



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

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LUCAS COUNTY
DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Lucas Metropolitan Housing Authority
Lucas County
435 Nebraska Avenue
Toledo, Ohio 43604

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lucas Metropolitan Housing Authority, Lucas County, Ohio (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 as listed in the table of contents.

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

Basis for Opinion

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 opinion.

Emphasis of Matter

As discussed in Note 20 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.

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Date Schedules and 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 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 [identify accompanying supplementary information] is 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 30, 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 30, 2022

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Introduction

This Management’s Discussion and Analysis (MD&A) of the Lucas Metropolitan Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lucas Metropolitan Housing Authority for the year ended December 31, 2021. The Lucas Metropolitan Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2021, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority’s financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Lucas Metropolitan Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority’s financial statements and related notes to the financial statements.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority’s financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the year ended December 31, 2021, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2021.

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Program Information

Low Income Public Housing: The Authority owns 2,643 units in Lucas County, Ohio. Under the low income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on a percentage of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority’s properties.

Section 8 Housing Choice Vouchers: The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing. The Authority currently administers 4,657 vouchers among the various Section 8 Programs, including Housing Choice Voucher, Mainstream 5, Mod Rehab and other programs.

Capital Funds Grants: The Authority receives additional funding from HUD for physical and management improvements to its units within the Low-Income Public Housing Program, under the same Annual Contributions Contract. This program provides funding for large-scale improvements or unplanned emergencies that are not covered by the operating subsidy amount previously mentioned.

Resident Service Grants: The Authority administers this program through funding awarded by HUD to provide additional assistance to residents with special needs. The Authority also provides community outreach connections that provide such assistance, for improved quality of life within the Low-Income Public Housing community.

Home Improvement Partnership Program: The Authority administers this program through funding awarded by the City of Toledo that passed through funding from HUD. The grant from the City of Toledo provided a portion of the mixed financing agreement related to the Collingwood Green Phase I construction project. The objective of the Home Improvement Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low and very low-income Americans.

Non-HUD/Business Activities Programs: This area includes programs such as: contract administration, a consortium with other housing authorities in Ohio to manage site-based properties for HUD; the Veterans Fund, a discretionary pool of funding from a variety of activities; the Homeownership Funds, proceeds from the old Turnkey III program, utilized to provide opportunities for low-income families to become homeowners; and the Central Office Cost Center, the management entity related to the operation of the Housing Authority created through the implementation of the asset management program.

Health Profession Opportunity Grants (HPOG): The HPOG is administered by the Administration for Children and Families, U.S. Department of Health & Human Services, was created to provide education and training to TANF recipients and other low-income individuals for occupations in the health care field that pay well and are expected to either experience labor shortages or be in high demand. The LMHA has partnered with a third party to implement and manage a Northwest Ohio Pathways to Healthcare Careers Project, which utilizes the grant to fund Community and Success Coach positions that facilitate “Bridges Out of Poverty” trainings for LMHA resident clients participating in the Project.

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Blended Component Units:

Westridge Apartments Development Corporation: Through the Westridge Apartments Development Corporation, the Authority owns and operates a 190-unit apartment complex as a component unit of the Agency. The complex was sold to a private buyer during the 2020 fiscal year.

Collingwood Green Phase I: Through the Collingwood Green Phase I, LP, a 65 unit mixed-finance and mixed income apartment community was constructed in 2013. The development includes 65 units of housing owned by Collingwood Green Phase I, LP, of which 33 units are public housing units developed using Capital Funds received by the Authority from HUD, and a mixed-finance amendment to the Annual Contributions Contract.

Collingwood Green Phase II: Through the Collingwood Green Phase II, LP, another mixed-finance and mixed income townhome community was constructed in 2015. This development consists of 66 housing units, owned by Collingwood Green Phase II, LP, of which 33 units are public housing and were developed using Capital Funds received by the Authority from HUD, and mixed-finance amendment to the Annual Contributions Contract.

Collingwood Green Phase III, LP, was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

Lucas Housing Services Corporation: Through the Lucas Housing Services Corporation, a wholly owned non-profit corporation, the Authority acquired 53 parcels in 2013, from the Lucas County Land Reutilization company for the purpose of rehabilitating the single-family dwellings to be resold to buyers who are unable to obtain conventional mortgages.

Parqwood Apartments LP: In October 2014, the Authority was awarded a new Rental Assistance Demonstration (RAD) project from HUD. This was the first award made with this new funding source, which allowed the Authority to renovate a former public housing development and lease it under the PBRA Section 8 housing assistance program. The Parqwood Apartments LP was created to manage this newly renovated 136 unit apartment building.

Financial Highlights

- The Lucas Metropolitan Housing Authority's net position increased from \$63,690,760 to \$69,950,853, an increase of \$6,260,093 or 10%. Total assets increased by \$4,675,895 or 4%.
- The unrestricted net position balance is listed as \$7,314,429 at December 31, 2021. This represents an increase of \$8,404,111 or 771% from the previous year.
- Total revenue increased from \$64,018,625 to \$66,506,494, an increase of \$2,487,869 or 4%.
- Total expenses decreased by \$2,150,517 or 3%, from \$62,712,418 to \$60,561,901 for the current year.

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Housing Authority Activities & Highlights

The Authority’s overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended December 31, 2021, and December 31, 2020.

*Summary Statement of Net Position
As of December 31, 2021 and 2020*

Category	12/31/2021	12/31/2020	Change \$	Change %
Current Assets	\$ 25,369,161	\$ 23,728,672	\$ 1,640,489	7%
Non Current Assets	\$ 87,731,984	\$ 84,696,578	\$ 3,035,406	4%
Total Assets	\$ 113,101,145	\$ 108,425,250	\$ 4,675,895	4%
Deferred Outflow of Resources	\$ 1,572,017	\$ 2,569,609	\$ (997,592)	-39%
Current Liabilities	\$ 4,462,651	\$ 5,518,956	\$ (1,056,305)	-19%
Non Current Liabilities	\$ 34,829,248	\$ 38,998,092	\$ (4,168,844)	-11%
Total Liabilities	\$ 39,291,899	\$ 44,517,048	\$ (5,225,149)	-12%
Deferred Inflow of Resources	\$ 5,430,410	\$ 2,787,051	\$ 2,643,359	95%
Unrestricted	\$ 7,314,429	\$ (1,089,682)	\$ 8,404,111	-771%
Restricted	\$ 4,334,728	\$ 4,486,047	\$ (151,319)	-3%
Net Investment in Capital Assets	\$ 58,301,696	\$ 60,294,395	\$ (1,992,699)	-3%
Total Net Position	\$ 69,950,853	\$ 63,690,760	\$ 6,260,093	10%

Current Assets

Current assets increased by \$1,640,489 during the current year. The primary reason for the increase is operating revenues exceeding operating expenses. Significant changes in current assets from the previous year included the following:

- Unrestricted cash increased by \$1,489,911.
- Accounts receivable from HUD decreased from the previous year balance of \$2,137,858 to \$1,223,833, a decrease of \$914,025.

Noncurrent Assets

Noncurrent assets increased from \$84,696,578 to \$87,731,984, an increase of \$3,035,406 during the current year. The increase was due primarily to the addition of capital projects. Capital asset activity will be discussed in further sections.

Current Liabilities

Current liabilities decreased by \$1,056,305 from the previous year. This decrease is primarily due to the lower accounts payable balance which decreased by \$597,307 from the previous year.

Noncurrent Liabilities

Noncurrent liabilities decreased from a 2020 balance of \$38,998,092 to a 2021 balance of \$34,829,248, a net decrease of \$4,168,844. Notable variances from the previous year included the following items:

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

- The OPEB liability managed by the Ohio Public Employees Retirement System decreased from a 2020 balance of \$6,338,049 to a 2021 balance of \$101,299, a decrease of \$6,236,750.
- The Authority incurred additional debt in the current fiscal year. See the following long-term debt activity section.

Net Position

The net position of the Authority increased by \$6,260,093, or 10%, from the previous fiscal year.

The Authority's unrestricted component of net position changed from \$(1,089,682) to \$7,314,429, a net increase of \$8,404,111 due to an excess of operating revenues over operating expenses. The unrestricted component of net position represents the amount available for future appropriations.

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended December 31, 2021 and 2020**

Category	12/31/2021	12/31/2020	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 7,328,331	\$ 7,317,952	\$ 10,379	0%
Government Operating Grants	\$ 49,920,688	\$ 46,832,986	\$ 3,087,702	7%
Capital Grants	\$ 1,936,196	\$ 1,649,580	\$ 286,616	17%
Other Revenue	\$ 7,298,415	\$ 8,133,468	\$ (835,053)	-10%
Interest Income	\$ 22,864	\$ 84,639	\$ (61,775)	-73%
Total Revenue	\$ 66,506,494	\$ 64,018,625	\$ 2,487,869	4%
Expenses:				
Administration	\$ 8,493,235	\$ 9,632,425	\$ (1,139,190)	-12%
Tenant Services	\$ 2,172,515	\$ 1,992,346	\$ 180,169	9%
Utilities	\$ 3,951,273	\$ 4,590,779	\$ (639,506)	-14%
Ordinary Maintenance	\$ 8,412,916	\$ 9,486,900	\$ (1,073,984)	-11%
Protective Services	\$ 685,689	\$ 725,836	\$ (40,147)	-6%
General/Insurance Expense	\$ 2,894,889	\$ 3,317,658	\$ (422,769)	-13%
Nonroutine Maintenance	\$ -	\$ 3,328	\$ (3,328)	-100%
Depreciation	\$ 5,472,275	\$ 6,225,927	\$ (753,652)	-12%
Housing Assistance Payments	\$ 26,152,143	\$ 25,275,202	\$ 876,941	3%
Interest Expense	\$ 1,168,074	\$ 1,219,991	\$ (51,917)	-4%
Total Expenses	\$ 59,403,009	\$ 62,470,392	\$ (3,067,383)	-5%
Excess (Deficiency) Before Special It	\$ 7,103,485	\$ 1,548,233	\$ 5,555,252	359%
Special Item/Casualty Losses	\$ 1,158,892	\$ 242,026	\$ 916,866	379%
Operating Transfer from/to Primary Govt	\$ 315,500	\$ -	\$ 315,500	N/A
Change in Net Position	\$ 6,260,093	\$ 1,306,207	\$ 4,953,886	379%
Net Position, Beginning of Year	\$ 63,690,760	\$ 61,814,330	\$ 1,876,430	3%
Prior Period Adjustment	\$ -	\$ 570,223	\$ (570,223)	-100%
Net Position, End of Year	\$ 69,950,853	\$ 63,690,760	\$ 6,260,093	10%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue increased by \$2,487,869 or 4% compared to the previous fiscal year. Significant changes in revenue accounts consist of the following items:

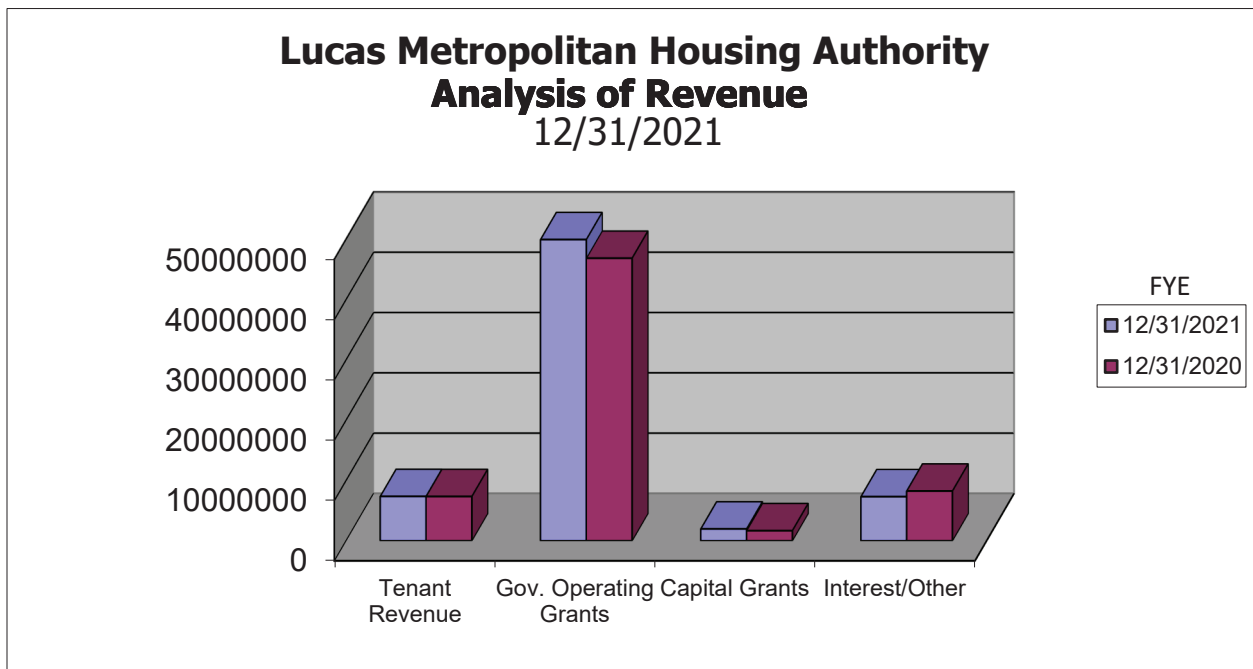
- The majority of the revenue increase was related to operating grants. Operating revenues related to the Housing Choice Voucher Program increased from \$26,474,034 in the prior year to \$28,416,460 in the current year.

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

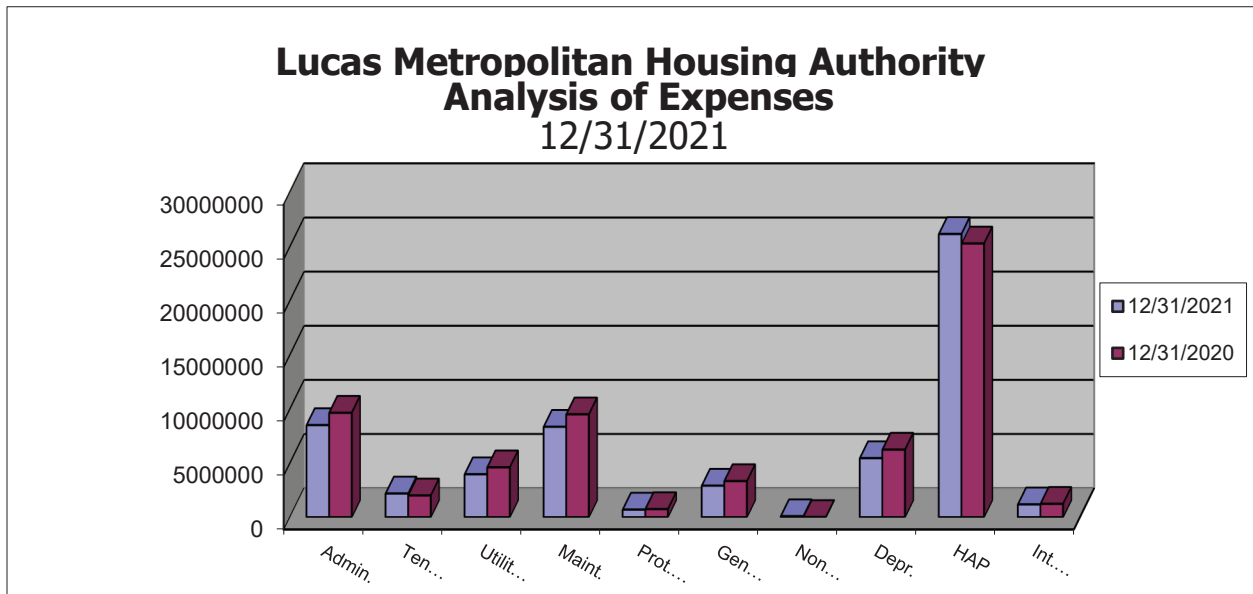
Total expenses decreased by \$3,067,383. Significant variances between the years include the following:

- Administrative expenses decreased by \$1,139,190 or 12% from the previous year. Employee benefits decreased by \$709,533 and office expenses decreased by \$190,642.
- Ordinary maintenance expenses decreased by \$1,073,984. This is due primarily to miscellaneous contracts decreasing by \$780,222 and employee benefits decreasing by \$457,272.
- Depreciation expense decreased by \$753,652 due to capital assets becoming fully depreciated.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**



Capital Assets

As of December 31, 2021, the Authority’s net investment in capital assets was \$58,301,696. This investment includes land, building improvements, equipment, and construction in progress, net of accumulated depreciation and related debt.

Category	12/31/2021	12/31/2020	Change \$	Change %
Land	\$ 7,327,777	\$ 6,826,128	\$ 501,649	7%
Buildings	\$ 227,896,349	\$ 227,425,787	\$ 470,562	0%
Equipment	\$ 3,444,460	\$ 3,352,910	\$ 91,550	3%
Construction in Progress	\$ 8,554,250	\$ 2,076,416	\$ 6,477,834	312%
Accumulated Depreciation	\$ (162,551,129)	\$ (157,134,259)	\$ (5,416,870)	3%
Total Net Fixed Assets	\$ 84,671,707	\$ 82,546,982	\$ 2,124,725	3%

The land and construction in progress accounts increased due to the Authority acquiring a building to be used as the office headquarters.

Long-Term Debt Activity

The Authority has incurred additional debt related to the funding of the homeownership program in the LHSC in the amount of \$41,000. The Authority also acquired a building to be used as the office headquarters through the issuance of bonds in the amount of \$5,195,000.

Subsequent Event

Due to the 2022 Congressional Appropriations, the Authority’s operating subsidy provided by HUD for the Low Rent Housing Program is estimated to be 9% for the calendar year 2022.

The estimated amount of funding for the 2022 calendar year for the Housing Choice Voucher Program will include the proration of administrative fees at 90% and HAP funding at 100%.

**LUCAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Lucas Metropolitan Housing Authority
Attn: Joaquin Cintron Vega, Executive Director
435 Nebraska Avenue,
Toledo, OH 43604

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents:	
Unrestricted	\$ 15,533,383
Restricted	5,950,796
Investments-Restricted	268,521
Accounts Receivable (Net of Allowance)	3,296,538
Prepaid Items	319,923
Total Current Assets	<u>25,369,161</u>

Noncurrent Assets:

Capital Assets	
Land & Construction in Progress	15,882,027
Other Capital Assets, Net of Depreciation	68,789,680
Total Capital Assets	<u>84,671,707</u>
Other Non-Current Assets	
Notes, Loans, and Mortgages Receivable	1,096,389
Net OPEB Asset	904,258
Other Assets	1,059,630
Total Other Non-Current Assets	<u>3,060,277</u>
Total Noncurrent Assets	<u>87,731,984</u>
Total Assets	<u>113,101,145</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred Outflow of Resources - Pension Plan/OPEB	<u>1,572,017</u>
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See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

LIABILITIES

Current Liabilities:

Accounts Payable	1,410,816
Accounts Payable - Other Government	107,341
Wages/Payroll Payable	307,495
Unearned Revenue	289,941
Accrued Employee Leave (current)	113,150
Interest Payable	256,210
Tenant Security Deposits	374,431
Bonds and Notes Payable (current)	1,269,138
Other	334,129
Total Current Liabilities	4,462,651

Noncurrent Liabilities:

Accrued Employee Leave (net of current)	1,103,443
Bonds and Notes Payable (net of current)	25,100,873
Pension Liability	6,195,561
OPEB Liability	101,299
Other	2,328,072
Total Noncurrent Liabilities	34,829,248

Total Liabilities	39,291,899
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DEFERRED INFLOW OF RESOURCES

Deferred Inflow of Resources - Pension Plan/OPEB	5,430,410
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NET POSITION

Net Investment in Capital Assets	58,301,696
Restricted Net Position	4,334,728
Unrestricted	7,314,429
Total Net Position	\$ 69,950,853

See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

OPERATING REVENUES

Tenant Revenue	\$ 7,328,331
Operating Grants	49,920,688
Other Revenue	7,298,415
Total Operating Revenues	<u>64,547,434</u>

OPERATING EXPENSES

Administrative	8,493,235
Tenant Services	2,172,515
Utilities	3,951,273
Maintenance	8,412,916
Protective Services	685,689
Insurance/General	2,894,889
Housing Assistance Payments	26,152,143
Depreciation	5,472,275
Total Operating Expenses	<u>58,234,935</u>

Net Operating Income 6,312,499

NONOPERATING REVENUES (EXPENSES)

Interest Income	22,864
Interest Expense	(1,168,074)
Gain or Loss on Disposition of Capital Assets	-
Casualty Losses	(1,158,892)
Net Nonoperating Revenues (Expenses)	<u>(2,304,102)</u>

Net Income Before Contributions & Transfers 4,008,397

Capital Contributions and Transfers	
Capital Contributions	1,936,196
Transfers	315,500
Total Capital Contributions and Transfers	<u>2,251,696</u>

Change in Net Position 6,260,093

Net Position-Beginning of Year 63,690,760

Net Position-End of Year \$ 69,950,853

See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Grantor	\$ 50,766,896
Cash Received from Tenants	7,070,798
Cash Received from Misc. Sources	6,687,470
Cash Payments to Employees	(8,124,475)
Cash Payments to Vendors	(24,274,906)
Cash Payments for Rental Assistance	(26,152,143)
Net Cash Provided in Operating Activities	<u>5,973,640</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	22,864
Net Cash Paid on Increase of Mortgages Receivable	(79,129)
Redemption/(Purchase) of Investments	(293)
Net Cash Used by Investing Activities	<u>(56,558)</u>

CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grant Funding	1,699,367
Interest Paid on Long Term Debt	(1,147,596)
Principal Addition/(Retirement) on Long-Term Debt	(837,799)
Transfer of Funds	315,500
Casualty Loss	(1,158,892)
Property and Equipment Purchased	(2,899,546)
Net Cash Used in Financing Activities	<u>(4,028,966)</u>

Net Increase in Cash **1,888,116**

Cash and Cash Equivalents-Beginning of Year 19,596,063

Cash and Cash Equivalents-End of Year **21,484,179**

Reconciliation to Cash Accounts:

Cash Equivalents-Unrestricted	15,533,383
Cash Equivalents-Restricted	5,950,796

Total Cash Equivalents **\$ 21,484,179**

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See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

RECONCILIATION OF NET OPERATING LOSS TO CASH

PROVIDED IN OPERATING ACTIVITIES:

Net Operating Income	\$ 6,312,499
Adjustments to Reconcile Net Operating Income to Net Cash Provided in Operating Activities:	
Depreciation	5,472,275
Capitalized Costs Charged to Costs of Assets Sold	237,740
Reclassification of Pre-Development Costs	20,030
Decrease in Accounts Receivable (Operations)	575,498
Increase in Prepaid Expenses	(69,471)
Increase in Other Assets	51,398
Decrease in Accounts Payable (Operations)	(597,308)
Decrease in Wages/Payroll Payable	(122,138)
Increase in Compensated Absences	37,592
Increase in Tenant Security Deposits	6,308
Increase in Other Current Liabilities	(109,569)
Decrease in Unearned Revenue	(483,226)
Increase in Other Noncurrent Liabilities	386,929
Decrease in Deferred Outflows	997,592
Decrease in Pension/OPEB Liability	(8,481,610)
Increase in Deferred Inflows	2,643,359
Increase in Net OPEB Asset	(904,258)
Net Cash Provided in Operating Activities	<u>\$ 5,973,640</u>

Non-cash Transactions Affecting Financial Position

Acquisition of capital assets accrued as a liability at 12/31/21	<u>\$ 4,955,225</u>
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See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – REPORTING ENTITY

The financial statements of the Lucas Metropolitan Housing Authority (the “Authority”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for governmental entities. The Governmental Accounting Standards Board (“GASB”) is the governing standard-setting body for establishing governmental accounting and financial reporting standards. The most significant accounting policies of the Authority are described below.

Reporting Entity

The Authority was established under the Ohio Revised Code, Section 3735.27 and applicable federal laws established by the Department of Housing and Urban Development. The Mayor of the City of Toledo appoints the Chairman and the Vice Chairman of the five-member board of commissioners who have governance responsibility over all activities related to the Authority. Lucas County Probate Court appoints the Resident Commissioner. The other two Commissioners are appointed by the Lucas County Board and the Lucas County Court of Common Pleas. 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 Authority’s basic financial statements include all organizations, activities, and functions that comprise the Housing Authority. Component units are legally separate entities for which the Housing Authority is financially accountable. The decision to include a component unit in the reporting entity is defined by applying the criteria identified by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 61, *The Financial Reporting Entity: Omnibus*.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Board of Commissioners of the Housing Authority or the component unit provides services entirely to the Housing Authority. These component units are blended into those of the Housing Authority by appropriate activity type to compose the primary government presentation.

These financial statements present the Authority and its blended component units; entities for which the Authority is considered to be financially accountable, and which serve as the Authority’s instruments to enhance its purpose to build and maintain affordable housing to low- and moderate-income families. All inter-entity balances and transactions are eliminated in the blending of financials statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – REPORTING ENTITY – Continued

Blended Component Units

The *Westridge Apartments Development Corporation (WADC)*, was formed in 2006 for the purpose of owning and operating a mixed-income apartment complex. WADC maintains a separate office and staff. The fiscal year end of WADC is December 31, 2021. WADC was sold in 2020.

Collingwood Green Phase I, LP, was established as a wholly owned for-profit corporation which began operations in 2012 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Senior Complex, a 65 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA. Collingwood Green Phase I, LP, is managed by a third party agent and has fiscal year end of December 31, 2021.

Collingwood Green Phase II, LP, was established as a wholly owned for-profit corporation which began operations in 2014 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Townhouse Complex, a 66 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA.

Collingwood Green Phase III, LP, was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

Parqwood Apartments, LP, was established in 2014. This development is the product of the Rental Assistance Demonstration program (RAD) transferring the public housing project to a Project Based Rental Assistance (PBRA) funding stream. Parqwood Apartments, LP, consists of 134 units and is managed by a third party managing agent. The component unit has a fiscal year end of December 31, 2021.

Lucas Housing Services Corporation was established as a wholly owned non-profit corporation of the Authority in 2013 primarily for the purpose of purchasing and rehabilitating 53 single family dwelling units for subsequent resale to buyers who are unable to obtain conventional mortgages.

Separate financial statements have been issued for Parqwood Apartments, LP, Collingwood Green Phase I, LP, and Collingwood Green Phase II, LP, and may be requested in writing at the Lucas Metropolitan Housing Authority, P.O. Box 477, Toledo, Ohio, 43697-0477, to the attention of the Chief Financial Officer.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – REPORTING ENTITY – Continued

Government-Wide Financial Statements

The Government-wide financial statements (the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows) report on the Authority as a whole. The statement of revenues, expenses, and the changes in net position demonstrates the degree to which the direct expenses of the Authority's function are offset by program revenues. Direct expenses are those that are clearly identifiable with the Authority's function. Program revenues include: 1) tenant revenue, 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of the Authority's programs, and 3) asset management fees. The statement of cash flows presents changes in cash resulting from operating, financing and investing activities.

This report includes the financial statements of the funds required to be accounted for and those activities and functions that are related to the Authority and are controlled by or depend upon the Authority's governing body, the Board of Commissioners. The Authority is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, *The Financial Reporting Entity*.

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

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

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

All of the activities of the Authority are reported as business-type activities as a proprietary fund. These funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority reports its various programs and activities as a single enterprise fund and

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – REPORTING ENTITY – Continued

its primary operations comprised a number of housing and grant programs. A summary of the significant programs administered by the Authority is provided below:

The properties are owned, maintained, and managed by the Authority. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals.

Public Housing Program – operates under HUD’s Annual Contributions Contract and consists of the operations of low-rent public housing properties totaling 2,643 units. The purpose of the program is to provide decent, safe, and affordable housing to low-income families at reduced rents.

Section 8 Program – consists of different Section 8 housing programs including the Housing Choice Voucher (HCV) Program, Moderate Rehabilitation Program, and Mainstream. The HCV Program provides rental assistance payments on behalf of low-income families to units owned and managed by private landlords. Eligible units total 4,663 units.

Central Office Cost Center – consists of a business activity used to account for a fee-for-service model with the charging of management and bookkeeping fees based on rates established by HUD. Fees are charged to the various programs as a fee per unit leased or as a percentage of revenue.

Grant Programs - consists of various grants awarded to the Authority used to supplement services provided to residents related to self-sufficiency, resident services, and improvements of neighborhoods.

Component Units - The following component units have been blended into the Authority’s overall financial statements.

- *Westridge Apartments Development Corporation (WADC);*
- *Parqwood Apartments, LP*
- *Collingwood Green Phase I, LP;*
- *Collingwood Green Phase II, LP;*
- *Collingwood Green Phase III, LP; and*
- *Lucas Housing Services Corporation.*

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During fiscal year 2021, management reviewed GASB Statement No. 84, Fiduciary Activities, GASB Statement No. 90, Majority Equity Interests – and amendment of GASB Statements No. 14 and No. 61, and GASB Statement No. 93, Replacement of Interbank Offered Rates, except paragraph’s 11b, 13, and 14 and determined neither have an impact on the financial statements.

Recently issued accounting pronouncements that will be effective in fiscal year 2022 include GASB Statement No. 87, Leases, GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a construction Period, GASB Statement No. 92, Omnibus 2020, GASB Statement No. 93, Replacement of Interbank Offered Rates, paragraph’s 13, and 14 and GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. Other pronouncements that will be effective in fiscal year 2023 include GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 93, Replacement of Interbank Offered Rates, paragraph 11b, and GASB Statement No. 94. Management is reviewing these statements to determine the impact they may have on OHFA’s financial statements.

A. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met and qualifying expenditures have occurred. Capital grant funds used to acquire or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met. The principal operating revenues of the Authority’s proprietary funds are tenant rental revenue, government operating grants such as HUD operating grants, and Housing Assistance Payments, since they are used to subsidize rents at Authority-owned properties.

B. Cash and Cash Equivalent

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less at the time of purchase are reported as cash equivalents on the financial statements.

C. Restricted Assets

Restricted cash and investments include assets to be used for debt servicing related to the Capital Fund Financing Program and the Energy Performance Contract, tenant security deposits, excess HAP funding, and Family Self Sufficiency (“FSS”) funds held in escrow for families who successfully fulfill the program requirements.

D. Budget

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes. Budgetary data is not required for financial statement presentation.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Investments

Investments are reported at fair value which is based on quoted market prices. For investments in open-end money market mutual funds, fair value is determined by the fund's current share price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends are included in the statement of revenues, expenses, and changes in net position.

F. Tenant Receivables and Recognition of Bad Debts

Tenant receivables are stated at net rent amounts. Tenant accounts are generally collectible as long as the tenant is occupying the unit. 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.

G. Capital Assets

Capital assets are recorded at cost. Costs in excess of \$5,000 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Donated capital assets are valued at acquisition cost. Capital assets are depreciated using the straight-line method over the following useful lives:

- Buildings and improvements 15-40 years
- Land improvements 10-20 years
- Furniture and fixtures, equipment, and moving vehicles 5-7 years

H. Capitalization of Interest

The Authority's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset.

I. Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, and
- 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Compensated absences are expensed when earned with the amount reported as a liability.

J. Deferred Inflow/Outflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows or resources are reported for pension related activities.

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

K. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

L. Operating Revenues and Expenses

An enterprise fund distinguishes 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M. Capital Contributions

Capital contributions arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

N. Pensions/OPEB Asset/Liability

For purposes of measuring the net pension and OPEB liabilities and OPEB asset, deferred outflows of resources and deferred inflows of resources related to them, and the associated expenses, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the State's pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The State's pension systems report investments at fair value.

O. Use of Estimates

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

P. Inter-Program Receivables and Payables

During the normal course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "inter-program due from" or "inter-program due to" on the balance sheet. Reimbursements between funds are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund being reimbursed.

NOTE 3 – CASH AND INVESTMENTS

Deposits and Investments

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

Active deposits are public deposits necessary to meet current 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 five-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.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS - Continued

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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days.
4. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution or the Ohio Pooled Collateral System (OPCS).

Deposits

At December 31, 2021, the carrying amount of the Authority's deposits was \$21,484,179 (including \$3,800 of petty cash). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2021, \$17,594,862 of the Authority's bank balance of \$21,484,179 was covered by Federal Depository Insurance and OPCS.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS - Continued

Investments

HUD, state statute and board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer’s investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority’s investments at December 31, 2021 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>
		<u>Less than 1 Year</u>
Government Securities	<u>\$ 268,521</u>	<u>\$ 268,521</u>

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority’s investment policy has no requirements beyond what the Ohio Revised Code requires.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has \$268,521 of government agency securities that are invested in Federal Treasury Obligations, which are government-sponsored agencies, and of which the principal and interest are implicitly guaranteed by the United States government. The Standard and Poor's credit rating for the Federal Treasury Obligations securities held is AAA.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest with one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable balance consists of the following items as of December 31, 2021. All receivables are considered collectible in full.

<u>Accounts Receivable Item</u>	<u>Amount</u>
Tenants (Net of Allowance, \$452,719)	\$ 660,864
HUD (Operating Grants)	161,366
HUD (Capital Fund)	995,298
HUD (Other Programs)	67,169
Other Government Grants Rec.	286,480
Notes Receivable (Current Portion)	21,308
Other	1,104,053

NOTE 5 – NOTES/MORTGAGE RECEIVABLE

(a) Other Than from Blended Component Units

Item	Total Balance at December 31, 2021	Due within one year
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	\$448,752	\$21,308
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	\$61,995	-----

(b) Home Mortgages

Through the Lucas Housing Service Corporation, the Authority provides opportunities for qualified individuals to purchase homes by offering soft second mortgages for homes that have been rehabbed by the Authority along with a few first mortgages. As of December 31, 2021, the mortgage receivable balance was \$577,800.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 is reported in the following table.

	Balance at 1/1/2021	Additions	Retirements	Adjustments	Balance at 12/31/21
Capital assets not being depreciated					
Land	\$ 6,826,128	\$ 502,441	\$ 792	\$ -	\$ 7,327,777
Construction in Progress	<u>2,076,416</u>	<u>6,497,864</u>	<u>-</u>	<u>(20,030)</u>	<u>8,554,250</u>
Total capital assets not being depreciated	<u>8,902,544</u>	<u>7,000,305</u>	<u>792</u>	<u>(20,030)</u>	<u>15,882,027</u>
Capital assets being depreciated					
Buildings and Improvements	227,425,787	762,916	292,354		227,896,349
Furniture and Equipment	<u>3,352,910</u>	<u>91,550</u>	<u>-</u>	<u>-</u>	<u>3,444,460</u>
Total capital assets, being depreciated	<u>230,778,697</u>	<u>854,466</u>	<u>292,354</u>	<u>-</u>	<u>231,340,809</u>
Less Accumulated depreciation for:					
Buildings and Improvements	154,668,319	5,380,805	55,406	-	159,993,718
Furniture and Equipment	<u>2,465,940</u>	<u>91,471</u>	<u>-</u>	<u>-</u>	<u>2,557,411</u>
Total Accumulated Depreciation	<u>157,134,259</u>	<u>5,472,276</u>	<u>55,406</u>	<u>-</u>	<u>162,551,129</u>
Total capital assets, being depreciated, net	<u>73,644,438</u>	<u>(4,617,810)</u>	<u>236,948</u>	<u>-</u>	<u>68,789,680</u>
Net Capital Assets	<u>\$ 82,546,982</u>	<u>\$ 2,382,495</u>	<u>\$ 237,740</u>	<u>\$ (20,030)</u>	<u>\$ 84,671,707</u>

NOTE 7 – ACCRUED LEAVE

Vacation and sick leave policies are established by agreement between the Authority and the American Federation of State, County and Municipal Employees, AFL-CIO, for members of the bargaining unit, and by personnel policy for management employees not covered by the labor agreement.

For both union and nonunion employees, these agreements provide for two weeks of paid vacation after one year of service, with an additional week for every five years of service thereafter, to a maximum of six weeks per year. Vacation time relating to a maximum of two years of service may be accumulated before it is lost.

For union personnel, the labor agreement provides for sick leave pay to be credited at a rate of eight hours per month, up to a maximum of 249 days. By limiting the use of sick leave during the fiscal year, an employee may receive an incentive bonus, to a maximum of \$500. Nonunion personnel have the same provisions under the personnel policies.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 – ACCRUED LEAVE - Continued

For union personnel, in the event of voluntary termination of employment after 10 consecutive years of service or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 204 days accumulated, with a maximum payout of 102 days).

All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

For employees not covered under the labor agreement, in the event of voluntary termination of employment after five consecutive years of service, or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 249 days accumulated, with a maximum payout of 124.5 days). All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

All employees hired prior to December 1, 2001 became eligible for longevity pay at the end of five years of service, at which time longevity pay begins to accrue from their anniversary date. Union personnel hired on December 1, 2001 and thereafter are not eligible for longevity pay. Union personnel receive longevity pay at tier 1995 pay levels at the rate of 2 percent, 4 percent, 6 percent, and 8 percent for five years, 10 years, 15 years, and 20 years, respectively, of service. All nonunion personnel are eligible for longevity pay and receive longevity pay at their current pay levels at the rate of 1 percent, 2 percent, 3 percent, and 4 percent for five years, 10 years, 15 years, and 20 years, respectively, of service.

At December 31, 2021, \$1,216,593 of vested vacation, sick leave, and longevity was accrued by the Authority for both union and nonunion personnel. Of this amount, \$113,150 is estimated as due within one year as and is reported as a current liability. Non-vested amounts are not material to the financial statements and have not been accrued. A change of \$37,592 in the balance accrued at December 31, 2021 compared to December 31, 2020, represents amounts earned in 2021 was greater than amounts paid out.

Balance as of 1/1/2021	Earned	Taken	Balance as of 12/31/2021	Due within 1 Year
\$ 1,179,001	\$ 499,082	\$ (461,490)	\$ 1,216,593	\$ 113,150

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 – UNEARNED REVENUE

The Authority leased land to the Parqwood Apartments, LP, beginning in the 2014 fiscal year. The lease term is 98 years. Assets held for lease include land of \$1,575,000.

Unearned lease payments are shown as unearned revenue on the statement of net position. The following schedule shows related unearned rental revenue as of December 31, 2021.

<u>Entity</u>	<u>Original Lease Amount</u>	<u>Unearned Revenue</u>
Parqwood Apartments, L.P.	\$ 1,575,000	\$1,459,821
Collingwood Green Phase III	250,000	242,346

Of this amount, \$18,622 was classified as an unearned revenue under current liabilities as of December 31, 2021. The remaining amount of \$1,683,545 has been classified as a noncurrent liability along with other account balances.

Other unearned revenue balances reported as current liabilities consist of tenant prepaid rents, unspent funding received from the CFP and EHV programs.

NOTE 9 – OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities in the amount of \$2,328,072 consist of the following items as of December 31, 2021.

<u>Item</u>	<u>Amount</u>
Parqwood Apartments, LP ground lease (noncurrent portion)	\$ 1,459,821
Collingwood Green, Phase III, ground lease (noncurrent portion)	242,346
FSS Escrow Liability	282,038
Parqwood Deferred Developer Fees	343,867

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT

Changes in long-term debt for the year ended December 31, 2021 are as follows:

Program/Component Unit	Balance as of Jan. 1, 2021	Additions	Retirements	Balance as of Dec. 31, 2021	Due Within 1 Year	Maturity	Interest Rate
Collingwood Green Phase I							
Capital Fund Financing Program - Revenue Bonds, Series 2012	3,830,000	-	235,000	3,595,000	250,000	Year 2031	5.25%
Collingwood Green Phase II							
Capital Fund Financing Program - Revenue Bonds, Series 2014	4,290,000	-	205,000	4,085,000	220,000	Year 2033	5.00%
Notes Payable, Ohio Housing Finance Agency	350,000	-	-	350,000	N/A	March, 2060	2.00%
Notes Payable, Ohio Housing Finance Agency	510,778	-	123,861	386,917	126,518	April, 2024	2.00%
Parqwood Apartments, LP							
Notes Payable, Lument Capital	1,603,264	-	22,395	1,580,869	23,413	Year, 2052	4.45%
Notes Payable, Ohio Housing Finance Agency	750,000	-	-	750,000	-	Year 2024	0.00%
Notes Payable, Housing Development Assistance Program (HDAP)	1,000,000	-	-	1,000,000	N/A	Year 2054	2.00%
Public Housing Program							
Capital Lease Payable	6,090,000	-	275,000	5,815,000	285,833	Year 2036	4.73%
Premium on Capital Lease	120,572	-	7,615	112,957	7,615	Year 2036	N/A
Central Office Cost Center							
Bond issue	-	5,195,000	-	5,195,000	127,500	Year 2046	2.953%
Lucas Housing Services Corporation							
Notes Payable, Local Initiatives Support Corporation (North River Project)	115,124	-	-	115,124	12,006	Year 2028	5.00%
Notes Payable, Local Initiatives Support Corporation (City Forest Project)	142,849	41,000	78,000	105,849	11,039	Year 2028	5.00%
Collingwood Green Phase III							
Notes Payable, Ohio Housing Finance Agency	765,000	-	87,570	677,430	89,757	Year 2028	2.50%
Notes Payable, Ohio Housing Finance Agency	735,000	-	84,135	650,865	86,237	Year 2028	2.50%
Notes Payable, Lument Capital	1,950,000	-	-	1,950,000	29,220	Year 2060	4.98%
Total	\$ 22,252,587	\$ 5,236,000	\$ 1,118,576	\$ 26,370,011	\$ 1,269,138		

Collingwood Green Phase I, LP

During 2012, the Authority issued \$5,475,000 of Capital Fund Housing Revenue Bonds, Series 2012, for the development of the Collingwood Green Senior Complex. The bonds mature on September 1, 2031, bear an interest rate of 5.25 percent and are secured with no more than 33 percent of LMHA's future capital funds, as addressed in Amendment 2012-01 to the Annual Contributions Contract (ACC) with HUD.

Future minimum principal and interest payments related to the Collingwood Green Phase I, LP Capital Fund Housing Revenue Bonds, Series 2012, are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2022	250,000	188,738	438,738
FY 2023	260,000	175,613	435,613
FY 2024	275,000	161,963	436,963
FY 2025	290,000	147,525	437,525
FY 2026	305,000	132,300	437,300
FY 2027-2031	2,215,000	403,973	2,618,973
Total	\$ 3,595,000	\$ 120,112	\$ 4,805,112

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT - Continued

Collingwood Green Phase II, LP

During 2014, the Authority issued \$5,315,000 of Capital Fund Housing Revenue Bonds, Series 2014, for the development of the Collingwood Green II project. The bonds mature on September 1, 2033, and bear an interest rate of 5.00 percent.

Future minimum principal and interest payments related to the Collingwood Green Phase II, LP Capital Fund Housing Revenue Bonds, Series 2014, are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2022	220,000	204,250	424,250
FY 2023	230,000	193,250	423,250
FY 2024	245,000	181,750	426,750
FY 2025	260,000	169,500	429,500
FY 2026	275,000	156,500	431,500
FY 2027-2031	1,625,000	560,250	2,185,250
FY 2032-2033	1,230,000	106,000	1,336,000
Total	<u>\$ 4,085,000</u>	<u>\$ 1,571,500</u>	<u>\$ 5,656,500</u>

The Authority secured a mortgage payable from Ohio Housing Finance Agency (OHFA) in the amount of \$1,000,000 for the Collingwood Green II Project. The loan carries an interest rate of 2.00%, with payments being due in annual installments of \$134,256, maturing in April of 2024.

Future minimum principal and interest payments related to the Collingwood Green II project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2022	126,518	7,738	134,256
FY 2023	129,048	5,208	134,256
FY 2024	131,351	2,627	133,978
Total	<u>\$ 386,917</u>	<u>\$ 15,573</u>	<u>\$ 402,490</u>

During 2016, the Authority secured a mortgage payable from Ohio Housing Finance Agency (OHFA) in the amount of \$350,000 for the Collingwood Green II project. The loan carries an interest rate of 2.00% with payments being due in the amount of 50% of net cash flow as defined by the Partnership Agreements beginning in 2016. The entire balance of principal plus accrued interest is due March 1, 2060. A projection of future principal payments has not been presented due to the inability to predict future project cash flows.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT - Continued

Parqwood Apartments LP

Parqwood Apartments, LP, entered into a first mortgage payable to provide financing for the initial construction of the project. The loan has a balance as of December 31, 2021, in the amount of \$1,580,869. The loan bears an interest rate of 4.45 percent. Fixed monthly payments in the amount of \$7,342 are scheduled until the maturity in 2052.

Future minimum principal and interest payments related to the Parqwood Apartment, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2022	23,413	69,875	93,288
FY 2023	24,476	68,812	93,288
FY 2024	25,588	67,700	93,288
FY 2025	26,750	66,538	93,288
FY 2026	27,965	65,323	93,288
FY 2027-2031	160,072	306,368	466,440
FY 2032-2036	199,880	266,560	466,440
FY 2037-2041	249,586	216,854	466,440
FY 2042-2046	311,653	154,787	466,440
FY 2047-2051	389,156	77,284	466,440
FY 2052	142,330	5,378	147,708
Total	<u>\$ 1,580,869</u>	<u>\$ 1,365,479</u>	<u>\$ 2,946,348</u>

During 2014, Parqwood Apartments, LP, issued a RTCAP note payable of \$1,500,000 for the development of the Parqwood Apartments project. The interest free loan is payable in four equal installments through August 31, 2024.

Future minimum principal and interest payments related to the Parqwood Apartments, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2022	-	-	-
FY 2023	375,000	-	375,000
FY 2024	375,000	-	375,000
Total	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>

During 2016, Parqwood Apartments, LP, entered into a Housing Development Assistance Program (HDAP) note payable of \$1,000,000. The note bears interest at 2% with payments permitted by cash flows as defined in the Partnership Agreement. The HDAP note payable does not have an amortization schedule, all remaining outstanding principal is due at maturity in 2054.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT - Continued

Public Housing Program

During 2015, the Authority entered into a capital lease agreement with Grant Capital Management for the development of energy efficiencies within public housing units. The total value of the lease is \$7,105,000, with payments beginning in year 2017 and ending in year 2036. The annual interest rate applicable to the lease is 4.73%.

Year	Principal Due	Interest Due	Total Payments
FY 2022	285,833	273,894	559,727
FY 2023	291,667	264,604	556,271
FY 2024	301,667	255,125	556,792
FY 2025	312,500	244,417	556,917
FY 2026	328,333	228,792	557,125
FY 2027-2031	1,910,000	879,708	2,789,708
FY 2032-2036	2,385,000	353,167	2,738,167
Total	\$ 5,815,000	\$ 2,499,707	\$ 8,314,707

As noted in the underwriting agreement, an original issue premium in the amount of \$276,640 was recorded less a discount of \$124,338 for a net premium amount of \$152,302. The premium is amortized over a 20 year period. The balance reported as of December 31, 2021, is \$112,957.

Lucas Housing Services Corporation

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the City Forest project. The acquisition cost financed was \$216,273. The amount available from the loan is \$625,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 10 years. Upon the sale of a rehabbed home, the Authority agrees to pay \$25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2022	11,039	5,042	16,081
FY 2023	11,603	4,477	16,080
FY 2024	12,197	3,883	16,080
FY 2025	12,821	3,259	16,080
FY 2026	13,477	2,603	16,080
FY 2027-2028	44,712	3,524	48,236
Total	\$ 105,849	\$ 22,788	\$ 128,637

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT – Continued

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the North River project. The acquisition cost financed was \$115,646. The amount available from the loan is \$520,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 8 years. Upon the sale of a rehabbed home, the Authority agrees to pay \$25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2022	12,006	5,483	17,489
FY 2023	12,620	4,869	17,489
FY 2024	13,266	4,224	17,490
FY 2025	13,944	3,545	17,489
FY 2026	14,658	2,831	17,489
FY 2027-2028	48,630	3,833	52,463
Total	\$ 115,124	\$ 24,785	\$ 139,909

Collingwood Green Phase III, LP

Collingwood Green Phase III, LP, entered into a mortgage payable with Red Mortgage Capital, LLC to provide financing of the project. The mortgage has an interest rate of 4.45% with required monthly payments of \$9,617.

Year	Principal Due	Interest Due	Total Payments
FY 2022	29,220	86,184	115,404
FY 2023	30,547	84,857	115,404
FY 2024	31,935	83,469	115,404
FY 2025	33,385	82,019	115,404
FY 2026	34,902	80,502	115,404
FY 2027-2031	199,775	377,245	577,020
FY 2032-2036	249,456	327,564	577,020
FY 2037-2041	311,491	265,529	577,020
FY 2042-2046	388,953	188,067	577,020
FY 2047-2051	485,679	91,341	577,020
FY 2052-2056	154,657	28,067	182,724
Total	\$ 1,950,000	\$ 1,694,844	\$ 3,644,844

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT - Continued

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling \$101,137 due each on April 15th beginning in 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled \$735,000.

Year	Principal Due	Interest Due	Total Payments
FY 2022	86,237	16,272	102,509
FY 2023	88,393	14,116	102,509
FY 2024	90,603	11,906	102,509
FY 2025	92,868	9,641	102,509
FY 2026	95,190	16,222	111,412
FY 2027-2028	197,574	7,439	205,013
Total	\$ 650,865	\$ 75,596	\$ 726,461

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling \$105,265 due each on April 15th beginning 21 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled \$765,000.

Year	Principal Due	Interest Due	Total Payments
FY 2022	89,757	16,936	106,693
FY 2023	92,001	14,692	106,693
FY 2024	94,301	12,392	106,693
FY 2025	96,659	10,034	106,693
FY 2026	99,075	7,618	106,693
FY 2027-2028	205,637	2,602	208,239
Total	\$ 677,430	\$ 64,274	\$ 741,704

Central Office Building

During the 2021 fiscal year, the Authority acquired a building to be used as the office headquarters through the issuance of bonds through the Northwest Ohio Bond Fund in the amount of \$5,195,000. The bonds have a term of 25 years ending in 2026. The fixed interest rate is 2.953% with an administrative fee of .5% charged. Pursuant to the PMT program, HUD has approved the acquisition of the building with 34.5% charged to the Public Housing projects and the remainder included in the COCC.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – DEBT – Continued

Year	Principal Due	Interest Due	Total Payments
FY 2022	127,500	151,025	278,525
FY 2023	150,000	136,700	286,700
FY 2024	150,000	133,700	283,700
FY 2025	155,833	130,692	286,525
FY 2026	160,000	127,533	287,533
FY 2027-2031	856,667	588,025	1,444,692
FY 2032-2036	998,333	474,213	1,472,546
FY 2037-2041	1,193,333	311,575	1,504,908
FY 2042-2046	1,403,334	117,187	1,520,521
Total	\$ 5,195,000	\$ 2,170,650	\$ 7,365,650

NOTE 11 – PENSION PLAN

Net Pension Liability

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

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

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

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

**LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 11 – PENSION PLAN – Continued

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

Plan Description - Authority employees participate in the Ohio Public Employees’ Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in the OPERS’ traditional plan with a few employees being members of the combined or member-directed plans; therefore, the following disclosure focuses only on the traditional plan. OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirement	Age and Service Requirement	Age and Service Requirement
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

**LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 11 – PENSION PLAN – Continued

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

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

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

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

2021 Statutory Maximum Contribution Rates	
Employer	14.00%
Employee	10.00%
2021 Actual Contribution Rates	
Employer:	
Pension	14.00%
Post-Employment Health Care Benefits	0.00%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$1,155,832 for 2021. The full amount was contributed during the year.

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

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

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – PENSION PLAN – Continued

Item	Traditional
Current Proportion of the Net Pension Liability	0.0432260%
Proportion of the Net Pension Liability (Prior Measurement Date)	0.043531%
Change in Proportionate Share	(0.000305%)
Proportionate Share of the Net Pension Liability	\$6,195,561
Proportion of the Net Pension Liability (Current Measurement Date)	.043226%
Pension Expense	\$ 112,778

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,069	\$ 303,988
Changes of Assumptions	\$ 12,371	\$ -----
Net difference between projected and actual earnings on pension plan investments	-----	\$ 2,524,863
Authority contributions subsequent to the measurement date	\$ 1,155,834	\$ -----
Change in Authority's proportionate percentage/difference between employer contributions		\$ 78,689
Total	\$ 1,177,274	\$ 2,907,540

The \$1,155,834 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022.

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

Year Ending December 31:	OPERS- Traditional Outflows/(Inflows)
2022	\$(1,182,129)
2023	(366,321)
2024	(1,016,981)
2025	(320,669)
Total	<u><u>\$ (2,886,100)</u></u>

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
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NOTE 11 – PENSION PLAN – Continued

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Information</u>	<u>Traditional Plan</u>
Measurement and Valuation Date	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost of Living Adjustments	Pre - 1/7/13 retirees 3.0% Simple; Post – 1/7/13 retirees 0.50% Simple; through 2021, then 2.15% Simple

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.05% simple through 2021 then 2.15% simple.

Pre-retirement mortality rates are based on the RP-2014 Employees Mortality Table for males and females, adjusted for mortality improvement back to the observation base of 2006. The base year for males and females was then established to be 2015 and 2010 respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010 respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010 respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The *Discount Rate* used to measure the total pension liability was 7.20% for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2020 was 7.20%. The projection of cash flows used to determine

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NOTE 11 – PENSION PLAN – Continued

the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Authority’s proportionate share of the net pension liability (asset)	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Traditional Plan	\$ 12,209,606	\$ 6,195,561	\$ 1,570,993

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.70% for 2020.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2020, these best estimates are summarized in the following table.

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NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – PENSION PLAN – Continued

The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

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

NOTE 12 - POST EMPLOYMENT BENEFITS

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

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

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

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

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NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

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

Funding Policy –

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0.0 percent during calendar year 2021. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Net OPEB Asset/Liability, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset/liability and total OPEB asset/liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

payment, and interest accruals during the year. The Authority's proportion of the net OPEB asset/liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

Proportionate Share of the OPEB Asset	\$ 904,258
Proportionate Share of the OPEB Liability	\$ 101,299
Proportion of the OPEB Asset/Liability (Current Measurement Date)	0.045070%
Proportion of the Net Pension Asset/Liability (Prior Measurement Date)	0.045886%
Change in Proportionate Share	(0.000816%)
OPEB Expense	\$ 4,859,394)

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -----	\$ 724,665
Changes of Assumptions	\$ 394,743	\$ 1,301,033
Net difference between expected and actual investment earnings	\$ -----	\$ 427,666
Change in Authority's proportionate percentage/difference between employer contributions		\$ 69,506
Total	\$ 394,743	\$ 2,522,870

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

Year Ending December 31:	OPERS- Traditional Outflows/(Inflows)
2021	\$(1,161,324)
2022	(774,383)
2023	(185,848)
2024	(6,672)
Total	<u>\$(2,128,127)</u>

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
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NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset/liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

<u>Actuarial Information</u>	<u>Traditional Plan</u>
Actuarial Valuation Date	December 31, 2019
Rolled-Forward Measurement Date	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age normal
Actuarial Assumptions:	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	2.00%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75%
Health Care Cost Trend Rate	8.5% initial, 3.50% ultimate in 2035

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

A single discount rate of 6.00% was used to measure the OPEB asset/liability on the measurement date of December 31, 2020. A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows

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NOTES TO FINANCIAL BASIC STATEMENTS
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NOTE 12 - POST EMPLOYMENT BENEFITS – Continued

used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

The following table presents the Authority’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.0 percent, and the expected net OPEB asset if it were calculated using a discount rate that is one-percentage-point lower (5.0 percent) or one-percentage-point higher (7.0 percent) than the current rate.

Sensitivity of net OPEB Asset/Liability to Changes in the Discount Rate			
As of December 31, 2020	1% Decrease (5.0%)	Discount Rate (6.0%)	1% Increase (7.0%)
Employer’ Net OPEB Asset	(\$224,953)	(\$904,258)	(\$1,462,679)
Employers’ Net OPEB Liability	\$25,197	\$101,299	\$163,921

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

Sensitivity of net OPEB Asset/Liability to Changes in the Health Care Cost Trend Rate			
As of December 31, 2020	1% Decrease (5.0%)	Discount Rate (6.0%)	1% Increase (7.0%)
Employers’ Net OPEB Asset	(\$926,253)	(\$904,258)	(\$879,503)
Employers’ Net OPEB Liability	\$103,802	\$101,299	\$98,569

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

Asset Class	Target Allocation as of Dec. 31, 2020	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	1.07%
Domestic Equities	25.00%	5.64%
REITs	7.00%	6.48%
International Equities	25.00%	7.36%
Other Investments	9.00%	4.02%
Total	100.00%	4.43%

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 10.50 % for 2020.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the Authority at December 31, 2021. These changes significantly decreased the total OPEB asset for the measurement date December 31, 2020.

NOTE 13 – OPERATING TRANSFERS

During the 2021 fiscal year the following adjustments were recorded between programs:

From	To	Amount	Purpose
Operating Transfers			
Capital Fund Program	Public Housing Operations	\$1,138,823	To transfer funds from BLI Account # 1406 to Operations.
Project-Based Rental Assistance	Parqwood Apartments	\$ 579,107	Reporting only to reflect federal award on the FDS
Business Activity (Fund 30)	COCC	\$ 234,388	Transfer

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 – RESTRICTED NET POSITION

A summary of restricted net position as of December 31, 2021 is as follows:

Restriction/Program	Amount
Required Capital Reserves (CFFP Program)	1,063,229
Required Debt Service Funds (EPC Contract)	268,521
HCV Program – HAP Equity	468,686
Mainstream 5 Program – HAP Equity	283,574
Emergency Housing Voucher Program	310,630
Collingwood Green Phase I, LP – Operating, Replacement, and ACC Reserves	460,266
Collingwood Green Phase II, LP – Operating, and ACC Reserves	613,911
Collingwood Green Phase III, LP – Construction, and Escrow Funds	253,118
Parqwood Apartments, LP – Escrow, Replacement, and Operating Reserves	612,793
Total	\$ 4,334,728

NOTE 15 – CONDENSED FINANCIAL INFORMATION

The following condensed financial information for blended component units of the Authority has been presented for the year ending December 31, 2021.

	<i>Condensed Statements of Net Position</i>					
	Collingwood Green Phase I, LP	Collingwood Green Phase II, LP	Collingwood Green Phase III, LP	Parqwood Apartments, LP	LHSC	Westridge Apartments Dev. Corp.
Current Assets	564,128	710,244	442,892	814,809	534,723	276
Non Current Assets	9,477,096	11,338,144	17,837,267	8,615,566	3,219,064	-
Total Assets	10,041,224	12,048,388	18,280,159	9,430,375	3,753,787	276
Deferred Outflows of Resources	-	-	-	-	-	-
Current Liabilities	319,624	590,410	474,650	667,495	1,302,969	83
Long-Term Liabilities	8,578,572	1,260,399	11,270,837	8,871,178	197,927	-
Total Liabilities	8,898,196	1,850,809	11,745,487	9,538,673	1,500,896	83
Deferred Inflows of Resources	-	-	-	-	-	-
Net Investment in Capital Assets	1,414,504	9,767,879	6,903,992	(211,603)	2,358,297	-
Restricted Net Position	460,266	613,911	253,118	612,793	-	-
Unrestricted Net Position	(731,742)	(184,211)	(622,438)	(509,488)	(105,406)	193
Total Net Position	\$ 1,143,028	\$ 10,197,579	\$ 6,534,672	\$ (108,298)	\$ 2,252,891	\$ 193

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 15 – CONDENSED FINANCIAL INFORMATION - Continued

	<i>Condensed Statement of Revenues, Expenses and Changes in Net Position</i>					
	Collingwood Green Phase I, LP	Collingwood Green Phase II, LP	Collingwood Green Phase III, LP	Parqwood Apartments, LP	LHSC	Westridge Apartments Dev. Corp.
Operating Revenue	409,291	577,038	698,435	372,725	456,908	-
Operating Expenses	358,262	532,117	562,591	1,021,510	680,360	386
Depreciation Expense	300,180	581,660	591,401	326,141	180,523	-
Operating income (Loss)	(249,151)	(536,739)	(455,557)	(974,926)	(403,975)	(386)
Nonoperating revenues (Expenses)	-	-	-	-	(6,034)	-
Transfer In	-	-	-	579,107	234,381	-
Transfer Out	-	-	-	-	-	(7)
Change in Net Position	(249,151)	(536,739)	(455,557)	(395,819)	(175,628)	(393)
Beginning Net Position	1,392,179	10,734,318	6,990,229	287,521	2,340,360	586
Equity Transfer	-	-	-	-	88,159	-
Ending Net Position	\$ 1,143,028	\$ 10,197,579	\$ 6,534,672	\$ (108,298)	\$ 2,252,891	\$ 193

	<i>Condensed Statement of Cash Flows</i>					
	Collingwood Green Phase I, LP	Collingwood Green Phase II, LP	Collingwood Green Phase III, LP	Parqwood Apartments, LP	LHSC	Westridge Apartments Dev. Corp.
Cash Flows from Operations	\$ 114,148	\$ 27,875	\$ 12,825	\$ 98,113	\$ (8,545)	\$ (393)
Noncapital Financing Activities						
Capital and Financing Activities	3,369	10,395	15,208	(22,395)	(37,000)	-
Investing Activities	(48,290)	-	-	(45,199)	-	-
Net Increase (Decrease)	69,227	38,270	28,033	30,519	(45,545)	(393)
Beginning Cash Balance	450,443	599,918	356,544	761,716	522,613	669
Ending Cash Balance	\$ 519,670	\$ 638,188	\$ 384,577	\$ 792,235	\$ 477,068	\$ 276

NOTE 16 – RISK MANAGEMENT

The Authority is exposed to various uncertainties for losses related to intentional and unintentional tort; theft or damage to and destruction of real and personal property, errors and omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the Authority carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in the past.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL BASIC STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 – CONTINGENT LIABILITIES

The Authority receives significant financial assistance from federal, state, and local agencies in the form of grants and operating subsidies. HUD provided approximately 80% of the Authority's operating revenue in the current year. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies; therefore, to the extent that the Authority has not complied with rules and regulations governing the grants, if any, refunds of any money received may be required. Management believes there are no significant contingent liabilities relating to compliance with grant rules and regulations.

NOTE 18 – HUD-HELD RESERVE

For future use, HUD's policy is to retain and hold unobligated HAP funds from the Housing Choice Voucher Program for all PHAs that administer the program. Funds can be requested from HUD based on the need and use of providing additional rental assistance payment within staying within the established baseline number of unit months available in the calendar year. The balance in the HUD held reserve is \$2,977,934 at December 31, 2021.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 17, 2022 the date which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition of disclosure in the financial statements.

NOTE 20 – COVID-19

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 may impact subsequent periods of the Authority. The Authority's investment portfolio and the investments of the pension and other employee benefit plan in which the Authority participates have fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

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REQUIRED SUPPLEMENTAL INFORMATION

**LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Authority's proportion of the net pension liability	.0432%	.0435%	.0456%	.046%	0.047%	0.05%	0.05%	0.05%	N/A	N/A
Authority's proportionate share of the net pension liability	\$6,195,561	\$8,440,421	\$12,438,769	\$7,083,177	\$10,744,203	\$8,195,381	\$8,083,379	\$5,754,842	N/A	N/A
Authority's covered employee payroll	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	\$6,233,947	\$6,692,267	\$5,837,642	\$5,573,475	N/A	N/A
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	75.12%	109.54%	182.22%	102.78%	172.35%	120.79%	138.47%	103.25%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability (Traditional)	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%	N/A	N/A

* Previous year data was unavailable as 2014 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$1,155,831	\$1,079,703	\$955,689	\$964,804	\$ 872,753	\$ 936,917	\$ 700,517	\$ 690,417	\$ 775,679	N/A
Contributions in relation to the contractually required contributions	\$1,155,831	\$1,079,703	\$955,689	\$964,804	\$ 872,753	\$ 936,917	\$ 700,517	\$ 690,417	\$ 775,679	N/A
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	N/A
Authority's covered-employee payroll	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	\$6,233,947	\$6,692,267	\$5,837,642	\$5,573,475	\$5,966,762	N/A
Contributions as a percentage of covered-employee payroll	14.01%	14.01%	14.00%	14.00%	14.00%	14.00%	12.00%	12.00%	13.00%	N/A

* Previous year data was unavailable as 2013 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information

LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET
OPEB ASSET/LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Authority's proportion of the net OPEB asset/liability	.04507%	.0459%	.0473%	.0480%	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB asset	\$904,258	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability	\$101,299	\$6,338,049	\$6,166,903	\$5,212,447	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered employee payroll	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability as a percentage of its covered-employee payroll	10.96%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability as a percentage of its covered-employee payroll	1.23%	82.25%	90.34%	75.63%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	47.80%	46.33%	54.14%	N/A	N/A	N/A	N/A	N/A	N/A

* Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75.

See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ -----	\$ -----	\$ -----	\$ -----	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contributions	\$ -----	\$ -----	\$ -----	\$ -----	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	\$ -----	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered-employee payroll	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75. See accompanying Notes to the Required Supplementary Information.

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

There were no changes in assumptions for 2020 and 2021.

NOTE 2- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2020.

For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, however, they are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% to 3.16%, (b) the municipal bond rate was decreased from 3.71% to 2.75% and (c) the health care

LUCAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2- OTHER POSTEMPLOYMENT BENEFITS (OPEB) – Continued

cost trend rate was increased from 10.00% , initially 3.25%, ultimate in 2029 to 10.50%, initially 3.50% ultimate in 2030.

For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
111	Cash-unrestricted	7,897,021	5,534,646	0	1,140,338	961,378	15,533,383	0	15,533,383
112	Cash-restricted-modernization and development	331,378	0	0	0	81,137	412,515	0	412,515
113-010	Cash - Restricted - HAP Funds	0	1,062,890	0	0	0	1,062,890	0	1,062,890
113-020	Cash - Restricted - FSS Escrow Deposits	0	271,753	0	0	0	271,753	0	271,753
113-030	Cash - Restricted - Other	1,063,229	0	0	519,500	1,940,088	3,522,817	0	3,522,817
113	Cash-other restricted	1,063,229	1,334,643	0	519,500	1,940,088	4,857,460	0	4,857,460
114	Cash-tenant security deposits	266,889	5,500	0	0	102,042	374,431	0	374,431
115-010	Cash - Restricted - HAP Funds	0	0	0	0	0	0	0	0
115-020	Cash - Restricted - FSS Escrow Deposits	6,799	84,341	0	0	0	91,140	0	91,140
115-030	Cash - Restricted - Other	0	215,250	0	0	0	215,250	0	215,250
115	Cash - Restricted for payment of current liability	6,799	299,591	0	0	0	306,390	0	306,390
100	Total Cash	9,565,316	7,174,380	0	1,659,838	3,084,645	21,484,179	0	21,484,179
121	Accounts receivable - PHA projects	0	0	0	0	0	0	0	0
122	Accounts receivable - HUD other projects	1,156,664	67,169	0	0	0	1,223,833	0	1,223,833
124	Account receivable - other government	0	286,480	0	0	0	286,480	0	286,480
125	Account receivable - miscellaneous	0	1,483,200	0	524,368	37,843	2,045,411	(941,891)	1,103,520
126	Accounts receivable - tenants	646,206	0	0	6	191,523	837,735	0	837,735
126.1	Allowance for doubtful accounts - tenants	(108,850)	0	0	0	(96,355)	(205,205)	0	(205,205)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0	0	0
127	Notes, Loans, & Mortgages Receivable - Current	0	21,308	0	0	0	21,308	0	21,308
128	Fraud recovery	20,728	255,120	0	0	0	275,848	0	275,848
128.1	Allowance for doubtful accounts - fraud	0	(247,514)	0	0	0	(247,514)	0	(247,514)
129	Accrued interest receivable	0	533	0	0	0	533	0	533
120	Total receivables, net of allowance for doubtful accounts	1,714,748	1,866,296	0	524,374	133,011	4,238,429	(941,891)	3,296,538
131	Investments - unrestricted	0	0	0	0	0	0	0	0
132-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0	0
132-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0	0
132-030	Investments - restricted - Other	268,521	0	0	0	0	268,521	0	268,521
132	Investments - restricted	268,521	0	0	0	0	268,521	0	268,521
135-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0	0
135-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0	0
135-030	Investments - restricted - Other	0	0	0	0	0	0	0	0
135	Investments - Restricted for payment of current liability	0	0	0	0	0	0	0	0
142	Prepaid expenses and other assets	16,115	11,055	0	169,006	123,747	319,923	0	319,923
143	Inventories	0	0	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0	0
144	Inter program - due from	1,781,608	610,347	0	2,189,789	0	4,581,744	(4,581,744)	0
145	Assets held for sale	0	0	0	0	0	0	0	0
150	Total Current Assets	13,346,308	9,662,078	0	4,543,007	3,341,403	30,892,796	(5,523,635)	25,369,161

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
161	Land	6,666,910	11,000	0	378,985	270,882	7,327,777	0	7,327,777
162	Buildings	165,228,179	559,010	0	4,562,015	57,547,145	227,896,349	0	227,896,349
163	Furniture, equipment and machinery - dwellings	0	0	0	0	1,450,847	1,450,847	0	1,450,847
164	Furniture, equipment and machinery - administration	585,507	122,455	0	1,285,651	0	1,993,613	0	1,993,613
165	Leasehold improvements	0	0	0	0	0	0	0	0
166	Accumulated depreciation	(146,113,717)	(459,654)	0	(5,496,071)	(10,481,687)	(162,551,129)	0	(162,551,129)
167	Construction in progress	5,568,743	0	0	2,984,982	525	8,554,250	0	8,554,250
168	Infrastructure	0	0	0	0	0	0	0	0
160	Total capital assets, net of accumulated depreciation	31,935,622	232,811	0	3,715,562	48,787,712	84,671,707	0	84,671,707
171	Notes, Loans, & mortgages receivable – Non-current	13,024,902	10,626,643	0	0	639,795	24,291,340	(23,194,951)	1,096,389
172	Notes, Loans, & mortgages receivable – Non-current - past due	0	0	0	0	0	0	0	0
173	Grants receivable – Non-current	0	0	0	0	0	0	0	0
174	Other assets	108,669	1,600,235	0	299,947	1,059,630	3,068,481	(1,104,593)	1,963,888
176	Investment in joint venture	0	0	0	0	0	0	0	0
180	Total Non-current Assets	45,069,193	12,459,689	0	4,015,509	50,487,137	112,031,528	(24,299,544)	87,731,984
190	Total Assets	58,415,501	22,121,767	0	8,558,516	53,828,540	142,924,324	(29,823,179)	113,101,145
200	Deferred Outflow of Resources	765,533	173,032	0	633,452	0	1,572,017	0	1,572,017
290	Total Assets and Deferred Outflow of Resources	59,181,034	22,294,799	0	9,191,968	53,828,540	144,496,341	(29,823,179)	114,673,162
311	Bank overdraft	0	0	0	0	0	0	0	0
312	Accounts payable <= 90 days	581,462	79,405	0	62,553	673,366	1,396,786	0	1,396,786
313	Accounts payable > 90 days past due	0	0	0	0	0	0	0	0
321	Accrued wage/payroll taxes payable	0	0	0	307,495	0	307,495	0	307,495
322	Accrued compensated absences - current portion	54,111	15,883	0	43,156	0	113,150	0	113,150
324	Accrued contingency liability	0	0	0	0	0	0	0	0
325	Accrued interest payable	175,666	25,320	0	0	912,587	1,113,573	(857,363)	256,210
331	Accounts payable - HUD PHA Programs	0	2,419	0	0	0	2,419	0	2,419
332	Accounts payable - PHA Projects	0	0	0	0	0	0	0	0
333	Accounts payable - other government	75,770	2,717	0	0	26,435	104,922	0	104,922
341	Tenant security deposits	266,889	5,500	0	0	102,042	374,431	0	374,431
342	Unearned revenue	39,271	227,750	0	0	22,920	289,941	0	289,941
343	Current portion of long-term debt - capital projects/mortgage	807,435	0	0	83,513	378,190	1,269,138	0	1,269,138
344	Current portion of long-term debt - operating borrowings	0	0	0	0	0	0	0	0
345	Other current liabilities	229,788	104,341	0	0	387,891	722,020	(387,891)	334,129
346	Accrued liabilities - other	0	0	0	0	14,030	14,030	0	14,030
347	Inter program - due to	635,783	2,223,890	0	89,463	1,632,608	4,581,744	(4,581,744)	0
348	Loan liability - current	0	0	0	0	0	0	0	0
310	Total Current Liabilities	2,866,175	2,687,225	0	586,180	4,150,069	10,289,649	(5,826,998)	4,462,651

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
351-010	Long-term debt - CFFP	7,210,000	0	0	0	0	7,210,000	0	7,210,000
351-020	Long-term - Capital Projects/ Mortgage Revenue	7,382,796	0	0	3,319,212	0	10,702,008	0	10,702,008
351	Capital Projects/ Mortgage Revenue Bonds	14,592,796	1,350,000	0	3,319,212	28,176,453	47,438,461	(22,337,588)	25,100,873
352	Long-term debt, net of current - operating borrowings	0	0	0	0	0	0	0	0
353	Non-current liabilities - other	1,712,452	271,753	0	0	2,002,460	3,986,665	(1,658,593)	2,328,072
354	Accrued compensated absences- Non-current	353,753	145,326	0	604,364	0	1,103,443	0	1,103,443
355-010	Loan liability - Non-current - Not For Profit	0	0	0	0	0	0	0	0
355-020	Loan liability - Non-current - Partnership	0	0	0	0	0	0	0	0
355-030	Loan liability - Non-current - Joint Venture	0	0	0	0	0	0	0	0
355-040	Loan liability - Non-current - Tax Credit	0	0	0	0	0	0	0	0
355-050	Loan liability - Non-current - Other	0	0	0	0	0	0	0	0
355-060	Other - Comment	0	0	0	0	0	0	0	0
355	Loan liability - Non-current	0	0	0	0	0	0	0	0
356	FASB 5 Liabilities	0	0	0	0	0	0	0	0
357-10	Pension Liability	3,105,431	696,665	0	2,393,465	0	6,195,561	0	6,195,561
357-20	OPEB Liability	101,299	0	0	0	0	101,299	0	101,299
357	Accrued Pension and OPEB Liabilities	3,206,730	696,665	0	2,393,465	0	6,296,860	0	6,296,860
350	Total Non-current liabilities	19,865,731	2,463,744	0	6,317,041	30,178,913	58,825,429	(23,996,181)	34,829,248
300	Total Liabilities	22,731,906	5,150,969	0	6,903,221	34,328,982	69,115,078	(29,823,179)	39,291,899
400	Deferred Inflow of Resources	2,153,491	847,986	0	2,428,933	0	5,430,410	0	5,430,410
508.4	Net Investment in Capital Assets	16,535,391	(1,117,189)	0	312,837	20,233,069	35,964,108	22,337,588	58,301,696
511.4	Restricted Net Position	1,331,750	1,062,890	0	0	1,940,088	4,334,728	0	4,334,728
512.4	Unrestricted Net Position	16,428,496	16,350,143	0	(453,023)	(2,673,599)	29,652,017	(22,337,588)	7,314,429
513	Total Equity - Net Assets / Position	34,295,637	16,295,844	0	(140,186)	19,499,558	69,950,853	0	69,950,853
600	Total Liabilities, Deferred Inflow, and Equity - Net Assets	59,181,034	22,294,799	0	9,191,968	53,828,540	144,496,341	(29,823,179)	114,673,162

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
70300	Net tenant rental revenue	5,469,320	0	0	0	1,716,948	7,186,268	0	7,186,268
70400	Tenant revenue - other	125,971	0	0	0	16,092	142,063	0	142,063
70500	Total Tenant Revenue	5,595,291	0	0	0	1,733,040	7,328,331	0	7,328,331
70600-010	Housing assistance payments	0	25,582,145	0	0	0	25,582,145	0	25,582,145
70600-020	Ongoing administrative fees earned	0	2,834,315	690,272	0	0	3,524,587	0	3,524,587
70600-030	Hard to house fee revenue	0	0	0	0	0	0	0	0
70600-031	FSS Coordinator	0	0	0	0	0	0	0	0
70600-040	Actual independent public accountant audit costs	0	0	0	0	0	0	0	0
70600-050	Total preliminary fees earned	0	0	0	0	0	0	0	0
70600-060	All other fees	0	0	0	0	0	0	0	0
70600-070	Admin fee calculation description	0	0	0	0	0	0	0	0
70600	HUD PHA operating grants	16,024,916	31,126,086	1,520,796	0	0	48,671,798	0	48,671,798
70610	Capital grants	1,936,196	0	0	0	0	1,936,196	0	1,936,196
70710	Management Fee	0	0	0	2,829,920	0	2,829,920	(2,829,920)	0
70720	Asset Management Fee	0	0	0	304,100	0	304,100	(304,100)	0
70730	Book-Keeping Fee	0	0	0	603,667	0	603,667	(603,667)	0
70740	Front Line Service Fee	0	0	0	1,842,871	0	1,842,871	(1,842,871)	0
70750-010	Other Fees - from PHA Administered Programs	0	0	0	0	0	0	0	0
70750-020	Other Fees - from Third / Outside Party	0	0	0	0	0	0	0	0
70750	Other Fees	0	0	0	0	0	0	0	0
70700	Total Fee Revenue	0	0	0	5,580,558	0	5,580,558	(5,580,558)	0
70800	Other government grants	0	667,958	0	0	580,932	1,248,890	0	1,248,890
71100-010	Housing Assistance Payment	0	0	0	0	0	0	0	0
71100-020	Administrative Fee	0	5,078	0	0	0	5,078	0	5,078
71100	Investment income - unrestricted	157	15,815	0	5,949	908	22,829	0	22,829
71200	Mortgage interest income	87,514	72,691	0	0	0	160,205	0	160,205
71300	Proceeds from disposition of assets held for sale	0	0	0	0	379,030	379,030	0	379,030
71310	Cost of sale of assets	0	0	0	0	(584,368)	(584,368)	0	(584,368)
71400-010	Housing Assistance Payment	0	23,611	0	0	0	23,611	0	23,611
71400-020	Administrative Fee	0	23,610	0	0	0	23,610	0	23,610
71400	Fraud recovery	0	47,221	0	0	0	47,221	0	47,221
71500	Other revenue	2,260,704	875,526	0	3,743,946	416,151	7,296,327	0	7,296,327
71600	Gain or loss on disposition of capital assets	0	0	0	0	0	0	0	0
72000-010	Housing Assistance Payment	0	0	0	0	0	0	0	0
72000-020	Administrative Fee	0	0	0	0	0	0	0	0
72000	Investment income - restricted	35	0	0	0	0	35	0	35
70000	Total Revenue	25,904,813	32,805,297	1,520,796	9,330,453	2,525,693	72,087,052	(5,580,558)	66,506,494

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
91100	Administrative salaries	737,122	424,897	690,272	2,467,680	260,890	4,580,861	0	4,580,861
91200	Auditing fees	49,445	7,752	0	11,720	51,110	120,027	0	120,027
91300-010	Management Fee - from PHA Administered Programs	2,183,989	611,448	0	0	34,483	2,829,920	(2,829,920)	0
91300-020	Management Fee - from Third Party / Outside Entity	0	0	0	0	143,658	143,658	0	143,658
91300	Management Fee	2,183,989	611,448	0	0	178,141	2,973,578	0	2,973,578
91310	Book-Keeping Fee	221,512	382,155	0	0	0	603,667	(603,667)	0
91400	Advertising and Marketing	4,568	12,943	0	116,455	27,147	161,113	0	161,113
91500	Employee benefit contributions - administrative	199,935	276,089	0	509,096	64,920	1,050,040	0	1,050,040
91600	Office Expenses	158,439	128,666	0	368,300	109,502	764,907	(77,039)	687,868
91700	Legal Expense	15,015	0	0	10,941	7,782	33,738	0	33,738
91800	Travel	5,058	402	0	9,346	0	14,806	0	14,806
91810	Allocated Overhead	0	0	0	0	0	0	0	0
91900	Other	901,538	351,264	0	456,324	56,897	1,766,023	(64,899)	1,701,124
91000	Total Operating-Administrative	4,476,621	2,195,616	690,272	3,949,862	756,389	12,068,760	(3,575,525)	8,493,235
92000	Asset Management Fee	304,100	0	0	0	0	304,100	(304,100)	0
92100	Tenant services - salaries	0	563,560	0	319,749	0	883,309	0	883,309
92200	Relocation Costs	19,802	0	0	0	0	19,802	0	19,802
92300	Employee benefit contributions - tenant services	0	56,172	0	119,726	0	175,898	0	175,898
92400	Tenant services - other	768,455	296,783	0	28,268	0	1,093,506	0	1,093,506
92500	Total Tenant Services	788,257	916,515	0	467,743	0	2,172,515	0	2,172,515
93100	Water	1,519,724	3,564	0	11,474	187,088	1,721,850	0	1,721,850
93200	Electricity	1,122,663	19,402	0	68,047	146,640	1,356,752	0	1,356,752
93300	Gas	757,084	6,665	0	38,975	50,360	853,084	0	853,084
93400	Fuel	0	0	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0	0	0
93600	Sewer	0	0	0	0	19,587	19,587	0	19,587
93700	Employee benefit contributions - utilities	0	0	0	0	0	0	0	0
93800	Other utilities expense	0	0	0	0	0	0	0	0
93000	Total Utilities	3,399,471	29,631	0	118,496	403,675	3,951,273	0	3,951,273
94100	Ordinary maintenance and operations - labor	1,044,405	0	755,740	458,323	161,902	2,420,370	0	2,420,370
94200	Ordinary maintenance and operations - materials and other	854,488	3,090	0	172,172	55,731	1,085,481	0	1,085,481
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash	220,240	2,181	0	21,171	30,940	274,532	0	274,532
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling	591,316	1,700	0	6,112	22,107	621,235	(510,732)	110,503
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	385,221	1,855	0	0	29,391	416,467	0	416,467
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance	42,133	0	0	0	0	42,133	0	42,133
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds	530,544	16,730	0	0	111,313	658,587	0	658,587
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround	545,925	0	0	0	0	545,925	(290,624)	255,301
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	68,341	0	0	0	0	68,341	0	68,341
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	353,887	0	40,580	0	0	394,467	0	394,467
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	314,580	510	0	510	0	315,600	0	315,600
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	43,320	0	0	39,804	0	83,124	0	83,124
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance	526,817	2,792	0	1,986	745	532,340	0	532,340
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	515,041	3,926	0	92,584	427,895	1,039,446	0	1,039,446
94300	Ordinary Maintenance and Operations Contracts	4,137,365	29,694	40,580	162,167	622,391	4,992,197	(801,356)	4,190,841
94500	Employee benefit contribution - ordinary maintenance	492,882	0	0	117,502	31,263	641,647	0	641,647
94000	Total Maintenance	6,529,140	32,784	796,320	910,164	871,287	9,139,695	(801,356)	8,338,339

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
95100	Protective services - labor	0	0	0	155,389	0	155,389	0	155,389
95200	Protective services - other contract costs	948,894	6,410	0	339,156	0	1,294,460	(899,577)	394,883
95300	Protective services - other	0	0	0	0	66,625	66,625	0	66,625
95500	Employee benefit contributions - protective services	0	0	0	68,792	0	68,792	0	68,792
95000	Total Protective Services	948,894	6,410	0	563,337	66,625	1,585,266	(899,577)	685,689
96110	Property Insurance	423,365	4,375	0	1,201	188,441	617,382	0	617,382
96120	Liability Insurance	163,433	204	0	1,936	0	165,573	0	165,573
96130	Workmen's Compensation	27,970	17,479	0	44,792	2,347	92,588	0	92,588
96140	All other Insurance	54,763	2,697	0	30,321	0	87,781	0	87,781
96100	Total Insurance Premiums	669,531	24,755	0	78,250	190,788	963,324	0	963,324
96200	Other general expenses	242,659	279,254	34,204	21,192	282,335	859,644	0	859,644
96210	Compensated absences	126,725	78,602	0	293,755	0	499,082	0	499,082
96300	Payments in lieu of taxes	189,396	5,547	0	0	130,397	325,340	0	325,340
96400	Bad debt - tenant rents	183,962	0	0	0	63,537	247,499	0	247,499
96500	Bad debt - mortgages	0	0	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0	0	0
96000	Total Other General Expenses	742,742	363,403	34,204	314,947	476,269	1,931,565	0	1,931,565
96710	Interest of Mortgage (or Bonds) Payable	688,856	0	0	0	387,541	1,076,397	0	1,076,397
96720	Interest on Notes Payable (Short and Long Term)	0	0	0	0	0	0	0	0
96730	Amortization of Bond Issue Costs	84,525	0	0	0	7,152	91,677	0	91,677
96700	Total Interest Expense and Amortization Cost	773,381	0	0	0	394,693	1,168,074	0	1,168,074
96900	Total Operating Expenses	18,632,137	3,569,114	1,520,796	6,402,799	3,159,726	33,284,572	(5,580,558)	27,704,014
97000	Excess Revenue Over Operating Expenses	7,272,676	29,236,183	0	2,927,654	(634,033)	38,802,480	0	38,802,480
97100	Extraordinary maintenance	53,378	0	0	16,829	4,370	74,577	0	74,577
97200	Casualty losses- Non-capitalized	1,157,228	0	0	0	1,664	1,158,892	0	1,158,892
97300-010	Mainstream 1 year	0	0	0	0	0	0	0	0
97300-020	Home-Ownership	0	334,864	0	0	0	334,864	0	334,864
97300-025	Litigation	0	0	0	0	0	0	0	0
97300-030	Hope IV	0	0	0	0	0	0	0	0
97300-040	Tenant Protection	0	702,878	0	0	0	702,878	0	702,878
97300-041	Portability-Out	0	204,292	0	0	0	204,292	0	204,292
97300-045	FSS Escrow Deposits	0	96,355	0	0	0	96,355	0	96,355
97300-049	Other Special Vouchers	0	2,288,770	0	0	0	2,288,770	0	2,288,770
97300-050	All Other	0	21,534,300	0	0	0	21,534,300	0	21,534,300
97300	Housing assistance payments	0	26,142,612	0	0	9,531	26,152,143	0	26,152,143
97350	HAP Portability-in	0	0	0	0	0	0	0	0
97400	Depreciation expense	3,333,197	37,267	0	121,906	1,979,905	5,472,275	0	5,472,275
97500	Fraud losses	0	0	0	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0	0	0	0
90000	Total Expenses	23,175,940	29,748,993	1,520,796	6,541,534	5,155,196	66,142,459	(5,580,558)	60,561,901

**LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
10010	Operating transfer in	1,138,823	0	0	7	813,488	1,952,318	(1,952,318)	0
10020	Operating transfer out	(1,138,823)	(813,488)	0	0	(7)	(1,952,318)	1,952,318	0
10030	Operating transfers from / to primary government	0	315,500	0	0	0	315,500	0	315,500
10040	Operating transfers from / to component unit	0	0	0	0	0	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0	0	0
10080	Special items, net gain/loss	0	0	0	0	0	0	0	0
10091	Inter Project Excess Cash Transfer In	1,600,000	0	0	0	0	1,600,000	(1,600,000)	0
10092	Inter Project Excess Cash Transfer Out	(1,600,000)	0	0	0	0	(1,600,000)	1,600,000	0
10093	Transfers between Programs and Projects - in	0	0	0	0	0	0	0	0
10094	Transfers between Programs and Projects - out	0	0	0	0	0	0	0	0
10100	Total other financing sources (uses)	0	(497,988)	0	7	813,481	315,500	0	315,500
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	2,728,873	2,558,316	0	2,788,926	(1,816,022)	6,260,093	0	6,260,093
11020	Required Annual Debt Principal Payments	714,999	0	0	0	232,777	947,776	0	947,776
11030	Beginning equity	31,527,578	14,458,769	0	(3,523,008)	21,227,421	63,690,760	0	63,690,760
11040	Prior period adjustments, equity transfers, and correction of	39,186	(721,241)	0	593,896	88,159	0	0	0
11170	Administrative Fee Equity	0	1,163,831	0	0	0	1,163,831	0	1,163,831
11180	Housing Assistance Payments Equity	0	468,686	0	0	0	468,686	0	468,686
11190	Unit Months Available	30922	56,940	0	0	3,864	91,726	0	91,726
11210	Unit Months Leased	30020	50,821	0	0	3,722	84,563	0	84,563
11270	Excess Cash	6,671,774	0	0	0	0	6,671,774	0	6,671,774
11610	Land Purchases	0	0	0	0	0	0	0	0
11620	Building Purchases	1,785,231	0	0	0	0	1,785,231	0	1,785,231
11630	Furniture & Equipment-Dwelling Purchases	0	0	0	0	0	0	0	0
11640	Furniture & Equipment-Administrative Purchases	0	0	0	0	0	0	0	0
11650	Leasehold Improvements Purchases	0	0	0	0	0	0	0	0
11660	Infrastructure Purchases	0	0	0	0	0	0	0	0
13510	CFFP Debt Service Payments	0	0	0	0	0	0	0	0
13901	Replacement Housing Factor Funds	0	0	0	0	0	0	0	0

**LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs			
Public and Indian Housing	14.850		\$ 13,438,439
COVID - 19 Public and Indian Housing - Supplemental CARES Act Operating Fund	14.850		830,524
Total Public and Indian Housing			<u>14,268,963</u>
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871		28,416,460
COVID-19 HCV CARES Act Supplemental Administrative Fees	14.871		657,747
Emergency Housing Voucher	14.EHV		396,730
Total Section 8 Housing Choice Voucher Program			<u>29,470,937</u>
Mainstream vouchers (MS5)	14.879		995,172
Mainstream vouchers (MS5) Supplemental Admin. Fees	14.879		32,525
Total Mainstream Voucher Program			<u>1,027,697</u>
Total Housing Voucher Cluster			<u>30,498,634</u>
Section 8 Project-Based Cluster:			
Section 8 Housing Assistance Payments Program Parqwood Apartments, LP (Component Unit)	14.195		579,107
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856		287,258
Total Section 8 Project-Based Cluster			<u>866,365</u>
Public Housing Capital Fund	14.872		4,522,673
Jobs Plus Pilot Initiative	14.895		248,563
Resident Opportunity and Supportive Services - Service Coordinators	14.870		208,230
Family Self-Sufficiency Program	14.896		243,129
Total Direct Programs			<u>50,856,557</u>
Passed Through the City of Toledo			
Community Development Block Grants Entitlement Grants Cluster: Community Development Block Grant (LHSC)	14.218		88,159
Passed Through from Local Initiatives Support Corporation			
Section 4 Capacity Building for Community Development and Affordable Housing (LHSC)	14.252		48,540
Total U.S. Department of Housing and Urban Development			<u>50,993,256</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through the Zepf Center Grant			
Affordable Care Act (ACT) Health Profession Opportunity Grant	93.093	90-FX0042-01-00	223,013
Temporary Assistance for Needy Families (TANF)	93.558		59,683
Total U.S. Department of Health and Human Services			<u>282,696</u>
Total Expenditures of Federal Awards			<u>\$ 51,275,952</u>

The accompanying notes are an integral part of this schedule.

**LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS 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 (the Schedule) includes the federal award activity of Lucas Metropolitan Housing Authority, Lucas County, Ohio (the Authority) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not 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 accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance as the Authority uses a fee service approach as required by the U.S. Department of HUD.

NOTE D – SUBRECIPIENTS

The Authority did not provide funds to subrecipients during the audit period.

NOTE E – PUBLIC HOUSING CAPITAL FUNDS (CFDA NUMBER 14.872)

Expenditures for the Public Housing Capital Fund were from the following grants:

OH12P006501-17	\$	91,920
OH12P006501-18		459,811
OH12P006501-19		350,520
OH12P006501-20		2,755,434
OH12P006501-21		864,988
Total		\$ 4,522,673

OHIO AUDITOR OF STATE KEITH FABER



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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

Lucas Metropolitan Housing Authority
Lucas County
435 Nebraska Avenue
Toledo, Ohio 43604

To the Board of Commissioners:

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 Lucas Metropolitan Housing Authority, Lucas County, Ohio, (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 30, 2022, wherein we 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 30, 2022



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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**

Lucas Metropolitan Housing Authority
Lucas County
435 Nebraska Avenue
Toledo, Ohio 43604

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Lucas Metropolitan Housing Authority, Lucas County, Ohio’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 Lucas Metropolitan Housing Authority’s major federal program for the year ended December 31, 2021. Lucas 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, Lucas 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.

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 30, 2022

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**LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Housing Voucher Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 1,538,279 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



LUCAS METROPOLITAN HOUSING AUTHORITY

LUCAS 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