

MIAMI METROPOLITAN HOUSING AUTHORITY

Financial Statements

For the Year Ended December 31, 2021



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Commissioners  
Miami Metropolitan Housing Authority  
1695 Troy-Sidney Road  
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We have reviewed the *Independent Auditor's Report* of the Miami Metropolitan Housing Authority, Miami County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 28, 2022

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MIAMI METROPOLITAN HOUSING AUTHORITY  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## **Independent Auditor's Report**

Board of Commissioners  
Miami Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Miami Metropolitan Housing Authority, Ohio, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Miami Metropolitan Housing Authority, as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Miami Metropolitan Housing 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**

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted auditing standards, I:

- 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 Miami Metropolitan Housing 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 Miami Metropolitan Housing Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 15 to the financial statements, during 2021, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. I did not modify my opinion regarding this matter.

### ***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 Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule and Certificate of Actual Modernization Costs are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the 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 my opinion, the Financial Data Schedules, Certificate of Actual Modernization Costs and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated July 29, 2022, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

*Salvatore Consiglio*

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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
July 29, 2022



**Miami Metropolitan Housing Authority  
Management’s Discussion and Analysis  
Year Ended December 31, 2021**

**Unaudited**

It is a privilege to present for you the financial picture of Miami Metropolitan Housing Authority for the fiscal year that ended December 31, 2021. The Miami Metropolitan Housing Authority’s (the “Authority”) management’s discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise fund issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

The Authority’s programs for the single enterprise fund are: Conventional Public-Housing, Capital Fund Program (CFP), and the Housing Choice Voucher Program (HCV).

- Total revenues decreased by \$212,974 during 2021, and were \$6,026,913 and \$6,239,887 for 2021 and 2020, respectively.
- Total expenses decreased by \$556,307. Total expenses were \$5,513,978 and \$6,070,285 for 2021 and 2020, respectively.

**USING THIS ANNUAL REPORT**

The following graphic outlines the format of these financial statements:

<b>MD&amp;A</b> ~ Management’s Discussion and Analysis ~
<b>Basic Financial Statements</b> ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Change in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
<b>Other Required Supplementary Information</b> ~ Required Supplementary Information ~

The clearly preferable focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

**Miami Metropolitan Housing Authority  
Management's Discussion and Analysis – Cont'd  
Year Ended December 31, 2021**

**Unaudited**

**BASIC FINANCIAL STATEMENTS**

The basic financial statements are designed to be corporate-like in that all business-type programs are consolidated into one single enterprise fund for the Authority.

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

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

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

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

Unrestricted: This component of Net Position consists of assets that do not meet the definition of "Net Investment in Capital Assets", or "Restricted". This account resembles the old operating reserves account.

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

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

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

The Authority's programs that are consolidated into a single enterprise fund are as follows:

Project (Conventional Public Housing and Capital Fund Program) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidies to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation, subject to Federal budgets and legislative changes, and based on size and age of the Authority's units.

**Miami Metropolitan Housing Authority  
Management's Discussion and Analysis – Cont'd  
Year Ended December 31, 2021**

**Unaudited**

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

Business Activities – Represents the rental of office space to be used for future capital improvements on the building.

In addition to the programs above, the Authority received additional revenue through PH CARES Act Funding and HCV CARES Act Funding.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The following table compares the condensed Statement of Net Position for the current and previous fiscal

**Table 1 - Condensed Statement of Net Position Compared to Prior Year**

	<u>2021</u>	<u>2020</u>
<u>Assets and Deferred Outflows</u>		
Current and Other Assets	\$ 1,011,505	\$ 995,860
Current and Other Assets - Restricted	64,656	149,304
Capital Assets	2,299,892	2,357,468
Other Noncurrent Assets	91,833	19,302
Deferred Outflow of Resources	<u>168,215</u>	<u>262,787</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 3,636,101</u>	 <u>\$ 3,784,721</u>
 <u>Liabilities and Deferred Inflows</u>		
Current Liabilities	\$ 179,882	\$ 189,620
Non-Current Liabilities	686,491	1,615,919
Deferred Inflows of Resources	<u>595,002</u>	<u>317,391</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>\$ 1,461,375</u>	 <u>\$ 2,122,930</u>
 <u>Net Position</u>		
Investment in Capital Assets	\$ 2,299,892	\$ 2,357,468
Restricted Net Position	11,820	66,411
Unrestricted Net Position	<u>(136,986)</u>	<u>(762,088)</u>
 Total Net Position	 <u>\$ 2,174,726</u>	 <u>\$ 1,661,791</u>

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

**Miami Metropolitan Housing Authority  
Management's Discussion and Analysis – Cont'd  
Year Ended December 31, 2021**

**Unaudited**

**MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION**

Restricted equity decreased by \$54,591. Net investment in capital assets declined primarily due to net change of depreciation expense and current year CFP additions to Buildings. The increase of \$625,102 in unrestricted net position was primarily due to primarily due to *GASB Statement No. 68* and *GASB Statement No. 75* pension reporting.

The following table compares the revenues and expenses for the current and previous fiscal year.

**Table 2 - Statement of Revenue, Expenses & Changes in Net Position**

	<u>2021</u>	<u>2020</u>
<u>Revenues</u>		
Tenant Revenue - Rents and Other	\$ 552,036	\$ 565,008
Operating Subsidies and Grants	5,161,376	5,369,239
Capital Grants	277,647	217,403
Investment Income/Other Revenues	35,854	88,237
Total Revenues	6,026,913	6,239,887
<u>Expenses</u>		
Administration	130,457	694,148
Tenant services	2,495	3,024
Utilities	282,702	276,729
Maintenance	203,636	302,135
Insurance	36,768	33,745
General	165,789	92,744
Housing Assistance Payments	4,354,968	4,329,209
Depreciation	337,163	338,551
Total Expenses	5,513,978	6,070,285
Change in Net Position	512,935	169,602
Beginning Net Position	1,661,791	1,492,189
Ending Net Position	\$ 2,174,726	\$ 1,661,791

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

Overall revenue decreased by \$212,974. Overall operating funding decreased by \$207,863 which mainly due to CARES Act Funding received in FY2020 for both Public Housing and Housing Choice Voucher Programs. Capital grants increased by \$60,244 due to roof replacements for the Public Housing units. Tenant and other revenues decreased by \$12,972.

Overall operating expenses decreased from prior year by \$556,307 which was mainly due to the reduction of the elimination of the OPEB liability related to and *GASB Statement No. 75* reporting. However, Housing assistance payments increased by \$25,759 due to increases in Per Unit Cost.

**Miami Metropolitan Housing Authority  
Management's Discussion and Analysis – Cont'd  
Year Ended December 31, 2021**

**Unaudited**

**CAPITAL ASSETS**

As of December 31, 2021, the Authority had \$2,299,892 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions, and depreciation) of \$57,576 from the end of last fiscal year.

**TABLE 3 - CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)**

	<u>2021</u>	<u>2020</u>
Land and Land Rights	\$ 357,350	\$ 357,350
Buildings	10,934,258	11,923,149
Equipment - Administrative	104,273	104,273
Equipment - Dwellings	13,127	12,559
Accumulated Depreciation	(9,109,116)	(10,039,863)
TOTAL	<u>\$ 2,299,892</u>	<u>\$ 2,357,468</u>

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4 - CHANGE IN CAPITAL ASSETS**

Beginning Balance - Net	\$ 2,357,468
Additions - Capital fund	279,587
Depreciation Expense	<u>(337,163)</u>
Ending Balance - Net	<u>\$ 2,299,892</u>

**DEBT**

As of December 31, 2021, the Authority had no debt.

**ECONOMIC FACTORS**

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies, and other costs
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic

**IN CONCLUSION**

Miami Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on its consistent and sound financial condition of the Authority.

**Miami Metropolitan Housing Authority  
Management's Discussion and Analysis – Cont'd  
Year Ended December 31, 2021**

**Unaudited**

**FINANCIAL CONTACT**

If you have any questions regarding this report, you may contact Keith GunderKline, Executive Director of the Miami Metropolitan Housing Authority at (937) 339-2111.

**Miami Metropolitan Housing Authority**  
**Statement of Net Position**  
**December 31, 2021**

***ASSETS***

**Current assets**

Cash and Cash Equivalents	923,620
Restricted Cash and Cash Equivalents	64,656
Receivables, Net	3,927
Inventories, Net	25,350
Prepaid Expenses and Other Assets	58,608

**Total Current Assets** 1,076,161

**Noncurrent Assets**

Capital Assets:

Non-Depreciable Capital Assets	357,350
Depreciable Capital Assets	1,942,542

**Total Capital Assets** 2,299,892

Other Noncurrent Assets:

Pension Asset	8,990
OPEB Asset	82,843

**Total Other Noncurrent Assets** 91,833

**Total Noncurrent Assets** 2,391,725

**Total Assets** \$3,467,886

Deferred Outflows of Resources

Pension	\$125,901
OPEB	42,314

**Total Deferred Outflows of Resources** \$168,215

**Total Assets and Deferred Outflows of Resources** \$3,636,101

***LIABILITIES***

**Current Liabilities**

Accounts Payable	\$26,102
Accrued Wages/Payroll Taxes	22,038
Accrued Compensated Leave Current	49,440
Intergovernmental Payables	29,466
Tenant Security Deposits	52,836

**Total Current Liabilities** 179,882

See accompanying notes to the basic financial statements.

**Miami Metropolitan Housing Authority  
Statement of Net Position – Cont’d  
December 31, 2021**

**Noncurrent liabilities**

Accrued Pension Liability	\$686,491
<b>Total Noncurrent Liabilities</b>	<b><u>686,491</u></b>

<b>Total Liabilities</b>	<b><u><u>\$866,373</u></u></b>
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Deferred Inflows of Resources

Pension	\$316,737
OPEB	278,265

<b>Total Deferred Inflows of Resources</b>	<b><u><u>\$595,002</u></u></b>
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***NET POSITION***

Investment in Capital Assets	\$2,299,892
Restricted	11,820
Unrestricted	(136,986)
<b>Total Net Position</b>	<b><u><u>2,174,726</u></u></b>

<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b><u><u>\$3,636,101</u></u></b>
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See accompanying notes to the basic financial statements.



**Miami Metropolitan Housing Authority**  
**Statement of Revenue, Expenses, and Changes in Fund Net Position**  
**For the Year Ended December 31, 2021**

***OPERATING REVENUES***

Tenant Revenue	\$552,036
Government Operating Grants	5,161,376
Other Revenues	34,877
<b>Total Operating Revenues</b>	<b><u>5,748,289</u></b>

***OPERATING EXPENSES***

Administrative	130,457
Tenant Services	2,495
Utilities	282,702
Maintenance	203,636
Insurance	36,768
General	165,789
Housing Assistance Payments	4,354,968
Depreciation	337,163
<b>Total Operating Expenses</b>	<b><u>5,513,978</u></b>
<b>Operating Income (Loss)</b>	<b><u>234,311</u></b>

***NON-OPERATING REVENUES***

Interest Income	977
Capital Grants	277,647
<b>Total Non-Operating Revenues</b>	<b><u>278,624</u></b>
Change in Net Position	512,935
Total Net Position, Beginning of Year	1,661,791
<b>Total Net Position - End of Year</b>	<b><u>\$2,174,726</u></b>

See accompanying notes to the basic financial statements

**Miami Metropolitan Housing Authority  
Statement of Cash Flows  
For the Year Ended December 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from Federal Operating Grants	\$5,142,831
Cash Received from Tenants	550,825
Cash Received from Other Revenue	65,046
Cash Payments for General and Administrative expenses	(1,462,381)
Cash Payments for Housing Assistance	<u>(4,354,968)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(58,647)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earned	<u>977</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>977</u></b>

**CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES**

Capital Grants	277,647
Property and Equipment Purchased	<u>(279,587)</u>
<b>Net Cash Provided (Used) by Capital and Related Activities</b>	<b><u>(1,940)</u></b>

Net Increase (Decrease) in Cash	(59,610)
Cash and cash equivalents - Beginning of year	<u>1,047,886</u>
<b>Cash and cash equivalents - End of year</b>	<b><u><u>\$988,276</u></u></b>

See accompanying notes to the basic financial statements.

**Miami Metropolitan Housing Authority**  
**Statement of Cash Flows – Cont'd**  
**For the Year Ended December 31, 2021**

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

Net Operating Income (Loss)	\$234,311
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	337,163
- (Increases) Decreases in Accounts Receivable	29,897
- (Increases) Decreases in Prepaid Assets	(23,648)
- Increases (Decreases) in Inventory	3,144
- Increases (Decreases) in Pension Asset	10,312
- Increases (Decreases) in OPEB Asset	(82,843)
- (Increases) Decreases in Deferred Outflows	94,572
- Increases (Decreases) in Accounts Payable	(97)
- Increases (Decreases) in Accounts Payable - Intergovernmental	(1,966)
- Increases (Decreases) in Accrued Wages/Payroll Taxes	3,128
- Increases (Decreases) in Compensated Absence Payable	8,316
- Increases (Decreases) in Tenant Security Deposits	(534)
- Increases (Decreases) in Pension Liability	(249,019)
- Increases (Decreases) in OPEB Liability	(680,409)
- Increases (Decreases) in Deferred Inflows	277,611
- Increases (Decreases) in Unearned Revenue	(18,545)
<b>Net Cash Provided by Operating Activities</b>	<b><u>(58,647)</u></b>

See accompanying notes to the basic financial statements.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements**  
**Year Ended December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

Oversight of the Miami Metropolitan Housing Authority is provided by a five (5) member board called the Board of Commissioners representing one (1) appointee of the Common Pleas Court, one (1) appointee of the County commissioners, one (1) appointee of the Probate Court and two (2) appointees of the largest municipality of the county, including one (1) appointee resident member nominated by the Resident Advisory Council.

The accompanying Basic Financial Statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *the Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*; in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

A primary government 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.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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

Basis of Presentation

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

Fund Accounting

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

Measurement Focus

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

Enterprise Fund

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

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

The following are the various programs which are included in the single enterprise fund:

Project (Conventional Public Housing and Capital Fund Program) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidies to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority’s physical and management improvements. Funds are allocated by a formula allocation and based on the size and age of the Authority’s units. The Authority also received and expended CARES Act supplemental funding which was awarded as a result of the COVID-19 pandemic.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance. The Authority also received and expended CARES Act supplemental funding which was awarded as a result of the COVID-19 pandemic.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

Business Activities – Represents the rental of office space to be used for future capital improvements on the building as well as a Payroll Cost Pool

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

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

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

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

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond the year end, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority’s capitalization policy is \$1,000. The following are the useful lives used for depreciation purposes:

Buildings	40
Building improvements	15
Furniture – dwelling	5
Furniture – non-dwelling	5
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	7
Computer hardware	5
Computer software	5
Leasehold improvements	15

Accrued Liabilities

All payables and accrued liabilities are reported in the basic financial statements.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use either by internal or external restrictions.

Compensated Absences

The liability for Compensated Absences balances are accounted for by The Authority in accordance with GASB Statement No. 16.

Sick Leave – Regular employees accrue sick leave at the rate of one and one-fourth days per month. Payment of accrued but unused sick leave will be made to each employee upon disability or service retirement under PERS from active service with The Authority or with ten (10) or more years of active service with The Authority and separates in good standing. Such payment shall be made only once to any employee. The amount of such payment shall be equal to 25% of the value of the employee’s accrued but unused sick leave up to a 30-day maximum liability.

Annual Leave – Regular employees accrue annual leave at the rate of one through five years of service equals ten days of earned vacation a year; six through ten years of service equals fifteen days of earned vacation a year; eleven years to nineteen years of service equals twenty-one days of earned vacation a year. After twenty (20) full years of employment, at the rate of 7.69 hours per 80 hours in active pay status (excluding overtime hours)—maximum accrual per year is 200 hours. Annual leave may be carried over for up to one year.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

The following is a summary of changes in compensated absences for the year ended December 31, 2021:

	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>	<b>Due</b>
	<b>12/31/20</b>			<b>12/31/21</b>	<b>Within</b>
					<b>One Year</b>
Compensated Absences Payable	\$ 41,124	\$ 58,113	\$ (49,797)	\$49,440	\$49,440

Operating/Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants from HUD and other miscellaneous revenue. Nonoperating revenues are HUD capital grants and interest income. HUD capital grants are the amounts received by the Authority for capital improvements and administration of the Public Housing program.

Operating expenses are those expenses that are generated from the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, depreciation, bad debt, and housing assistance payments.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

Budgetary Accounting

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

Estimates

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

Tenant Receivables – net of allowance

Bad debts are provided on the allowance method based on management’s evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for doubtful accounts was \$409 on December 31, 2021.

Inventories

Inventories are comprised of maintenance materials and supplies and are stated at cost. The allowance for obsolete inventory was \$2,816 on December 31, 2021.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority,



**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

Pensions/Other Post-employment Benefits (OPEB)

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

## 2. DEPOSITS AND INVESTMENTS

### Deposits

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

1. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority’s Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
2. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The carrying amount of the Authority’s deposits was \$988,276 at December 31, 2021. The corresponding bank balances were \$1,335,375. Based on the criteria described in GASB Statement No. 40, “*Deposits and Investment Risk Disclosure*,” at December 31, 2021, \$250,000 was covered by federal depository insurance, while \$1,085,375 was exposed to custodial risk.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of deposits being secured, or (2) participation in the 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

*Interest Rate Risk* – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority’s depository agreement specifically requires compliance with HUD requirements.

*Concentration of Credit Risk* – The Authority places no limit on the amount that may be invested with any one issuer.

At December 31, 2021, the Authority did not have any investments.

**3. RESTRICTED CASH**

Restricted cash balance at December 31, 2021 of \$64,656 represents cash on hand for the following:

	<b>12/31/2021</b>
Tenant Security Deposits	\$ 52,836
Cash on hand for Housing assistance payments	11,820
Total Restricted Cash	\$ 64,656

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

**4. CAPITAL ASSETS**

The following is a summary of capital assets:

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Deletions/ Adjustment</u>	<u>Balance 12/31/2021</u>
<b>CAPITAL ASSETS, NOT BEING DEPRECIATED</b>				
Land	\$ 357,350	\$ -	\$ -	\$ 357,350
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>\$ 357,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,350</u>
<b>CAPITAL ASSETS BEING DEPRECIATED</b>				
Building and Improvements	\$ 11,923,149	\$ 277,647	\$ (1,266,538)	\$ 10,934,258
Furniture and equipment	116,832	1,940	(1,372)	117,400
Totals at Historical Costs	<u>12,039,981</u>	<u>279,587</u>	<u>(1,267,910)</u>	<u>11,051,658</u>
Less: Accumulated Depreciation	<u>(10,039,863)</u>	<u>(337,163)</u>	<u>1,267,910</u>	<u>(9,109,116)</u>
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	<u>\$ 2,000,118</u>	<u>\$ (57,576)</u>	<u>\$ -</u>	<u>\$ 1,942,542</u>
TOTAL CAPITAL ASSETS, NET	<u>\$ 2,357,468</u>	<u>\$ (57,576)</u>	<u>\$ -</u>	<u>\$ 2,299,892</u>
Accumulated Depreciation by Class:				
Buildings				\$ 9,019,580
Furniture and Equipment				89,536
TOTAL ACCUMULATED DEPRECIATION				<u>\$ 9,109,116</u>

**5. DEFINED BENEFIT PENSION PLAN**

*Net Pension Liability/Asset*

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

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

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

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied 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):

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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

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

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

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

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

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of future new OPERS contributing members. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care. The date of implementation will be determined when finalized changes are approved.

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

**Miami Metropolitan Housing Authority  
Notes to the Basic Financial Statements – Cont’d  
Year Ended December 31, 2021**

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	<b>State and Local</b>
 <b>2021 Statutory Maximum Contributions Rates</b>	
Employer	14%
Employee*	10%
 <b>2021 Actual Contributions Rates</b>	
Employer	
Pension **	14%
Post-employment Health Care Benefits**	0%
Total Employer	14%
 Employee:	 10%

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer’s contribution allocated to health care was 0% for calendar year 2021 for the Traditional and Combined plans. The portion of the employer’s contribution allocated to health care was 4% for the Member-Directed plan for calendar year 2021. The Authority’s contractually required contributions used to fund pension benefits was \$114,756 for fiscal year ending December 31, 2021.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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

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

<u>Net Pension Liability (Assets)</u>	<u>Traditional</u>	<u>Combined</u>	<u>Member-Directed</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability (Assets)	\$ 686,491	\$ (7,829)	\$ (1,161)	\$ 677,501
Percentage of Proportion of the Net Pension Liability (Assets)	0.004636%	0.0002712%	0.0063710%	
Change in Proportion from Prior Measurement Date	0.000097%	-0.0064300%	0.0000609%	

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

<u>Deferred Outflows of Resources</u>	<u>Traditional</u>	<u>Combined</u>	<u>Member-Directed</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ 800	\$ 800
Changes in assumptions	\$ -	\$ 489	\$ 34	\$ 523
Changes in proportion and differences between Authority contributions and proportionate share of contributions	568	8,881	373	\$ 9,822
Authority contributions subsequent to the measurement date	110,788	-	3,968	\$ 114,756
<b>Total Deferred Outflows of Resources</b>	<b>\$ 111,356</b>	<b>\$ 9,370</b>	<b>\$ 5,175</b>	<b>\$ 125,901</b>
<u>Deferred Inflows of Resources</u>	<u>Traditional</u>	<u>Combined</u>	<u>Member-Directed</u>	<u>Total</u>
Net difference between projected and actual earnings on pension plan investments	\$ 267,574	\$ 1,163	\$ 127	268,864
Differences between expected and actual experience	\$ 28,716	\$ 1,477	\$ -	30,193
Changes in proportion and differences between Authority contributions and proportionate share of contributions	13,475	2,368	1,837	17,680
<b>Total Deferred Inflows of Resources</b>	<b>\$ 309,765</b>	<b>\$ 5,008</b>	<b>\$ 1,964</b>	<b>\$ 316,737</b>

\$114,756 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

Year Ending December 31:	OPERS	OPERS	OPERS	Total
	Traditional Pension Plan	Combined Pension Plan	Member-Directed Pension Plan	
2021	\$ (121,328)	\$ 17	\$ (156)	\$ (121,467)
2022	(42,304)	220	(139)	(42,223)
2023	(109,072)	(48)	(168)	(109,288)
2024	(36,493)	599	(153)	(36,047)
2025	-	943	(136)	807
Thereafter	-	2,631	(5)	2,626
<b>Total</b>	<b>\$ (309,197)</b>	<b>\$ 4,362</b>	<b>\$ (757)</b>	<b>\$ (305,592)</b>

*Actuarial Assumptions - OPERS*

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

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

Actuarial Information	Traditional	Combined	Member-Directed Plan
<b>Valuation Date</b>	<b>December 31, 2020</b>	<b>December 31, 2020</b>	<b>December 31, 2020</b>
<b>Experience Study</b>	<b>5 Year Period Ended December 31, 2015</b>	<b>5 Year Period Ended December 31, 2015</b>	<b>5 Year Period Ended December 31, 2015</b>
<b>Actuarial Cost Method</b>	<b>Individual entry age</b>	<b>Individual entry age</b>	<b>Individual entry age</b>
<b>Actuarial Assumptions:</b>			
<b>Investment Rate of Return</b>	<b>7.20%</b>	<b>7.20%</b>	<b>7.20%</b>
<b>Wage Inflation</b>	<b>3.25%</b>	<b>3.25%</b>	<b>3.25%</b>
<b>Projected Salary Increases</b>	<b>3.25% - 10.75% (includes wage inflation at 3.25%)</b>	<b>3.25% - 8.25% (includes wage inflation at 3.25%)</b>	<b>3.25% - 8.25% (includes wage inflation at 3.25%)</b>
<b>Cost-of-living Adjustments</b>	<b>Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2021, then 2.15% Simple</b>	<b>Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2021, then 2.15% Simple</b>	<b>Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2021, then 2.15% Simple</b>

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



**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7 percent for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

<b>Asset Class</b>	<b>Target Allocation for 2020</b>	<b>Weighted Average Long- Term Expected Real Rate of Return</b>
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%
	<b>100.00%</b>	<b>5.43%</b>

***Discount Rate***

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

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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:

<b>Authority's Proportionate Share of the Net Pension Liability/(Asset)</b>	<b>1% Decrease (6.2%)</b>	<b>Current Discount Rate (7.2%)</b>	<b>1% Increase (8.2%)</b>
Traditional Plan	\$ 1,309,485	\$ 686,491	\$ 168,472
Combined Plan	(5,451)	(7,829)	(9,600)
Member-Directed Plan	(1,019)	(1,161)	(1,274)
<b>Total</b>	<b>\$ 1,303,014</b>	<b>\$ 677,501</b>	<b>\$ 157,598</b>

***Changes Between Measurement Date and Report Date***

Subsequent to December 31, 2020, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2021 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

**6. DEFINED BENEFIT OPEB PLANS**

***Net OPEB Asset***

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

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

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

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB asset*. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included as a current liability.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In calendar year 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum

**Miami Metropolitan Housing Authority  
Notes to the Basic Financial Statements – Cont’d  
Year Ended December 31, 2021**

employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

**Total Employer Contribution:**

**Traditional and Combined Plans**

Basic Benefits	14%
Post-Employment Health Care Benefits	-
	14%

**Member Directed Plan**

Basic Benefits	10%
Post-Employment Health Care Benefits	4%
	4%

<b><u>Employee Contribution</u></b>	10%
-------------------------------------	-----

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution allocated to health care was \$1,587 for fiscal year ending December 31, 2021.

***OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

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

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont'd**  
**Year Ended December 31, 2021**

	OPERS
Proportion of the Net OPEB Liability	
Prior Measurement Date	0.004926%
Proportion of the Net OPEB Liability	
Current Measurement Date	0.004650%
Change in Proportionate Share	-0.000276%
Proportionate Share of the Net OPEB Asset	\$ (82,843)
OPEB Expense	\$ (524,960)

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

	OPERS
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ -
Changes of assumptions	40,727
City contributions subsequent to the measurement date	1,587
Total Deferred Outflows of Resources	\$ 42,314
<b>Deferred Inflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 44,123
Differences between expected and actual experience	74,765
Changes of assumptions	134,231
Changes in proportion and differences between Authority contributions and proportionate share of contributions	25,146
Total Deferred Inflows of Resources	\$278,265

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

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

	OPERS
Year Ending December 31:	
2022	\$ (127,093)
2023	(86,073)
2024	(19,176)
2025	(5,196)
Total	(237,538)

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

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.

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

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was 10.5 percent for 2020.

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

Asset Class	Target Allocation for 2020	Weighted Average Long- Term Expected Real Rate of Return
Fixed Income	34.00%	1.07%
Domestic Equities	25.00%	5.64%
Real Estate Investment Trust	7.00%	6.48%
International Equities	25.00%	7.36%
Other Investments	9.00%	4.02%
	100.00%	4.43%

***Discount Rate***

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the Authority’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	\$ 20,600	\$ 82,843	\$ 134,013

***Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

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

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



**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	\$ 84,863	\$ 82,843	\$ 80,585

**7. CONTINGENCIES**

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2021.

**8. COMMITMENTS**

The authority has, under its normal operations, entered into commitments for the purchase of maintenance, cleaning, and other services. Such commitments are monthly and annually.

**9. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2020, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. The State Housing Authority Risk Pool Association, Inc. is self-sustaining through member premiums and reinsures through commercial insurance companies.

The Authority carried commercial insurance for risk of loss for employee health and accident insurance. There has been no significant reduction in coverage from last year. Settled claims have not exceeded this coverage in any of the last three years.

**10. PAYMENT IN LIEU OF TAXES**

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes for the year ended December 31, 2021 totaled \$29,466.

**11. FDS SCHEDULE SUBMITTED TO HUD**

For the fiscal year ended December 31, 2021, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and change in net asset and other data to HUD as required on the accrual basis of accounting. The audited version of the entity wide balance sheet summary and entity wide revenue and expense summary are included as supplemental data. The schedules are presented in the manner prescribed by U. S. Department of Housing and Urban Development.

**Miami Metropolitan Housing Authority**  
**Notes to the Basic Financial Statements – Cont’d**  
**Year Ended December 31, 2021**

**12. RELATED PARTY TRANSACTION**

The Miami Metropolitan Housing Authority has an “Employer of Record” contract with Miami County Community Action Council. This contract provides staffing services in which a contract is signed to provide services as determined by the Housing Authority. The Community Action Council has a separate audit of its financial records under the same guidelines as Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

**13. ECONOMIC DEPENDENCY**

Both the Low Rent Public Housing Program and the Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD.

**14. NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

The accompanying schedule of federal awards expenditures is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the accrual basis of accounting.

**15. 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 ensuring emergency measures will impact subsequent periods of the Authority. The investments of the pension and other employee benefit plan in which the Authority participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Miami Metropolitan Housing Authority  
 Schedule of Expenditure of Federal Awards  
 For the Year Ended December 31, 2021**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>		
<b>DIRECT PROGRAMS</b>		
<u>PHA Owned Housing:</u>		
Public and Indian Housing	14.850	\$ 233,482
Public Housing Capital Fund	14.872	277,647
		<u>511,129</u>
<u>Housing Assistance Payments:</u>		
Section 8 Housing Choice Voucher	14.871	4,909,349
Section 8 Housing Choice Voucher CARES Act Funding	14.871	18,545
Total Housing Choice Voucher - Cluster		<u>4,927,894</u>
<b>Total Expenditure of Federal Awards</b>		<b>\$ <u>5,439,023</u></b>

**Miami Metropolitan Housing Authority**  
**Notes to the Schedule of Expenditure of Federal Awards**  
**For the Year Ended December 31, 2021**

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

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

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

**NOTE B – SUBRECIPIENTS**

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

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

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

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

**Miami Metropolitan Housing Authority  
Certificate of Actual Modernization Costs  
December 31, 2021**

	CFP 501-19	CFP 501-20
Funds approved	\$ 219,936	\$ 235,214
Funds expended	219,936	235,214
Excess of (deficiency) of funds approved	\$ -	\$ -
Funds advanced	\$ 219,936	\$ 235,214
Funds expended	219,936	235,214
Excess of (deficiency) of funds advanced	\$ -	\$ -

1. All modernization work in connection with the Capital Fund Program has been completed.
2. The entire Actual Modernization Cost or liabilities incurred by the Authority have been fully paid.
3. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

**See Independent Auditor's Report**

**Miami Metropolitan Housing Authority**  
**Schedule of the Authority's Proportionate Share of the Net Pension Liability/(Assets)**  
**Ohio Public Employees Retirement System**  
**Available Years**

<b>Traditional Plan</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability/(Asset)	0.004636%	0.004733%	0.004720%	0.004688%	0.004937%	0.005678%	0.004994%	0.004994%
Authority's Proportionate Share of the Net Pension Liability	\$ 686,491	\$ 935,510	\$ 1,292,712	\$ 735,456	\$ 1,121,109	\$ 983,501	\$ 602,310	\$ 588,705
Authority's Covered-Employee Payroll	\$ 791,343	\$ 652,964	\$ 665,950	\$ 637,488	\$ 619,538	\$ 638,223	\$ 706,685	\$ 612,243
Authority's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	86.75%	143.27%	194.12%	115.37%	180.96%	154.10%	85.23%	96.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability/(Asset)	0.002712%	0.009142%	0.009330%	0.009551%	0.009851%	0.009164%	0.026125%	0.026125%
Authority's Proportionate Share of the Net Pension Liability	\$ (7,829)	\$ (19,063)	\$ (10,433)	\$ (13,002)	\$ (5,483)	\$ (4,459)	\$ (10,059)	\$ (2,741)
Authority's Covered-Employee Payroll	\$ -	\$ 11,950	\$ 40,693	\$ 39,907	\$ 39,114	\$ 38,343	\$ 33,343	\$ 91,986
Authority's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	0.00%	159.52%	25.64%	32.58%	14.02%	11.63%	30.17%	2.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%
<b>Member-Directed Plan</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability/(Asset)	0.006371%	0.006311%	0.008290%	0.012033%	0.011206%	0.011947%	0.000000%	0.000000%
Authority's Proportionate Share of the Net Pension Liability	\$ (1,161)	\$ (239)	\$ (189)	\$ (420)	\$ (47)	\$ (46)	\$ -	\$ -
Authority's Covered-Employee Payroll	\$ 39,223	\$ 38,718	\$ 37,516	\$ 47,393	\$ 65,950	\$ 58,172	\$ 57,036	\$ 56,629
Authority's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	2.96%	0.62%	0.50%	0.89%	0.07%	0.08%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	188.21%	118.84%	113.42%	124.46%	103.40%	103.91%	0.00%	0.00%

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

See accompanying notes to the required supplementary information

**Miami Metropolitan Housing Authority  
Schedule of the Authority's Contributions - Pension  
Ohio Public Employees Retirement System  
Available Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Contractually Required Contributions</u>								
Traditional Plan	\$ 110,788	\$ 91,415	\$ 93,233	\$ 89,248	\$ 80,540	\$ 76,586	\$ 84,802	\$ 73,469
Combined Plan	-	1,673	5,697	5,587	5,085	4,602	4,002	11,460
Member-Direct Plan	3,968	3,827	3,751	4,739	6,595	5,817	7,984	6,058
Total Required Contributions	<u>\$ 114,756</u>	<u>\$ 96,915</u>	<u>\$ 102,681</u>	<u>\$ 99,574</u>	<u>\$ 92,220</u>	<u>\$ 87,005</u>	<u>\$ 96,788</u>	<u>\$ 90,987</u>
Contributions In Relation to the Contractually Required Contributions	<u>(114,756)</u>	<u>(96,915)</u>	<u>(102,681)</u>	<u>(99,574)</u>	<u>(92,220)</u>	<u>(87,005)</u>	<u>(96,788)</u>	<u>(90,987)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Authority's Covered Payroll</u>								
Traditional Plan	\$ 791,343	\$ 652,964	\$ 665,950	\$ 637,487	\$ 619,538	\$ 638,223	\$ 706,685	\$ 612,243
Combined Plan	\$ -	\$ 11,950	\$ 40,693	\$ 39,907	\$ 39,114	\$ 38,343	\$ 33,343	\$ 91,986
Member-Direct Plan	\$ 39,223	\$ 38,718	\$ 37,516	\$ 47,393	\$ 65,950	\$ 58,172	\$ 57,036	\$ 56,629
<u>Pension Contributions as a Percentage of Covered Payroll</u>								
Traditional Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
Member-Direct Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

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

See accompanying notes to the required supplementary information

**Miami Metropolitan Housing Authority**  
**Schedule of the Authority Proportionate Share of Net OPEB Liabilities**  
**Ohio Public Employees Retirement System**  
**Available Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/(Asset)	0.004650%	0.004926%	0.004997%	0.005120%	0.005317%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (82,843)	\$ 680,409	\$ 651,491	\$ 555,994	\$ 537,035
Authority's Covered-Employee Payroll	\$ 830,566	\$ 703,632	\$ 744,159	\$ 724,787	\$ 724,602
Authority's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Employee Payroll	9.97%	96.70%	87.55%	76.71%	74.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.05%

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

See accompanying notes to the required supplementary information



**Miami Metropolitan Housing Authority  
Schedule of the Authority's Contributions - OPEB  
Ohio Public Employees Retirement System  
Available Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,587	\$ 1,530	\$ 1,501	\$ 1,896	\$ 9,224	\$ 15,858	\$ 14,801	\$ 15,533
Contributions In Relation to the Contractually Required Contributions	<u>(1,587)</u>	<u>(1,530)</u>	<u>(1,501)</u>	<u>(1,896)</u>	<u>(9,224)</u>	<u>(15,858)</u>	<u>(14,801)</u>	<u>(15,533)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered-Employee Payroll	\$830,566	\$ 703,632	\$ 744,159	\$ 724,787	\$ 724,602	\$ 734,738	\$ 797,064	\$ 760,858
Contributions as a Percentage of Covered-Employee	0.19%	0.22%	0.20%	0.26%	1.00%	2.00%	2.00%	2.00%

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

See accompanying notes to the required supplementary information

**Miami Metropolitan Housing Authority**  
**Notes to the Required Supplementary Information**  
**For the Year Ended December 31, 2021**

***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

***Net Pension Liability***

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

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

***Net OPEB Liability***

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

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

**Miami Metropolitan Housing Authority**  
**Financial Data Schedule**  
**December 31, 2021**

	Project Total	1 Business Activities	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$185,795	\$53,015	\$0	\$684,810	\$923,620	\$0	\$923,620
113 Cash - Other Restricted	\$0	\$0	\$0	\$11,820	\$11,820	\$0	\$11,820
114 Cash - Tenant Security Deposits	\$52,836	\$0	\$0	\$0	\$52,836	\$0	\$52,836
100 Total Cash	\$238,631	\$53,015	\$0	\$696,630	\$988,276	\$0	\$988,276
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$1,837	\$0	\$0	\$1,837	\$0	\$1,837
126 Accounts Receivable - Tenants	\$2,499	\$0	\$0	\$0	\$2,499	\$0	\$2,499
126.1 Allowance for Doubtful Accounts - Tenants	-\$409	\$0	\$0	\$0	-\$409	\$0	-\$409
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,090	\$1,837	\$0	\$0	\$3,927	\$0	\$3,927
142 Prepaid Expenses and Other Assets	\$22,408	\$32,250	\$0	\$3,950	\$58,608	\$0	\$58,608
143 Inventories	\$28,166	\$0	\$0	\$0	\$28,166	\$0	\$28,166
143.1 Allowance for Obsolete Inventories	-\$2,816	\$0	\$0	\$0	-\$2,816	\$0	-\$2,816
150 Total Current Assets	\$288,479	\$87,102	\$0	\$700,580	\$1,076,161	\$0	\$1,076,161
161 Land	\$357,350	\$0	\$0	\$0	\$357,350	\$0	\$357,350
162 Buildings	\$10,934,258	\$0	\$0	\$0	\$10,934,258	\$0	\$10,934,258
163 Furniture, Equipment & Machinery - Dwellings	\$13,127	\$0	\$0	\$0	\$13,127	\$0	\$13,127
164 Furniture, Equipment & Machinery - Administration	\$90,341	\$0	\$0	\$13,932	\$104,273	\$0	\$104,273
166 Accumulated Depreciation	-\$9,106,628	\$0	\$0	-\$2,488	-\$9,109,116	\$0	-\$9,109,116
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,288,448	\$0	\$0	\$11,444	\$2,299,892	\$0	\$2,299,892

**Miami Metropolitan Housing Authority**  
**Financial Data Schedule – Cont'd**  
**December 31, 2021**

	<b>Project Total</b>	<b>1 Business Activities</b>	<b>14.HCC HCV CARES Act Funding</b>	<b>14.871 Housing Choice Vouchers</b>	<b>Subtotal</b>	<b>ELIM</b>	<b>Total</b>
174 Other Assets	\$40,407	\$0	\$0	\$51,426	\$91,833	\$0	\$91,833
180 Total Non-Current Assets	\$2,328,855	\$0	\$0	\$62,870	\$2,391,725	\$0	\$2,391,725
200 Deferred Outflow of Resources	\$74,015	\$0	\$0	\$94,200	\$168,215	\$0	\$168,215
290 Total Assets and Deferred Outflow of Resources	\$2,691,349	\$87,102	\$0	\$857,650	\$3,636,101	\$0	\$3,636,101
312 Accounts Payable <= 90 Days	\$13,484	\$8,016	\$0	\$4,602	\$26,102	\$0	\$26,102
321 Accrued Wage/Payroll Taxes Payable	\$9,152	\$0	\$0	\$12,886	\$22,038	\$0	\$22,038
322 Accrued Compensated Absences - Current Portion	\$20,026	\$0	\$0	\$29,414	\$49,440	\$0	\$49,440
333 Accounts Payable - Other Government	\$29,466	\$0	\$0	\$0	\$29,466	\$0	\$29,466
341 Tenant Security Deposits	\$52,836	\$0	\$0	\$0	\$52,836	\$0	\$52,836
310 Total Current Liabilities	\$124,964	\$8,016	\$0	\$46,902	\$179,882	\$0	\$179,882
357 Accrued Pension and OPEB Liabilities	\$302,056	\$0	\$0	\$384,435	\$686,491	\$0	\$686,491
350 Total Non-Current Liabilities	\$302,056	\$0	\$0	\$384,435	\$686,491	\$0	\$686,491
300 Total Liabilities	\$427,020	\$8,016	\$0	\$431,337	\$866,373	\$0	\$866,373
400 Deferred Inflow of Resources	\$261,803	\$0	\$0	\$333,199	\$595,002	\$0	\$595,002
508.4 Net Investment in Capital Assets	\$2,288,448	\$0	\$0	\$11,444	\$2,299,892	\$0	\$2,299,892
511.4 Restricted Net Position	\$0	\$0	\$0	\$11,820	\$11,820	\$0	\$11,820
512.4 Unrestricted Net Position	-\$285,922	\$79,086	\$0	\$69,850	-\$136,986	\$0	-\$136,986
513 Total Equity - Net Assets / Position	\$2,002,526	\$79,086	\$0	\$93,114	\$2,174,726	\$0	\$2,174,726
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,691,349	\$87,102	\$0	\$857,650	\$3,636,101	\$0	\$3,636,101

**Miami Metropolitan Housing Authority  
Financial Data Schedule – Cont'd  
December 31, 2021**

	<b>Project Total</b>	<b>1 Business Activities</b>	<b>14.HCC HCV CARES Act Funding</b>	<b>14.871 Housing Choice Vouchers</b>	<b>Subtotal</b>	<b>ELIM</b>	<b>Total</b>
70300 Net Tenant Rental Revenue	\$538,594	\$0	\$0	\$0	\$538,594	\$0	\$538,594
70400 Tenant Revenue - Other	\$13,442	\$0	\$0	\$0	\$13,442	\$0	\$13,442
70500 Total Tenant Revenue	\$552,036	\$0	\$0	\$0	\$552,036	\$0	\$552,036
70600 HUD PHA Operating Grants	\$233,482	\$0	\$18,545	\$4,909,349	\$5,161,376	\$0	\$5,161,376
70610 Capital Grants	\$277,647	\$0	\$0	\$0	\$277,647	\$0	\$277,647
71100 Investment Income - Unrestricted	\$175	\$0	\$0	\$802	\$977	\$0	\$977
71400 Fraud Recovery	\$0	\$0	\$0	\$1,371	\$1,371	\$0	\$1,371
71500 Other Revenue	\$9,098	\$94,733	\$0	\$20	\$103,851	-\$70,345	\$33,506
70000 Total Revenue	\$1,072,438	\$94,733	\$18,545	\$4,911,542	\$6,097,258	-\$70,345	\$6,026,913
91100 Administrative Salaries	\$87,927	\$0	\$9,801	\$243,202	\$340,930	\$0	\$340,930
91200 Auditing Fees	\$891	\$0	\$0	\$7,210	\$8,101	\$0	\$8,101
91500 Employee Benefit contributions - Administrative	-\$115,637	\$0	\$8,744	-\$229,444	-\$336,337	\$0	-\$336,337
91600 Office Expenses	\$47,357	\$39	\$0	\$86,189	\$133,585	-\$70,345	\$63,240
91700 Legal Expense	\$545	\$0	\$0	\$560	\$1,105	\$0	\$1,105
91800 Travel	\$848	\$0	\$0	\$3,194	\$4,042	\$0	\$4,042
91900 Other	\$17,969	\$0	\$0	\$31,407	\$49,376	\$0	\$49,376
91000 Total Operating - Administrative	\$39,900	\$39	\$18,545	\$142,318	\$200,802	-\$70,345	\$130,457
92400 Tenant Services - Other	\$2,495	\$0	\$0	\$0	\$2,495	\$0	\$2,495
92500 Total Tenant Services	\$2,495	\$0	\$0	\$0	\$2,495	\$0	\$2,495
93100 Water	\$44,949	\$1,850	\$0	\$0	\$46,799	\$0	\$46,799
93200 Electricity	\$144,518	\$11,758	\$0	\$0	\$156,276	\$0	\$156,276
93300 Gas	\$32,725	\$9,331	\$0	\$0	\$42,056	\$0	\$42,056
93600 Sewer	\$35,857	\$1,714	\$0	\$0	\$37,571	\$0	\$37,571
93000 Total Utilities	\$258,049	\$24,653	\$0	\$0	\$282,702	\$0	\$282,702

**Miami Metropolitan Housing Authority**  
**Financial Data Schedule – Cont'd**  
**December 31, 2021**

	<b>Project Total</b>	<b>1 Business Activities</b>	<b>14.HCC HCV CARES Act Funding</b>	<b>14.871 Housing Choice Vouchers</b>	<b>Subtotal</b>	<b>ELIM</b>	<b>Total</b>
94100 Ordinary Maintenance and Operations - Labor	\$76,591	\$1,716	\$0	\$0	\$78,307	\$0	\$78,307
94200 Ordinary Maintenance and Operations - Materials and Other	\$43,750	\$5,034	\$0	\$0	\$48,784	\$0	\$48,784
94300 Ordinary Maintenance and Operations Contracts	\$93,449	\$50,493	\$0	\$0	\$143,942	\$0	\$143,942
94500 Employee Benefit Contributions - Ordinary Maintenance	-\$72,778	\$967	\$0	\$0	-\$71,811	\$0	-\$71,811
94000 Total Maintenance	\$141,012	\$58,210	\$0	\$0	\$199,222	\$0	\$199,222
96110 Property Insurance	\$18,489	\$7,881	\$0	\$0	\$26,370	\$0	\$26,370
96120 Liability Insurance	\$2,202	\$939	\$0	\$388	\$3,529	\$0	\$3,529
96140 All Other Insurance	\$2,252	\$960	\$0	\$3,657	\$6,869	\$0	\$6,869
96100 Total insurance Premiums	\$22,943	\$9,780	\$0	\$4,045	\$36,768	\$0	\$36,768
96200 Other General Expenses	\$0	\$64,481	\$0	\$13,324	\$77,805	\$0	\$77,805
96210 Compensated Absences	\$22,194	\$0	\$0	\$35,919	\$58,113	\$0	\$58,113
96300 Payments in Lieu of Taxes	\$29,466	\$0	\$0	\$0	\$29,466	\$0	\$29,466
96400 Bad debt - Tenant Rents	\$405	\$0	\$0	\$0	\$405	\$0	\$405
96000 Total Other General Expenses	\$52,065	\$64,481	\$0	\$49,243	\$165,789	\$0	\$165,789
96900 Total Operating Expenses	\$516,464	\$157,163	\$18,545	\$195,606	\$887,778	-\$70,345	\$817,433
97000 Excess of Operating Revenue over Operating Expenses	\$555,974	-\$62,430	\$0	\$4,715,936	\$5,209,480	\$0	\$5,209,480
97100 Extraordinary Maintenance	\$4,414	\$0	\$0	\$0	\$4,414	\$0	\$4,414
97300 Housing Assistance Payments	\$0	\$0	\$0	\$4,354,968	\$4,354,968	\$0	\$4,354,968
97400 Depreciation Expense	\$335,173	\$0	\$0	\$1,990	\$337,163	\$0	\$337,163
90000 Total Expenses	\$856,051	\$157,163	\$18,545	\$4,552,564	\$5,584,323	-\$70,345	\$5,513,978
10000 Excess (Deficiency) of Total Revenue Over (Under)	\$216,387	-\$62,430	\$0	\$358,978	\$512,935	\$0	\$512,935

**Miami Metropolitan Housing Authority  
Financial Data Schedule – Cont'd  
December 31, 2021**

	<b>Project Total</b>	<b>1 Business Activities</b>	<b>14.HCC HCV CARES Act Funding</b>	<b>14.871 Housing Choice Vouchers</b>	<b>Subtotal</b>	<b>ELIM</b>	<b>Total</b>
Total Expenses							
11030 Beginning Equity	\$1,786,139	\$141,516	\$0	-\$265,864	\$1,661,791	\$0	\$1,661,791
11170 Administrative Fee Equity	\$0	\$0	\$0	\$81,294	\$81,294	\$0	\$81,294
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$11,820	\$11,820	\$0	\$11,820
11190 Unit Months Available	1,524	0	0	11,820	13,344	0	13,344
11210 Number of Unit Months Leased	1,516	0	0	11,527	13,043	0	13,043
11620 Building Purchases	\$277,647	\$0	\$0	\$0	\$277,647	\$0	\$277,647



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## **Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards**

Board of Commissioners  
Miami Metropolitan Housing Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Miami Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Miami Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated July 29, 2022, wherein I noted the Authority considered the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority.

### **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Miami Metropolitan Housing Authority, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miami Metropolitan Housing Authority, Ohio's, internal control. Accordingly, I do not express an opinion on the effectiveness of Miami Metropolitan Housing Authority, Ohio'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 entity'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.

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

**American Institute of Certified Public Accountant  
Ohio Society of Certified Public Accountant**



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Miami Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Salvatore Consiglio*

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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
July 29, 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**

Board of Commissioners  
Miami Metropolitan Housing Authority

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

I have audited Miami Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Miami Metropolitan Housing Authority's major federal program for the year ended December 31, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

I conducted an 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 for Federal Awards (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

***Responsibilities of Management for Compliance***

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 to the Miami Metropolitan Housing Authority's federal programs.

**American Institute of Certified Public Accountant  
Ohio Society of Certified Public Accountant**

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

My 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 Miami Metropolitan Housing Authority's compliance based on my 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 Miami Metropolitan Housing Authority's compliance with the requirements of each major federal program as a whole.

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

- 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 Miami Metropolitan Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- obtain an understanding of the Miami Metropolitan Housing 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 Miami Metropolitan Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I 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.

My audit was not designed<sup>55</sup> 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Salvatore Consiglio*

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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
July 29, 2022

**Miami Metropolitan Housing Authority  
Schedule of Findings  
2 CFR § 200.515  
December 31, 2021**

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

Type of Financial Statement Opinion	Unmodified
Were there any material weakness reported at the financial statement level (GAGAS)?	No
Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
Was there any reported non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant internal control deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unmodified
Are there any reportable findings under 2 CFR § 200.516(a)?	No
Major Programs (list):	CFDA # 14.871 Housing Choice Voucher Program
Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
Low Risk Auditee under 2 CFR § 200.520?	Yes

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

There are no findings or questioned costs for the year ended December 31, 2021.

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

There are no findings or questioned costs for the year ended December 31, 2021.

**Miami Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
December 31, 2021**

The audit report for the fiscal year ending December 31, 2020, contained no audit findings.

# OHIO AUDITOR OF STATE KEITH FABER



**MIAMI COUNTY METROPOLITAN HOUSING AUTHORITY**

**MIAMI 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 10/11/2022**

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

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