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

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

Protection of Authority’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

For the year ended December 31, 2021, the carrying amount of the Authority's deposits was \$654,944 and its bank balances were \$656,388. Based on the criteria described in GASB Statement No.40, *Deposits and Investment Risk Disclosure*, as of December 31, 2020, deposits totaling \$250,000 were covered by Federal Depository Insurance, while \$406,388 was exposed by custodial risk as discussed below.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the Federal Reserve System, in the name of the respective depository banks held at the Federal Reserve Bank in the name of the Authority.

**3. RESTRICTED CASH**

The restricted cash balance of \$9,939 on December 31, 2021 represents the following:

|                                  |                        |
|----------------------------------|------------------------|
| Advanced housing assistance cash | \$ 7,795               |
| Tenant security deposits         | <u>2,144</u>           |
| <b>TOTAL RESTRICTED CASH</b>     | <b><u>\$ 9,939</u></b> |

\*\*\*\*\*This space has been intentionally left blank.\*\*\*\*\*

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**4. CAPITAL ASSETS**

The following is a summary of capital assets on December 31, 2021:

|                                                    | Balance<br>12/31/2020 | Additions        | Deletions         | Rounding<br>Adjustment | Balance<br>12/31/2021 |
|----------------------------------------------------|-----------------------|------------------|-------------------|------------------------|-----------------------|
| <b>Capital Assets Not Being Depreciated:</b>       |                       |                  |                   |                        |                       |
| Land                                               | \$259,075             | \$51,863         | (\$15,400)        | \$0                    | \$295,538             |
| Construction in Progress                           | 0                     | \$38,735         | \$0               | \$0                    | 38,735                |
| <b>Total Capital Assets Not Being Depreciated</b>  | <b>259,075</b>        | <b>90,598</b>    | <b>(15,400)</b>   | <b>0</b>               | <b>334,273</b>        |
| <b>Capital Assets Being Depreciated:</b>           |                       |                  |                   |                        |                       |
| Buildings and Improvement                          | 1,293,747             | 383,460          | (68,354)          | 1                      | 1,608,854             |
| Administration Equipment                           | 41,991                | 0                | 0                 | 0                      | 41,991                |
| <b>Total Capital Assets Being Depreciated</b>      | <b>1,335,738</b>      | <b>383,460</b>   | <b>(68,354)</b>   | <b>1</b>               | <b>1,650,845</b>      |
| <b>Accumulated Depreciation:</b>                   |                       |                  |                   |                        |                       |
| Buildings and Improvement                          | (534,831)             | (55,464)         | 36,739            | 0                      | (553,556)             |
| Furnt, Mach. and Equip.                            | (38,561)              | (2,152)          | 0                 | 0                      | (40,713)              |
| <b>Total Accumulated Depreciation</b>              | <b>(573,392)</b>      | <b>(57,616)</b>  | <b>36,739</b>     | <b>0</b>               | <b>(594,269)</b>      |
| <b>Total Capital Assets Being Depreciated, Net</b> | <b>762,346</b>        | <b>325,844</b>   | <b>(31,615)</b>   | <b>1</b>               | <b>1,056,576</b>      |
| <b>Total Capital Assets, Net</b>                   | <b>\$1,021,421</b>    | <b>\$416,442</b> | <b>(\$47,015)</b> | <b>\$1</b>             | <b>\$1,390,849</b>    |

**5. CONTRACT SERVICES**

The Authority contract with:

- Fayette County Commissioners to obtain financial services for the Authority. The Authority does not have any employees; instead, services are subcontracted from Fayette County.
- Highland Metropolitan Housing Authority to provide management and financial reporting services. Compensation shall be based on the amount allowed by HUD for performing these services.
- Fayette County Board of Developmental Disabilities (DD) to provide a rent subsidy program for persons with developmental disabilities. To provide these services, the Authority acquired residential houses on behalf of the DD. The DD will maintain a legal interest in the property acquired with community assistance funds while under the compliance period. Fayette County Board of Development and Disabilities will compensate the Authority expenses when vacancies occur in the properties.

**6. ECONOMIC DEPENDENCY**

The Authority is economically dependent of receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

**7. RISK MANAGEMENT**

The Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage and no settlements exceeded insurance coverage, during the past three Fiscal years.

**8. LONG-TERM DEBT**

The Authority has an obligation with the Ohio Department of Developmental Disabilities for which the Authority received several grants with the condition that the grant funds are used to acquire several properties or make repairs to those properties. The properties are then to be rented to DODD clients for the next 15 to 30 years. As long as the Authority complies with this restriction, the grant funds are forgiven for each year that has expired. These grants while they are under the compliance period are reported as long-term debt on the financial statements.

Below is a summary of the Authority debt with Merchants National Bank and DODD as of December 31, 2021:

|                                                                                                                                                                                                                                                  |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Note payable to Merchants National Bank to purchase 842 Lincoln Drive. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 20-years due on May 8, 2029. Monthly payments of principal and interest is \$485.89.        | \$37,574 |
| Note payable to Merchants National Bank to purchase 364 Carolyn Rd. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 30-years due on September 11, 2031. Monthly payments of principal and interest is \$396.56.    | 38,651   |
| Note payable to Merchants National Bank to purchase 834 Lincoln Drive. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 30-years due on September 11, 2031. Monthly payments of principal and interest is \$396.56. | 38,651   |
| Note payable to Merchants National Bank to purchase 1103 Golfview Drive. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 20-years due on May 8, 2029. Monthly payments of principal and interest is \$564.16.      | 43,627   |
| Note payable to Merchants National Bank to purchase 594 Leslie Trace. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 20-years due on May 8, 2029. Monthly payments of principal and interest is \$523.20.         | 40,459   |
| Note payable to Merchants National Bank to purchase 1029 S Fayette Street. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 20-years due on May 8, 2029. Monthly payments of principal and interest is \$552.85.    | 42,767   |
| Note payable to Merchants National Bank to purchase 388 Leslie Trace. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 20-years due on May 8, 2029. Monthly payments of principal and interest is \$336.13.         | 26,001   |
| Note payable to Merchants National Bank to purchase 1412 Lindberg Avenue. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 25-years due on March 28, 2033. Monthly payments of principal and interest is \$245.60.  | 27,039   |

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

Note payable to Merchants National Bank to purchase 1254 Dayton Avenue. Total loan was refinanced on June 17, 2016 with an interest rate of 3.80% for 20-years due on July 8, 2030. Monthly payments of principal and interest is \$624.08. 54,673

Notes payable to Ohio Department of Development Disabilities to either purchase or rehab properties as follows:

- Replacement of new flooring on 388 Leslie Trace. Note was issued on June 21, 2019 at 0% interest, forgivable over 180 months. 5,660
- Acquisition of 1412 Lindberg Avenue. Note was issued on February 1, 2008 at 0% interest, forgivable over 180 months. 5,855
- Acquisition of 1254 Dayton Avenue. Note was issued on July 1, 2013 at 0% interest, forgivable over 180 months. 9,333
- Rehab 1254 Dayton Avenue. Note was issued on July 23, 2013 at 0% interest, forgivable over 180 months. 4,189
- Acquisition of 855 Blackstone Street NW. Note was issued on September 26, 2019 at 0% interest, forgivable over 360 months. 61,988
- Acquisition of 530 Pearl Street. Note was issued on January 29, 2020 at 0% interest, forgivable over 360 months. 82,698
- Acquisition of 818 Yeoman Street. Note was issued on April 1, 2020 at 0% interest, forgivable over 360 months. 86,704
- Fence for 364 Carolyn Rd. Note issued November 17, 2019 at 0% interest, forgivable over 180 months. 6,576
- Replacement of new windows on 1254 Dayton Avenue. Note was issued on December 2, 2020 at 0% interest, forgivable over 180 months. 16,425
- Acquisition of 363 Ely Street. Note was issued on December 13, 2020 at 0% interest, forgivable over 360 months. 78,872
- Replacement of new roof at 834 Lincoln. Note was issued on December 19, 2020 at 0% interest, forgivable over 180 months. 10,440
- Acquisition of 1103 Golfview Dr. Note in the amount of \$19,810 was issued on October 12, 2020 at 0% interest, forgivable over 180 months. 18,159
- Replacement of Air Condition at 818 Yeoman Street. Note in the amount of \$4,668 was issued on October 12, 2020 at 0% interest, forgivable over 180 months. 4,279
- Acquisition of 1029 S Fayette Street. Note in the amount of \$12,210 was issued on April 24, 2020 at 0% interest, forgivable over 180 months. 10,786
- Ramp replacement at 530 Pearl Road. Note in the amount of \$4,850 was issued on June 24, 2020 at 0% interest, forgivable over 180 months. 4,338
- Acquisition of 60 Hickory Lane. Note in the amount of \$127,818 was issued on April 16, 2021 at 0% interest, forgivable over 180 months. 122,137
- Improvements at 1029 S Fayette St. Note in the amount of \$5,900 was issued on March 29, 2021 at 0% interest, forgivable over 180 months. 5,605
- Acquisition of 905 Vine St. Note in the Amount of \$135,000 was issued on August 24, 2021 at 0% interest, forgivable over 180 months. 132,000
- Improvements at 60 Hickory Lane. Note in the amount of \$56,552 was issued on September 22, 2021 at 0% interest, forgivable over 180 months. 55,609

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

|                                                                                                                                          |                    |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| - Renovations at 905 Vine St. Note in the amount of \$16,230 was issued on December 17, 2021 at 0% interest, forgivable over 180 months. | <u>16,230</u>      |
| Total Long-Term Debt                                                                                                                     | <u>\$1,087,325</u> |

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

|                             | <u>Balance</u><br><u>12/31/2020</u> | <u>Additions</u> | <u>Deletions</u>  | <u>Balance</u><br><u>12/31/2021</u> | <u>Due Within</u><br><u>One Year</u> |
|-----------------------------|-------------------------------------|------------------|-------------------|-------------------------------------|--------------------------------------|
| Loan Payable - Bank         | \$384,589                           |                  | (\$35,146)        | 349,443                             | \$36,955                             |
| DODD Grant Funds Unexpired  | 441,089                             | 341,500          | (44,705)          | 737,884                             | 47,369                               |
| Total Long-Term Liabilities | <u>\$825,678</u>                    | <u>\$341,500</u> | <u>(\$79,851)</u> | <u>\$1,087,327</u>                  | <u>\$84,324</u>                      |

Please note the total debt retirement of \$79,851 includes \$36,910 of debt forgiveness by ODODD.

Loan maturity is as follows:

| <u>Year</u> | <u>Principal</u>   | <u>Interest</u> | <u>Total</u>       |
|-------------|--------------------|-----------------|--------------------|
| 2022        | 84,324             | 12,547          | 96,871             |
| 2023        | 80,798             | 11,115          | 91,913             |
| 2024        | 81,833             | 9,633           | 91,466             |
| 2025        | 82,040             | 8,091           | 90,131             |
| 2026        | 82,309             | 6,489           | 88,798             |
| 2027-2031   | 340,110            | 10,481          | 350,591            |
| 2032-2036   | 181,108            | 76              | 181,184            |
| 2037-2041   | 62,966             | 0               | 62,966             |
| 2042-2046   | 62,966             | 0               | 62,966             |
| 2047-2051   | 28,873             | 0               | 28,873             |
| Total       | <u>\$1,087,327</u> | <u>\$58,432</u> | <u>\$1,145,759</u> |

## 9. CONTINGENCIES

- A.** The Authority has received several Federal and state grants for specific purposes which are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2021.
- B.** The Authority is unaware of any outstanding lawsuits or other contingencies.

## 10. SUBSEQUENT EVENTS

Fayette Metropolitan Housing Authority  
Notes to the Financial Statements  
For the Year Ended December 31, 2021

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 Authority. The impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



Fayette Metropolitan Housing Authority  
Entity Wide Financial Data Schedule  
Year-End 12/31/2021

|                                                                | 14.182 N/C<br>S/R Section<br>8 Programs | 1 Business<br>Activities | 14.879<br>Mainstream<br>Vouchers | 14.239<br>HOME<br>Investment<br>Partnerships<br>Program | 14.871<br>Housing<br>Choice<br>Vouchers | 14.EHV<br>Emergency<br>Housing<br>Voucher | Subtotal    | ELIM | Total       |
|----------------------------------------------------------------|-----------------------------------------|--------------------------|----------------------------------|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|-------------|------|-------------|
| 111 Cash - Unrestricted                                        | \$19,637                                | \$165,559                | \$27,312                         | \$0                                                     | \$367,714                               | \$64,783                                  | \$645,005   | \$0  | \$645,005   |
| 113 Cash - Other Restricted                                    | \$0                                     | \$0                      | \$7,795                          | \$0                                                     | \$0                                     | \$0                                       | \$7,795     | \$0  | \$7,795     |
| 114 Cash - Tenant Security Deposits                            | \$0                                     | \$2,144                  | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$2,144     | \$0  | \$2,144     |
| 115 Cash - Restricted for Payment of Current Liabilities       | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$0         | \$0  | \$0         |
| 100 Total Cash                                                 | \$19,637                                | \$167,703                | \$35,107                         | \$0                                                     | \$367,714                               | \$64,783                                  | \$654,944   | \$0  | \$654,944   |
| 122 Accounts Receivable - HUD Other Projects                   | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$18,599                                | \$0                                       | \$18,599    | \$0  | \$18,599    |
| 128 Fraud Recovery                                             | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$12,910                                | \$0                                       | \$12,910    | \$0  | \$12,910    |
| 128.1 Allowance for Doubtful Accounts - Fraud                  | \$0                                     | \$0                      | \$0                              | \$0                                                     | -\$12,910                               | \$0                                       | -\$12,910   | \$0  | -\$12,910   |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$18,599                                | \$0                                       | \$18,599    | \$0  | \$18,599    |
| 150 Total Current Assets                                       | \$19,637                                | \$167,703                | \$35,107                         | \$0                                                     | \$386,313                               | \$64,783                                  | \$673,543   | \$0  | \$673,543   |
| 161 Land                                                       | \$0                                     | \$295,538                | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$295,538   | \$0  | \$295,538   |
| 162 Buildings                                                  | \$0                                     | \$1,330,591              | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$1,330,591 | \$0  | \$1,330,591 |
| 164 Furniture, Equipment & Machinery - Administration          | \$0                                     | \$1,849                  | \$0                              | \$0                                                     | \$40,142                                | \$0                                       | \$41,991    | \$0  | \$41,991    |
| 165 Leasehold Improvements                                     | \$0                                     | \$278,263                | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$278,263   | \$0  | \$278,263   |
| 166 Accumulated Depreciation                                   | \$0                                     | -\$555,405               | \$0                              | \$0                                                     | -\$38,864                               | \$0                                       | -\$594,269  | \$0  | -\$594,269  |
| 167 Construction in Progress                                   | \$0                                     | \$38,735                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$38,735    | \$0  | \$38,735    |
| 160 Total Capital Assets, Net of Accumulated Depreciation      | \$0                                     | \$1,389,571              | \$0                              | \$0                                                     | \$1,278                                 | \$0                                       | \$1,390,849 | \$0  | \$1,390,849 |
| 180 Total Non-Current Assets                                   | \$0                                     | \$1,389,571              | \$0                              | \$0                                                     | \$1,278                                 | \$0                                       | \$1,390,849 | \$0  | \$1,390,849 |
| 290 Total Assets and Deferred Outflow of Resources             | \$19,637                                | \$1,557,274              | \$35,107                         | \$0                                                     | \$387,591                               | \$64,783                                  | \$2,064,392 | \$0  | \$2,064,392 |

Fayette Metropolitan Housing Authority  
Entity Wide Financial Data Schedule  
Year-End 12/31/2021

|                                                                              | 14.182 N/C<br>S/R Section<br>8 Programs | 1 Business<br>Activities | 14.879<br>Mainstream<br>Vouchers | 14.239<br>HOME<br>Investment<br>Partnerships<br>Program | 14.871<br>Housing<br>Choice<br>Vouchers | 14.EHV<br>Emergency<br>Housing<br>Voucher | Subtotal    | ELIM | Total       |
|------------------------------------------------------------------------------|-----------------------------------------|--------------------------|----------------------------------|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|-------------|------|-------------|
| 312 Accounts Payable <= 90 Days                                              | \$0                                     | \$17,629                 | \$0                              | \$0                                                     | \$62,921                                | \$0                                       | \$80,550    | \$0  | \$80,550    |
| 331 Accounts Payable - HUD PHA Programs                                      | \$2,524                                 | \$0                      | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$2,524     | \$0  | \$2,524     |
| 341 Tenant Security Deposits                                                 | \$0                                     | \$2,144                  | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$2,144     | \$0  | \$2,144     |
| 342 Unearned Revenue                                                         | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$54                                    | \$31,492                                  | \$31,546    | \$0  | \$31,546    |
| 343 Current Portion of Long-term Debt - Capital<br>Projects/Mortgage Revenue | \$0                                     | \$84,324                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$84,324    | \$0  | \$84,324    |
| 310 Total Current Liabilities                                                | \$2,524                                 | \$104,097                | \$0                              | \$0                                                     | \$62,975                                | \$31,492                                  | \$201,088   | \$0  | \$201,088   |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage<br>Revenue    | \$0                                     | \$1,003,003              | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$1,003,003 | \$0  | \$1,003,003 |
| 350 Total Non-Current Liabilities                                            | \$0                                     | \$1,003,003              | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$1,003,003 | \$0  | \$1,003,003 |
| 300 Total Liabilities                                                        | \$2,524                                 | \$1,107,100              | \$0                              | \$0                                                     | \$62,975                                | \$31,492                                  | \$1,204,091 | \$0  | \$1,204,091 |
| 508.4 Net Investment in Capital Assets                                       | \$0                                     | \$302,244                | \$0                              | \$0                                                     | \$1,278                                 | \$0                                       | \$303,522   | \$0  | \$303,522   |
| 511.4 Restricted Net Position                                                | \$0                                     | \$0                      | \$7,795                          | \$0                                                     | \$0                                     | \$0                                       | \$7,795     | \$0  | \$7,795     |
| 512.4 Unrestricted Net Position                                              | \$17,113                                | \$147,930                | \$27,312                         | \$0                                                     | \$323,338                               | \$33,291                                  | \$548,984   | \$0  | \$548,984   |
| 513 Total Equity - Net Assets / Position                                     | \$17,113                                | \$450,174                | \$35,107                         | \$0                                                     | \$324,616                               | \$33,291                                  | \$860,301   | \$0  | \$860,301   |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity -<br>Net     | \$19,637                                | \$1,557,274              | \$35,107                         | \$0                                                     | \$387,591                               | \$64,783                                  | \$2,064,392 | \$0  | \$2,064,392 |
| 70300 Net Tenant Rental Revenue                                              | \$0                                     | \$180,181                | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$180,181   | \$0  | \$180,181   |
| 70400 Tenant Revenue - Other                                                 | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$0         | \$0  | \$0         |
| 70500 Total Tenant Revenue                                                   | \$0                                     | \$180,181                | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$180,181   | \$0  | \$180,181   |
| 70600 HUD PHA Operating Grants                                               | \$73,770                                | \$0                      | \$717,839                        | \$0                                                     | \$1,502,890                             | \$34,047                                  | \$2,328,546 | \$0  | \$2,328,546 |
| 71100 Investment Income - Unrestricted                                       | \$0                                     | \$56                     | \$0                              | \$4                                                     | \$1,044                                 | \$2                                       | \$1,106     | \$0  | \$1,106     |

Fayette Metropolitan Housing Authority  
Entity Wide Financial Data Schedule  
Year-End 12/31/2021

|                                                                 | 14.182 N/C<br>S/R Section<br>8 Programs | 1 Business<br>Activities | 14.879<br>Mainstream<br>Vouchers | 14.239<br>HOME<br>Investment<br>Partnerships<br>Program | 14.871<br>Housing<br>Choice<br>Vouchers | 14.EHV<br>Emergency<br>Housing<br>Voucher | Subtotal    | ELIM | Total       |
|-----------------------------------------------------------------|-----------------------------------------|--------------------------|----------------------------------|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|-------------|------|-------------|
| 71400 Fraud Recovery                                            | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$4,784                                 | \$0                                       | \$4,784     | \$0  | \$4,784     |
| 71500 Other Revenue                                             | \$0                                     | \$36,910                 | \$0                              | \$39,498                                                | \$113,465                               | \$0                                       | \$189,873   | \$0  | \$189,873   |
| 71600 Gain or Loss on Sale of Capital Assets                    | \$0                                     | \$75,783                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$75,783    | \$0  | \$75,783    |
| 70000 Total Revenue                                             | \$73,770                                | \$292,930                | \$717,839                        | \$39,502                                                | \$1,622,183                             | \$34,049                                  | \$2,780,273 | \$0  | \$2,780,273 |
| 91200 Auditing Fees                                             | \$223                                   | \$0                      | \$0                              | \$0                                                     | \$3,065                                 | \$0                                       | \$3,288     | \$0  | \$3,288     |
| 91600 Office Expenses                                           | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$4,314                                 | \$0                                       | \$4,314     | \$0  | \$4,314     |
| 91800 Travel                                                    | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$1,915                                 | \$0                                       | \$1,915     | \$0  | \$1,915     |
| 91900 Other                                                     | \$12,234                                | \$29,759                 | \$98,315                         | \$0                                                     | \$221,905                               | \$758                                     | \$362,971   | \$0  | \$362,971   |
| 91000 Total Operating - Administrative                          | \$12,457                                | \$29,759                 | \$98,315                         | \$0                                                     | \$231,199                               | \$758                                     | \$372,488   | \$0  | \$372,488   |
| 93100 Water                                                     | \$0                                     | \$730                    | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$730       | \$0  | \$730       |
| 93000 Total Utilities                                           | \$0                                     | \$730                    | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$730       | \$0  | \$730       |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$0                                     | \$34,072                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$34,072    | \$0  | \$34,072    |
| 94000 Total Maintenance                                         | \$0                                     | \$34,072                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$34,072    | \$0  | \$34,072    |
| 96110 Property Insurance                                        | \$0                                     | \$2,067                  | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$2,067     | \$0  | \$2,067     |
| 96100 Total insurance Premiums                                  | \$0                                     | \$2,067                  | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$2,067     | \$0  | \$2,067     |
| 96720 Interest on Notes Payable (Short and Long Term)           | \$0                                     | \$17,309                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$17,309    | \$0  | \$17,309    |
| 96700 Total Interest Expense and Amortization Cost              | \$0                                     | \$17,309                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$17,309    | \$0  | \$17,309    |
| 96900 Total Operating Expenses                                  | \$12,457                                | \$83,937                 | \$98,315                         | \$0                                                     | \$231,199                               | \$758                                     | \$426,666   | \$0  | \$426,666   |

Fayette Metropolitan Housing Authority  
Entity Wide Financial Data Schedule  
Year-End 12/31/2021

|                                                                           | 14.182 N/C<br>S/R Section<br>8 Programs | 1 Business<br>Activities | 14.879<br>Mainstream<br>Vouchers | 14.239<br>HOME<br>Investment<br>Partnerships<br>Program | 14.871<br>Housing<br>Choice<br>Vouchers | 14.EHV<br>Emergency<br>Housing<br>Voucher | Subtotal    | ELIM | Total       |
|---------------------------------------------------------------------------|-----------------------------------------|--------------------------|----------------------------------|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|-------------|------|-------------|
| 97000 Excess of Operating Revenue over Operating Expenses                 | \$61,313                                | \$208,993                | \$619,524                        | \$39,502                                                | \$1,390,984                             | \$33,291                                  | \$2,353,607 | \$0  | \$2,353,607 |
| 97300 Housing Assistance Payments                                         | \$60,748                                | \$226                    | \$611,729                        | \$39,524                                                | \$1,399,823                             | \$0                                       | \$2,112,050 | \$0  | \$2,112,050 |
| 97350 HAP Portability-In                                                  | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$17,087                                | \$0                                       | \$17,087    | \$0  | \$17,087    |
| 97400 Depreciation Expense                                                | \$0                                     | \$55,464                 | \$0                              | \$0                                                     | \$2,152                                 | \$0                                       | \$57,616    | \$0  | \$57,616    |
| 90000 Total Expenses                                                      | \$73,205                                | \$139,627                | \$710,044                        | \$39,524                                                | \$1,650,261                             | \$758                                     | \$2,613,419 | \$0  | \$2,613,419 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses    | \$565                                   | \$153,303                | \$7,795                          | -\$22                                                   | -\$28,078                               | \$33,291                                  | \$166,854   | \$0  | \$166,854   |
| 11020 Required Annual Debt Principal Payments                             | \$0                                     | \$84,324                 | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$84,324    | \$0  | \$84,324    |
| 11030 Beginning Equity                                                    | \$16,548                                | \$296,871                | \$27,312                         | \$22                                                    | \$352,694                               | \$0                                       | \$693,447   | \$0  | \$693,447   |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$0         | \$0  | \$0         |
| 11170 Administrative Fee Equity                                           | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$324,616                               | \$0                                       | \$326,714   | \$0  | \$326,714   |
| 11180 Housing Assistance Payments Equity                                  | \$0                                     | \$0                      | \$0                              | \$0                                                     | \$0                                     | \$0                                       | \$0         | \$0  | \$0         |
| 11190 Unit Months Available                                               | 204                                     | 168                      | 2,124                            | 124                                                     | 3,564                                   | 105                                       | 6,289       | 0    | 6,289       |
| 11210 Number of Unit Months Leased                                        | 195                                     | 168                      | 1,842                            | 93                                                      | 3,465                                   | 0                                         | 5,763       | 0    | 5,763       |

**FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

| <b>FEDERAL GRANTOR<br/>Pass Through Grantor<br/>Program / Cluster Title</b> | <b>Asset<br/>Listing<br/>Number</b> | <b>Total Federal<br/>Expenditures</b> |
|-----------------------------------------------------------------------------|-------------------------------------|---------------------------------------|
| <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>                     |                                     |                                       |
| <i>Direct Programs:</i>                                                     |                                     |                                       |
| <b>Housing Voucher Program- Cluster</b>                                     |                                     |                                       |
| Housing Choice Voucher Program                                              | 14.871                              | 1,502,890                             |
| Emergency Housing Voucher                                                   | 14.871                              | 34,047                                |
| Mainstream Voucher Program                                                  | 14.879                              | 717,839                               |
| Total Housing Voucher Program- Cluster                                      |                                     | 2,254,776                             |
| <b>Section 8 Project-Based Cluster</b>                                      |                                     |                                       |
| Section 8 New Construction and Substantial Rehab                            | 14.182                              | 73,770                                |
| Total Section 8 New Construction and Substantial Rehabilitation Cluster     |                                     | 73,770                                |
| <b>Total Direct Awards</b>                                                  |                                     | 2,328,546                             |
| <b>Pass through Fayette County Commissioners</b>                            |                                     |                                       |
| HOME Investment Partnership Programs                                        | 14.239                              | 39,498                                |
| <b>Total Pass through Programs</b>                                          |                                     | 39,498                                |
| <b>Total U.S. Department of Housing and Urban Development</b>               |                                     | <b>2,368,044</b>                      |
| <b>Total Expenditures of Federal Awards</b>                                 |                                     | <b>\$2,368,044</b>                    |

*The accompanying notes are an integral part of this schedule.*

**FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, or cash flows of the Authority intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - SUBRECIPIENTS**

The Authority provided no federal awards to subrecipients during the year ended December 31, 2021.

**NOTE E – DISCLOSURE OF OTHER FORMS OF ASSISTANCE**

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended December 31, 2021.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended December 31, 2021.

# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Fayette Metropolitan Housing Authority  
Fayette County  
121 E. East Street  
Washington Court House, Ohio 43160

To the Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fayette Metropolitan Housing Authority, Fayette County, (the Authority) as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 29, 2022. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Authority.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
August 29, 2022



# OHIO AUDITOR OF STATE KEITH FABER



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

Fayette Metropolitan Housing Authority  
Fayette County  
121 E East Street  
Washington Court House, Ohio 43160

To the Board of Directors:

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Fayette Metropolitan Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Fayette Metropolitan Housing Authority's major federal program for the year ended December 31, 2021. Fayette Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Fayette Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

#### ***Basis for Opinion on the Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

Fayette Metropolitan Housing Authority  
Fayette County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance  
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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
August 29, 2022

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**FAYETTE METROPOLITAN HOUSING AUTHORITY  
FAYETTE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |                                                                                                                       |                                             |
|---------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>                                                                            | Unmodified                                  |
| <b>(d)(1)(ii)</b>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>      | No                                          |
| <b>(d)(1)(ii)</b>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | No                                          |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No                                          |
| <b>(d)(1)(iv)</b>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>                    | No                                          |
| <b>(d)(1)(iv)</b>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | No                                          |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs' Compliance Opinion</b>                                                                     | Unmodified                                  |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>                                                    | No                                          |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b>                                                                                         | Housing Choice Voucher Program<br>- Cluster |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A/B Programs</b>                                                                            | Type A: > \$ 750,000<br>Type B: all others  |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee under 2 CFR § 200.520?</b>                                                                        | Yes                                         |

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



# OHIO AUDITOR OF STATE KEITH FABER



**FAYETTE METROPOLITAN HOUSING AUTHORITY**

**FAYETTE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/13/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)