OHIO AUDITOR OF STATE
KEITH FABER

ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY
DECEMBER 31, 2021

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Athens Metropolitan Housing Authority
Athens County
10 Hope Drive
Athens, Ohio 45701

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of the business-type activities of the Athens Metropolitan Housing Authority, Athens County, Ohio (Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient appropriate audit evidence to support the completeness and accuracy of the amounts reported in the Statement of Net Position or Statement of Revenues, Expenses and Change in Net Position (including beginning net position) due to unsupported reconciling items and transactions, including fraudulent transactions, recorded in the accounting records and reported on the financial statements. In addition, the Authority failed to include a Statement of Cashflows, as required by Governmental Accounting Standards Board Codification 2200 paragraph .104. Further, management has not provided certain written representations required by Auditing Standard Section AU-C Section 580, Written Representations, including but not limited to, management's responsibility for preparing the financial statements in conformity with the Authority's financial reporting framework, the availability of original financial records and related data, the completeness and availability of all minutes of the legislative or other bodies and committee meetings; management's responsibility of the Authority's compliance with laws and regulations; the identification and disclosure of all laws, regulations, and provisions of contracts and grant agreements directly and materially affecting the determination of financial statement amounts and; the presence or absence of fraud involving management or employees with significant roles in internal control; compliance with laws, regulations, and provisions of contracts and grant agreements, including, the identification of all Federal assistance programs, and compliance with Federal grant requirements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the M*anagement's Discussion and Analysis* and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Supplementary information

We were engaged for the purpose of forming an opinion on the Authority's basic financial statements as a whole. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Financial Data Schedule as required by the Department of Housing and Urban Development present additional analysis and is not a required part of the basic financial statements.

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph above, we are not able to obtain sufficient evidence to provide a basis for an opinion and accordingly we do not opine on the Schedule of Expenditures of Federal Awards or the Financial Data Schedule.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

October 12, 2023

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Unaudited

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

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

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by $58,413 or 1.8% during 2021, resulting from changes in operations. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position.

- Revenues decreased by $785,805 or 12.07% during 2021.

- The total expenses of all Authority's programs decreased by $111,491 or 1.9%.

Authority Financial statements

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

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

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

<u>Net Invested in Capital Assets</u>: 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.

Unaudited

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

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Position Invested in Capital Assets", or "Restricted Net Position".

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

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

Fund Financial Statements

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

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

The Authority's Programs

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

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

Unaudited

Shelter Plus Care - The Authority has an ongoing collaboration effort with the Athens County Continuum of Care working group which in 1999 the PHA was successful in receiving grant funding for the Athens County Dual Diagnosis Housing Initiative Shelter Plus Care project which is now completed and up and running. The grant provided 10 years of subsidized rent for 5 units of housing for dually diagnosed persons with mental illness and substance abuse.

Business Activities – The Business Activities represents Authority owned housing properties that are not subsidized by HUD. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

AUTHORITY STATEMENTS

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

Table 1

	2021	2020
Current and other Assets	$800,613	$729,491
Noncurrent Assets	7,046,611	7,355,811
Deferred Outflows of Resources	67,626	36,589
Total Assets and Deferred Outflows of Resources	7,914,850	8,121,891
Current Liabilities	304,712	447,925
Noncurrent Liabilities	3,841,080	4,020,458
Total Liabilities	4,145,792	4,468,383
Deferred Inflows of Resources	479,424	422,287
Net Position		
Investment in Capital Assets	3,310,885	3,604,934
Restricted Net Position	239,735	110,993
Unrestricted Net Position	(260,986)	(484,706)
Total Net Position	3,289,634	3,231,221
Total Liabilities, Deferred Inflows and Net Position	$7,914,850	$8,121,891

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

Unaudited

Major Factors Affecting the Statement of Net Position

During 2021, current and other assets increased by $71,122, and current liabilities decreased by $143,213. The change in current assets was mainly due to increase in cash. The decrease in current liability is due to change in current portion of long-term debt.

Long Term Liabilities decreased by $179,378 in 2021. The change is debt retired during the year and changes in GASB 68 & 75.

Capital assets also changed, decreasing from $7,297,268 to $6,953,962. The $343,306 decrease is contributed primarily to a combination of total acquisitions of $112,500 less current year depreciation of $468,307.

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

Table 2

	Unrestricted	Restricted	Investment in Capital Assets
Beginning Balance- December 31, 2020	($484,706)	$110,993	$3,604,934
Results of Operation	(70,329)	128,742	
Adjustments:			
Current Year Depreciation Expense (1)	468,307		(468,307)
Capital Expenditure, Net of Disposal (2)	(125,000)		125,000
Loan Proceeds	125,000		(125,000)
Retirement of Debt	(174,258)		174,258
Ending Balance- December 31, 2021	($260,986)	$239,735	$3,310,885

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

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

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer presentation of financial position.

Unaudited

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

Table 3
Statement of Revenues, Expenses & Changes in Net Position

	2021	2020
Revenues		
Total Tenant Revenues	$706,586	$665,352
Operating Subsidies	4,856,026	5,279,028
Capital Grants	0	356,000
Investment Income	146	595
Other Revenues	162,408	209,996
Other Revenues	5,725,166	6,510,971
Expenses		
Administrative	409,415	436,750
Tenant Services	0	41,494
Utilities	250,645	230,210
Maintenance	443,155	445,470
General, Insurance, and Interest Expense	195,549	159,436
Housing Assistance Payments	3,899,682	3,999,789
Depreciation	468,307	462,085
Loss on Sale of Assets	0	3,010
Total Expenses	5,666,753	5,778,244
Net Increase (Decrease)	58,413	732,727
Beginning Net Position	3,231,221	2,498,494
Total Net Position- Ending	$3,289,634	$3,231,221

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

Total revenue decreased by $785,805. This decrease was mainly due to grant funds received from HUD, including CARES Act Funding. Total expenses decreased by $111,491 during the year. The decreases in expense primarily related to Housing Assistance Payments.

Unaudited

CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had $6,953,962 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of $343,306 from the end of last year.

Table 4
Condensed Statement of Changes in Capital Assets

	2021	2020
Land and Land Rights	$1,326,033	$1,313,533
Buildings	12,617,565	12,505,065
Equipment	589,223	589,223
Land Improvements	86,685	86,685
Accumulated Depreciation	(7,665,544)	(7,197,238)
Total	$6,953,962	$7,297,268

The following reconciliation identifies the change in Capital Assets.

Table 5

Changes in Capital Assets

Beginning Balance- December 31, 2020	$7,297,268
Current Year Additions	
Land:	12,500
Building:	112,501
Total Additions	125,001
Current Year Disposals	0
Current Year Depreciation Expense	468,307
Ending Balance- December 31, 2021	$6,953,962

Debt Outstanding

As of year-end, the Authority has $3,643,077 in debt (mortgages) outstanding compared to $3,692,334 from last year.

Unaudited

Table 6
Condensed Statement of Changes in Debt Outstanding

Beginning Balance- December 31, 2020	$3,692,334
Current Year New Debt Issued	125,000
Current Year Debt Retired	
Loan Payments	(174,257)
Ending Balance - December 31, 2021	$3,643,077

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Zackary Dye, Executive Director of the Athens Metropolitan Housing Authority, at (740) 592-4481 ext. 17. Specific requests may be submitted to Athens Metropolitan Housing Authority, 10 Hope Drive, Athens, OH 45701.

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ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Assets	
Current Assets:	
Cash and Cash Equivalents- Unrestricted	$444,461
Cash and Cash Equivalents- restricted	290,916
Total Cash and Cash Equivalents	735,377
Receivables, Net	1,847
Prepaid Expenses and Other Assets	63,389
Total Current Assets	800,613
Noncurrent Assets:	
Capital Assets:	
Land	1,326,033
Building and Equipment	13,293,473
Less Accumulated Depreciation	(7,665,544)
Total Capital Assets	6,953,962
Net OPEB Asset	92,649
Total Noncurrent Assets	7,046,611
Total Assets	7,847,224
Deferred Outflows of Resources - OPEB	18,954
Deferred Outflows of Resources - Pension	48,672
Total Deferred Outflows of Resources	67,626
Total Assets and Deferred Outflows of Resources	7,914,850
Liabilities	
Current Liabilities:	
Accounts Payable	29,739
Accrued Liabilities	42,532
Tenant Security Deposits	51,180
Unearned Revenue	1,979
Notes and Loans Payable	179,282
Total Current Liabilities	304,712
Noncurrent Liabilities	
Notes and Loans Payable	3,463,795
Accrued Compensated Absences- Noncurrent	51,384
Net Pension Liability	276,499
Noncurrent Liabilities- Other	49,402
Total Noncurrent Liabilities	3,841,080
Total Liabilities	4,145,792
Deferred Inflows of Resources - OPEB	95,725
Deferred Inflows of Resources - Pension	383,699
Total Deferred Inflows of Resources	479,424
Total Liabilities and Deferred Inflows of Resources	4,625,216
Net Position	
Investment in Capital Assets	3,310,885
Restricted	239,735
Unrestricted	(260,986)
Total Net Position	3,289,634
Total Liabilities, Deferred Inflows of Resources, and Net Position	$7,914,850

See accompanying notes to the basic financial statements.

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

Operating Revenues	
Tenant Revenue	$706,586
Government Operating Grants	4,856,026
Other Revenue	162,408
Total Operating Revenues	5,725,020
Operating Expenses	
Administrative	409,415
Utilities	250,645
Maintenance	443,155
General	169,188
Housing Assistance Payments	3,899,682
Depreciation	468,307
Total Operating Expenses	5,640,392
Operating Income (Loss)	84,628
Non-Operating Revenues/(Expenses)	
Interest and Investment Revenue	146
Interest Expense	(26,361)
Total Non-Operating Revenues/(Expenses)	(26,215)
Change in Net Position	58,413
Net Position, Beginning of Year	3,231,221
Net Position, End of Year	$3,289,634

See accompanying notes to the basic financial statements.

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

Cash Flows From Operating Activities:	
Receipts From Operating Grants	$4,856,026
Tenant Revenue Received	706,586
Other Revenue Received	162,408
Housing Assistance Payments	(3,899,682)
General and Administrative Expenses Paid	(1,574,222)
Net Cash Provided by Operating Activities	251,116
Cash Flows From Capital and Related Activities:	
New Debt Issued	125,000
Debt Principal Payment	(150,732)
Interest Expense Paid on Debt	(26,361)
Property and Equipment Purchased	(112,500)
Net Cash Used in Capital and Related Activities	(164,593)
Cash Flows From Investing Activities:	
Interest Earned	146
Net Cash Provided by Investing Activities	146
Net Increase in Cash and Cash Equivalents	86,669
Cash and Cash Equivalents at Beginning of Year	648,708
Cash and Cash Equivalents at End of Year	735,377
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Net Operating Income	84,628
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Depreciation	468,307
(Increase) Decrease In:	
Accounts Receivable	10,586
Prepaid Assets	4,961
Increase (Decrease) In:	
Accounts Payable	(34,792)
Accrued Liabilities	9,312
Tenant Security Deposits	1,449
Unearned Revenue	(726)
Pension/OPEB Expense	(254,075)
Compensated Absences	(29,054)
Noncurrent Liabilities- FSS Escrow	(9,480)
Net Cash Provided (Used) by Operating Activities	$251,116

See accompanying notes to the basic financial statements.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Athens Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (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 Athens Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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.

<u>Nelsonville Public Square, Inc.</u>
The Nelsonville Public Square, inc. was incorporated in 1978 as a Not-for-Profit Organization under Ohio Revised Code § 1702.01 to aid Athens County, Ohio , in the acquisition, rehabilitation, and management of the Dew House on the Public Square in Nelsonville, Ohio, for the sole purpose of providing housing for low income Athens County senior citizens and to aid Athens County, Ohio and Nelsonville,. Ohio in the development and improvement of facilities on the Public Square in Nelsonville, Ohio. The Board of Trustees is made up of the current Board Members of the Authority. No significant financial activity occurred for the Nelsonville Public Square, Inc. during 2021. As a result, no financial information for the Nelsonville Public Square, Inc. has been included as a blended component unit of the Authority and no additional disclosures have been made.

Basis of Presentation

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

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the 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.

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

Proprietary Fund Types

Proprietary funds are used to account for the Authority's ongoing activities which are similar to those found in the private sector. The following is the proprietary fund type: Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Description of programs

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

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

B. **Capital Fund Program**
The Capital Fund Program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

C. **Housing Choice Voucher Program**
The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

D. **Shelter Plus Care**
The Authority has an ongoing collaboration effort with the Athens County Continuum of Care working group which in 1999 the PHA was successful in receiving grant funding for the Athens County Dual Diagnosis Housing Initiative Shelter Plus Care project which is now completed and up and running. The grant provided 10 years of subsidized rent for 5 units of housing for dually diagnosed persons with mental illness and substance abuse.

E. **Business Activities**
The Business Activities represents Authority owned housing properties that are not subsidized by HUD. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

Investments

Investments are restricted by the provisions of the HUD Regulations. Investments are valued at market value. Interest income earned in fiscal year 2021 totaled $146.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of $5,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives:

Building	30 years
Building Improvements	15 years
Furniture and Equipment	5 years
Vehicles	6 years

Net Position

Net position represents the difference between assets and liabilities. Net invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance 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 by internal or external restrictions.

The Housing Authority's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day-to-day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

Capital Contributions

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual operating budgets for all its HUD funded programs. The budget for its programs is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The Board of Commissioners adopts the budget through passage of a budget resolution.

Accounting and Reporting for Non-exchange Transactions

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions. Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return.

In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capital assets acquired after September 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying Combined Statement of Revenue and Expenses.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 7 and 6.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 7 and 6.

Pensions/Other Postemployment 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.

Receivables – Net of Allowance

Total receivables at December 31, 2021 are $1,847. This amount is net of the allowance for doubtful accounts .

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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.

Unearned Revenue

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

NOTE 2: DEPOSITS AND INVESTMENTS

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

A. 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 withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

C. 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 end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

At fiscal year-end December 31, 2021, the carrying amount of the Authority's deposits totaled $ 735,377 and its bank balance was $68,368 . Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure,' as of December 31, 2021, $68,368 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. Ohio law requires that deposits be either insured or be protected by 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 the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

NOTE 3: RESTRICTED CASH

The restricted cash balance of $290,916 on the financial statements represents the following:

Tenant Security Deposits- Public Housing	19,785
Tenant Security Deposits- Business Activities	31,396
FSS Escrow Funds Held for Tenants- HCV	49,402
Housing Assistance funds received in advance-HCV	166,603
Emergency Housing Voucher Assistance funds received in advance-HCV	23,730
Total Restricted Cash	290,916

NOTE 4: INSURANCE AND RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP. Premiums are paid monthly. The Authority also pays unemployment claims to the State of Ohio as incurred.

The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from coverage in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5: CAPITAL ASSETS

The following is a summary of changes:

	Balance 12/31/20 Restated	Additions	Deletions	Balance 12/31/21
Capital Assets Not Being Depreciated				
Land	1,313,533	12,500	0	1,326,033
Total Capital Assets Not Being Depreciated	1,313,533	12,500	0	1,326,033
Capital Assets Being Depreciated				
Buildings	12,505,064	112,501	0	12,617,565
Furniture, Machinery, and Equipment	589,223	0	0	589,223
Land Improvement	86,685	0	0	86,685
Total Capital Assets Being Depreciated	13,180,972	112,501	0	13,293,473
Accumulated Depreciation				
Buildings	(6,562,977)	(458,694)	0	(7,021,671)
Furniture, Machinery, and Equipment	(585,138)	(3,833)	0	(588,971)
Land Improvement	(49,122)	(5,780)	0	(54,902)
Total Accumulated Depreciation	(7,197,237)	(468,307)	0	(7,665,544)
Total Capital Assets Being Depreciated, Net	5,983,735	(355,806)	0	5,627,929
Total Capital Asserts, Net	7,297,268	(343,306)	0	6,953,962

NOTE 6: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual costs-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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

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

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

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

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

2021 Statutory Maximum Contribution Rates:	State and Local
Employer	14.0%
Employee	10.0%

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan employer contributions allocated to health care was 0.0 percent for 2021.

The Authority's contractually required contribution for pension was $64,569 for fiscal year ending December 31, 2021; of this amount $7,437 was reported as accounts payable at the end of the year.

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

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

	Traditional Plan
Proportionate Share of Net Pension Liability	276,499
Proportionate Share of Net Pension Liability:	
Prior Measurement Date	0.003529%
Current Measurement Date	0.003178%
Change in Proportion from Prior Measurement Date	-0.000351%
Pension Expense	153,690

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

	Traditional Plan
Deferred Outflow of Resources	
Changes in Assumption	34,576
Differences Between Expected and Actual Experience	14,096
Total Deferred Outflows of Resources	48,672
Deferred Inflows of Resources	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	328,887
Difference Between Expected and Actual Experience	6,064
Change in Proportionate Share	48,748
Total Deferred Inflows of Resources	383,699

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

	Traditional Plan
Fiscal Year Ending December 21:	
2022	(80,095)
2023	(125,279)
2024	(77,335)
2025	(52,318)
	(335,027)

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 was determined by an actuarial valuation as of December 31, 2021, 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 Plan**
Measurement and Valuation Date	December 31, 2021
Experience Study	5 year ended 12/31/2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumption: • Investment Rate of Return • Wage Inflation	 • 6.9% • 2.75%
Future Salary Increases, Including Inflation	2.75%-10.75%
Cost-of-Living Adjustment	Pre 1/7/13 Retirees: 3% simple Post 1/7/13 retirees: 3% simple through 2022 then 20.5% Simple.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions.

Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate
Fixed Income	25%	1.32%
Domestic Equalities	21%	5.64%
Real Estate	10%	5.39%
Private Equity	12%	10.42%
International Equities	23%	7.36%
Other Investments	9%	4.75%
Total	100%	5.43%

Discount Rate: The discount rate used to measure the total pension liability was 6.9 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 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount rate (6.9%)	1% Increase (7.9%)
Authority's Proportionate Share of the Net Pension Liability- Traditional Plan	729,001	276,499	100,043

NOTE 7: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

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

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate plans: The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan; The member-directed plan is a defined contribution plan; and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020-2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Authority's contractually required contribution was $0 for the fiscal year 2021.

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

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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 liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of Net OPEB Asset	92,649
Proportionate Share of Net OPEB Asset:	
Prior Measurement Date	0.003286%
Current Measurement Date	0.002958%
Change in Proportion from Prior Measurement Date	-0.000328%
OPEB Expense	100,385

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

	Health Care Plan
Deferred Outflow of Resources	
Change in Proportionate Share and Difference Between Employer Contributions and Proportionate Share of Contribution	18,954
Total Deferred Outflows of Resources	18,954
Deferred Inflows of Resources	
Assumption Changes	37,503
Net Difference Between Projected and Actual Investments	44,169
Difference Between Expected and Actual Experience	14,053
Total Deferred Inflows of Resources	95,725

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

	Traditional Plan
Fiscal Year Ending December 21:	
2022	(45,725)
2023	(15,052)
2024	(9,651)
2025	(6,343)
	(76,771)

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, 2020, rolled forward to measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Information	**Traditional Plan**
Actuarial Valuation Date	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2021
Experience Study	5 year ended 12/31/2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumption: • Single Discount rate • Investment Rate of Return • Municipal Bond Rate • Wage Inflation • Future Salary Increases, Including Inflation	 • 6% • 6% • 1.84% • 2.75% • 2.75%
Health Care Cost Trend	5.5% initial, 3.5% ultimate in 2034

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

A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees.

System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate
Fixed Income	34%	1.07%
Domestic Equalities	25%	5.64%
REITs	7%	6.48%
International Equities	25%	7.36%
Other Investments	9%	4.02%
Total	100%	4.43%

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2021. A single discount rate of 3.16 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2020. 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/asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability/asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5%)	Current Discount rate (6%)	1% Increase (7%)
Authority's Proportionate Share of the Net OPEB Asset	54,486	92,649	124,325

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 liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 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 8.5 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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's Proportionate Share of the Net OPEB Asset	93,650	92,649	91,461

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NOTE 8: LONG-TERM DEBT

Long-term debt for the Athens Metropolitan Housing Authority's state/local activities consists of the following:

	Balance at 12/31/20	Issued	Deletions	Balance at 12/31/21	Amount Due within One year
Ohio Department of Mental Health- 430 Union Street Property	116,667	0	(10,000)	106,667	2,456
JP Morgan Chase Bank -MRDD Properties	40,393	0	(17,917)	22,476	18,855
JP Morgan Chase Bank -MRDD Properties 2008	184,455	0	(58,825)	125,630	58,217
Ohio Housing Finance Agency	700,000	0	0	700,000	0
Athens County Board of Developmental Disabilities- 36 Eden Plan	58,223	0	(1,228)	56,995	1,228
Athens County Board of Developmental Disabilities- 9 Avon Place	54,668	0	(1,228)	53,440	1,228
City of Nelsonville- 629 Chestnut	23,975	0	(3,425)	20,550	3,425
Hocking Valley Bank- 20 Garfield, Atl	125,542	0	(8,750)	116,792	9,204
Ohio Department of Development Disabilities- Echoing Meadows	712,815	0	(49,381)	663,434	49,381
Ohio Department of Development Disabilities- 20 Garfield	118,713	0	(9,894)	108,819	9,894
City of Athens- 20 Garfield	21,870	0	(3,645)	18,225	3,645
Ohio Department of Mental Health and Ohio Housing Finance- Blueline	1,130,452	0	0	1,130,452	0
Athens County board of Developmental Disabilities- 22 Ball Drive, Athens and 42 S Plains Drive, Plains	86,218	0	(2,186)	84,032	7,184
Hocking Valley Bank	197,443	0	(4,439)	193,004	4,641
City of Athens- 7065 North Blackburn Road, Athens, Ohio	120,900	0	(1,550)	119,350	1,550
Hocking Valley Bank- Poston Road	0	125,000	(1,789)	123,211	8,374
Total	3,692,334	125,000	(174,257)	3,643,077	179,282

	Balance at 12/31/20	Issued	Deletions	Balance at 12/31/21	Due Within One Year
Loans Payable	3,692,334	125,000	(174,257)	3,643,077	179,282
Compensated Absenses	79,084		(27,700)	51,384	
Other - FSS Escrow	58,882		(9,480)	49,402	
Net Pension Liability	522,568		(246,069)	276,499	
	4,352,868	125,000	(457,506)	4,020,362	179,282

Loan payable to Ohio Department of Mental Health to purchase 430 Union Street Property. Total borrowing was $200,000 with a term of 20 years at 0% interest rate.

Note payable to JP Morgan Chase Bank to purchase and rehab 5 MRDD Properties. Total borrowing was $200,000 with a term of 15 years at 5.5% interest rate.

Note payable to JP Morgan Chase Bank to purchase and rehab 6 MRDD Properties in 2008. Total borrowing was $601,176 with a term of 15 years at 4.9% interest rate. From February 23, 2008 through February 23, 2009, the Authority was only required to pay interest on this loan. The Authority borrowed another $98,824 in 2009. Monthly installments of principal and interest will commence on February 23, 2009.

The PHA entered into a contractual agreement with Ohio Housing Finance Agency where the Authority is to rehab 18 units in Athens County, Ohio. Total borrowing was $700,000 with a term of 30 years at 2% interest rate. The interest is to accrue each year with a balloon payment at the end of the 30 years.

Loan payable to Athens County Board of Developmental Disabilities to purchase and rehab property located 36 Eden Plan. Total borrowing on December 15, 2014 was $80,000 with a term of 15 years at 0% interest rate.

Loan payable to Athens County Board of Developmental Disabilities to purchase and rehab property located 9 Avon Place. Total borrowing on April 15, 2014 was $80,000 with a term of 15 years at 0% interest rate.

Loan payable to the City of Nelsonville to purchase property located 629 Chestnut. Total borrowing on November 17, 2015 was $34,250 with a term of 15 years at 0% interest rate.

Note payable to Hocking Valley Bank to purchase 20 Garfield, Athens Oh. Total borrowed was $155,000 with a term of 15 years at 4.25% interest rate.

Loan payable to Ohio Department of Development Disabilities to purchase and rehab five homes for displacement of Echoing Meadows Tenants. Total borrowed on March 11, 2016 was $740,712 with a term of 15 years at 0% interest rate.

Loan payable to Ohio Department of Development Disabilities to purchase and rehab 20 Garfield for Autism tenants. Total borrowed on June 21, 2016 was $148,392 with a term of 15 years at 0% interest rate.

Loan payable to the City of Athens for rehab of property located at 20 Garfield. Total borrowed was $36,450 with term of 10 years at 0% interest rate. Repayment is only if property rehab is sold within 10 years.

Note payable to Ohio Department of Mental Health and Ohio Housing Finance to purchase and rehab property identified as Blueline.

Note payable to Athens County board of Developmental Disabilities executed on May 2, 2017 for purchase two properties located at 22 Ball Drive, Athens and 42 S Plains Drive, Plains. The mortgage amounts were $53,885 for each property. There is no payment due as long as the Authority remains in compliance with the term of the agreement for 180 consecutive months.

On March 3, 2017, the authority entered into 3 loans with Hocking Valley Bank for the purchase or rehab of various properties. The property and term of the loans are as follows:

PROPERTY	**LOAN AMOUNT**		**DATE**	**MATURITY**
	INTEREST RATE			
22 Ball Drive	$415,421	03/03/17	03/03/19	4.57%
16-22 N Plains	$114,976	03/03/17	03/03/47	4.70%
64-66 N Plains	$ 90,938	03/03/17	03/03/47	4.70%

On August 12, 2019 the Authority entered into a contract with the City of Athens to receive a donated property located in 7065 North Blackburn Road, Athens, Ohio. The property was appraised at a value of $124,000. There is no payment due as long as the Authority remains in compliance with the term of the agreement for 360 consecutive months.

On May 24, 2024 the Authority entered into a Note Payable to Hocking Valley Bank to purchase 27 Poston Road, the Plains, Ohio. The total note was $125,000 with a term of 180 months at a rate of 4%.

The following is the Amortization Schedule (for all available) for the debt:

Year	Principal	Interest	Total
2022	179,282	31,341	210,623
2023	167,357	26,469	193,826
2024	109,840	23,396	133,236
2025	104,562	22,368	126,930
2026	105,607	21,324	126,931
2027-2031	513,480	89,245	602,725
2032-2036	321,362	62,018	383,380
2037-2041	839,074	273,688	1,112,762
2042-2046	94,038	9,556	103,594
2047-thereafter	83,548	-	83,548
	2,518,150	559,405	3,077,555

NOTE 9: NON-CURRENT LIABILITIES

The balance of non-current liabilities - other at December 31, 2021 consists of the following:

- FSS escrow funds relating to the Housing Choice Voucher program $49,402.

NOTE 10: ECONOMIC DEPENDENCY

Both the PHA Low Rent Public Housing Program and the Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

Note 11 CONTINGENCIES

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2021.

Note 12 SPECIAL INVESTIGATION

The Auditor of State Special Investigation Unit is conducting a special investigation. As of the date of this report, the investigation is ongoing. The results of the investigation will be reported on at a later date.

ATHENS METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
FISCAL YEARS AVAILABLE

Traditional Plan	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.003178%	0.003529%	0.003666%	0.003689%	0.003773%	0.003821%	0.003717%	0.003717%
Authority's Proportionate Share of the Net Pension Liability	276,499	522,568	724,610	578,731	856,784	661,845	448,312	438,186
Authority's Covered Payroll	461,210	496,976	515,786	493,919	487,507	487,726	476,417	438,186
Authority's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.15%	140.49%	117.17%	175.75%	135.70%	94.10%	100.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	84.66%	77.25%	81.08%	86.45%	86.36%

(1)- Information prior to 2014 is not available. The schedule is intended to show ten years of information and additional years will be displayed as it becomes available.

Amounts presented as of the Authority's measurement date, which is calendar year end.

See accompanying notes to the required supplementary information.

ATHENS METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS- PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions										
Traditional Plans	64,569	69,577	72,210	69,149	63,376	58,376	57,170	54,987	60,131	39,438
Total Required Contributions	64,569	69,577	72,210	69,149	63,376	58,376	57,170	54,987	60,131	39,438
Contributions in Relation to the Contractually Required Contribution	(64,569)	(69,577)	(72,210)	(69,149)	(63,376)	(58,376)	(57,170)	(54,987)	(60,131)	(39,438)
Contribution Deficiency / (Excess)	-	-	-	-	-	-	-	-	-	-
Authority's Covered Payroll										
Traditional Plan	461,210	496,976	515,786	493,919	487,507	487,726	476,417	450,713	459,015	386,647
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	13.00%	11.97%	12.00%	12.20%	13.10%	10.20%

See accompanying notes to the required supplementary information.

ATHENS METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY/ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
FISCAL YEARS AVAILABLE

Traditional Plan	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.002958%	0.003286%	0.003414%	0.003440%	0.003440%
Authority's Proportionate Share of the Net OPEB Liability/Asset	(92,649)	(58,543)	471,562	373,559	347,452
Authority's Covered Payroll	461,210	496,976	515,786	493,919	487,507
Authority's Proportionate Share of Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-20.09%	-11.78%	91.43%	75.63%	71.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	128.23%	115.57%	47.80%	54.14%	68.52%

(1)-Amounts presented as of the Authority's measurement date, which is calendar year end.

(2)- Information prior to 2017 is not available. The 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.

ATHENS METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS- OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
FISCAL YEARS AVAILABLE

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions								
OPEB	-	-	-	-	4,872	9,751	9,561	9,164
Total Required Contributions	-	-	-	-	4,872	9,751	9,561	9,164
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	(4,872)	(9,751)	(9,561)	(9,164)
Contribution Deficiency / (Excess)	-	-	-	-	-	-	-	-
Authority's Covered Payroll								
OPEB	461,210	496,976	515,786	493,919	487,507	487,726	476,417	450,713
Contributions as a Percentage of Covered Payroll								
OPEB	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.01%	2.03%

See accompanying notes to the required supplementary information.

(1)- Information prior to 2014 is not available. The 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.

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms for 2015 through 2017. For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent. There were no significant changes in benefit terms for 2019 or 2020. For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

Changes in assumptions: There were no significant changes in assumptions for 2015 through 2018. For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent. For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent. There were no significant changes in assumptions for 2020 or 2021.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020.

Changes in assumptions: Changes in assumptions for 2018 were as follows:
- The single discount rate decreased from 4.23 percent to 3.85 percent.
- The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.

For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.

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ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Program		
Shelter Plus Care	14.238	$271,083
Public and Indian Housing	14.850	410,977
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	4,094,599
COVID-19: Section 8 Housing Choice Vouchers	14.871	37,873
Total Housing Voucher Cluster		4,132,472
Family Self Sufficiency	14.896	41,494
Total U.S. Department of Housing and Urban Development		4,856,026
Total Expenditures of Federal Awards		**$4,856,026**

The accompanying notes are an integral part of this Schedule.

ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Athens Metropolitan Housing Authority, Athens County (the Authority) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY
ENTITY WIDE FINANCIAL DATA SCHEDULE

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.EHV Emergency Housing Voucher	Subtotal	ELIM	Total
111 Cash - Unrestricted	303,058	-	92,001	49,402	-	-	444,461		444,461
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-		-
113 Cash - Other Restricted	-	-	-	216,005	-	23,730	239,735		239,735
114 Cash - Tenant Security Deposits	19,785	-	31,396	-	-	-	51,181		51,181
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-		-
100 Total Cash	322,843	-	123,397	265,407	-	23,730	735,377	-	735,377
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-		-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-		-
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-		-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-		-
126 Accounts Receivable - Tenants	1,416	-	431	-	-	-	1,847		1,847
126.1 Allowance for Doubtful Accounts -Tenants	-	-	-	-	-	-	-		-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-		-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-		-
128 Fraud Recovery	-	-	-	-	-	-	-		-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-		-
129 Accrued Interest Receivable	-	-	-	-	-	-	-		-
120 Total Receivables, Net of Allowances for Doubtful	1,416	-	431	-	-	-	1,847	-	1,847
131 Investments - Unrestricted	-	-	-	-	-	-	-		-
132 Investments - Restricted	-	-	-	-	-	-	-		-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-		-
142 Prepaid Expenses and Other Assets	26,241	-	31,143	6,005	-	-	63,389		63,389
143 Inventories	-	-	-	-	-	-	-		-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-		-
144 Inter Program Due From	-	-	-	-	-	-	-		-
145 Assets Held for Sale	-	-	-	-	-	-	-		-
150 Total Current Assets	350,500	-	154,971	271,412	-	23,730	800,613	-	800,613
161 Land	696,850	-	629,183	-	-	-	1,326,033	-	1,326,033
162 Buildings	6,667,787	-	5,949,778	-	-	-	12,617,565	-	12,617,565
163 Furniture, Equipment & Machinery - Dwellings	334,431	-	-	-	-	-	334,431	-	334,431
164 Furniture, Equipment & Machinery - Administration	55,323	-	70,818	128,651	-	-	254,792	-	254,792
165 Leasehold Improvements	-	-	86,685	-	-	-	86,685	-	86,685
166 Accumulated Depreciation	(5,381,601)	-	(2,155,292)	(128,651)	-	-	(7,665,544)	-	(7,665,544)
167 Construction in Progress	-	-	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	2,372,790	-	4,581,172	-	-	-	6,953,962	-	6,953,962
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current -	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-
174 Other Assets	17,262	-	24,111	51,276	-	-	92,649	-	92,649
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	2,390,052	-	4,605,283	51,276	-	-	7,046,611	-	7,046,611
200 Deferred Outflow of Resources	12,600	-	17,599	37,427	-	-	67,626	-	67,626
290 Total Assets and Deferred Outflow of Resources	2,753,152	-	4,777,853	360,115	-	23,730	7,914,850	-	7,914,850
311 Bank Overdraft									
312 Accounts Payable <= 90 Days	13,337	-	9,544	6,858	-	-	29,739	-	29,739
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	531	1,017	-	-	1,548	-	1,548
322 Accrued Compensated Absences - Current Portion	7,988	-	10,828	22,168	-	-	40,984	-	40,984
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	19,785	-	31,395	-	-	-	51,180	-	51,180
342 Unearned Revenue	909	-	1,070	-	-	-	1,979	-	1,979
343 Current Portion of Long-term Debt - Capital	-	-	179,282	-	-	-	179,282	-	179,282
344 Current Portion of Long-term Debt - Operating	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-
347 Inter Program - Due To	-	-	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	42,019	-	232,650	30,043	-	-	304,712	-	304,712
351 Long-term Debt, Net of Current - Capital	-	-	3,463,795	-	-	-	3,463,795	-	3,463,795
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	49,402	-	-	49,402	-	49,402
354 Accrued Compensated Absences - Non Current	11,673	-	13,423	26,288	-	-	51,384	-	51,384
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	51,517	-	71,955	153,027	-	-	276,499	-	276,499
350 Total Non-Current Liabilities	63,190	-	3,549,173	228,717	-	-	3,841,080	-	3,841,080
300 Total Liabilities	105,209	-	3,781,823	258,760	-	-	4,145,792	-	4,145,792
400 Deferred Inflow of Resources	89,326	-	124,763	265,335	-	-	479,424	-	479,424
	-	-	-	-	-	-	-	-	-
508.4 Net Investment in Capital Assets	2,372,790	-	938,095	-	-	-	3,310,885	-	3,310,885
511.4 Restricted Net Position	-	-	-	216,005	-	23,730	239,735	-	239,735
512.4 Unrestricted Net Position	185,827	-	(66,828)	(379,985)	-	-	(260,986)	-	(260,986)
513 Total Equity - Net Assets / Position	2,558,617	-	871,267	(163,980)	-	23,730	3,289,634	-	3,289,634
600 Total Liabilities, Deferred Inflows of Resources and	2,753,152	-	4,777,853	360,115	-	23,730	7,914,850	-	7,914,850

ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY
ENTITY WIDE FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.EHV Emergency Housing Voucher	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	169,993		514,979				684,972	-	684,972
70400 Tenant Revenue - Other	8,793		12,821				21,614	-	21,614
70500 Total Tenant Revenue	178,786	-	527,800	-	-	-	706,586	-	706,586
							-	-	-
70600 HUD PHA Operating Grants	410,977	41,494		4,094,599	271,083	37,873	4,856,026	-	4,856,026
70610 Capital Grants							-	-	-
70710 Management Fee							-	-	-
70720 Asset Management Fee							-	-	-
70730 Book Keeping Fee							-	-	-
70740 Front Line Service Fee							-	-	-
70750 Other Fees							-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-
							-	-	-
70800 Other Government Grants							-	-	-
71100 Investment Income - Unrestricted	27		36	83			146	-	146
71200 Mortgage Interest Income							-	-	-
71300 Proceeds from Disposition of Assets Held for Sale							-	-	-
71310 Cost of Sale of Assets							-	-	-
71400 Fraud Recovery				5,350			5,350	-	5,350
71500 Other Revenue	33,322		123,736				157,058	-	157,058
71600 Gain or Loss on Sale of Capital Assets							-	-	-
72000 Investment Income - Restricted							-	-	-
70000 Total Revenue	623,112	41,494	651,572	4,100,032	271,083	37,873	5,725,166	-	5,725,166
							-	-	-
91100 Administrative Salaries	23,042	41,494	96,949	123,557	23,217		308,259	-	308,259
91200 Auditing Fees				-			-	-	-
91300 Management Fee							-	-	-
91310 Book-keeping Fee							-	-	-
91400 Advertising and Marketing			150	87			237	-	237
91500 Employee Benefit contributions - Administrative	(16,078)		(49,364)	25,068			(40,374)	-	(40,374)
91600 Office Expenses	2,898			34,283			37,181	-	37,181
91700 Legal Expense	1,300		53	980			2,333	-	2,333
91800 Travel							-	-	-
91810 Allocated Overhead			3,747				3,747	-	3,747
91900 Other	988		4,849	92,195			98,032	-	98,032
91000 Total Operating - Administrative	12,150	41,494	56,384	276,170	23,217	-	409,415	-	409,415
							-	-	-
92000 Asset Management Fee							-	-	-
92100 Tenant Services - Salaries							-	-	-
92200 Relocation Costs							-	-	-
92300 Employee Benefit Contributions - Tenant Services							-	-	-
92400 Tenant Services - Other						-	-	-	-
92500 Total Tenant Services	-	-	-	-	-	-	-	-	-
							-	-	-
93100 Water	12,954		12,596	1,557			27,107	-	27,107
93200 Electricity	90,474		48,410	16,457			155,341	-	155,341
93300 Gas	26,981		5,844	616			33,441	-	33,441
93400 Fuel							-	-	-
93500 Labor							-	-	-
93600 Sewer	17,305		16,472	979			34,756	-	34,756
93700 Employee Benefit Contributions - Utilities							-	-	-
93800 Other Utilities Expense							-	-	-
93000 Total Utilities	147,714	-	83,322	19,609	-	-	250,645	-	250,645
							-	-	-
94100 Ordinary Maintenance and Operations - Labor	74,757		36,130				110,887	-	110,887
94200 Ordinary Maintenance and Operations - Materials and	46,089		35,449	4,185			85,723	-	85,723
94300 Ordinary Maintenance and Operations Contracts	64,011		74,041	2,296			140,348	-	140,348
94500 Employee Benefit Contributions - Ordinary	100,175		6,022				106,197	-	106,197
94000 Total Maintenance	285,032	-	151,642	6,481	-	-	443,155	-	443,155
							-	-	-
95100 Protective Services - Labor							-	-	-
95200 Protective Services - Other Contract Costs							-	-	-
95300 Protective Services - Other							-	-	-
95500 Employee Benefit Contributions - Protective Services							-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-
							-	-	-
96110 Property Insurance	27,061		22,440				49,501	-	49,501
96120 Liability Insurance			24,966	16,578			41,544	-	41,544
96130 Workmen's Compensation							-	-	-
96140 All Other Insurance							-	-	-
96100 Total insurance Premiums	27,061	-	47,406	16,578	-	-	91,045	-	91,045
							-	-	-
96200 Other General Expenses							-	-	-
96210 Compensated Absences	16,091		20,416	41,636			78,143	-	78,143
96300 Payments in Lieu of Taxes							-	-	-
96400 Bad debt - Tenant Rents							-	-	-
96500 Bad debt - Mortgages							-	-	-
96600 Bad debt - Other							-	-	-
96800 Severance Expense							-	-	-

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.EHV Emergency Housing Voucher	Subtotal	ELIM	Total
96000 Total Other General Expenses	16,091	-	20,416	41,636	-	-	78,143	-	78,143
							-	-	-
96710 Interest of Mortgage (or Bonds) Payable			26,361				26,361	-	26,361
96720 Interest on Notes Payable (Short and Long Term)							-	-	-
96730 Amortization of Bond Issue Costs							-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	26,361	-	-	-	26,361	-	26,361
							-	-	-
96900 Total Operating Expenses	488,048	41,494	385,531	360,474	23,217	-	1,298,764	-	1,298,764
							-	-	-
97000 Excess of Operating Revenue over Operating	135,064	-	266,041	3,739,558	247,866	37,873	4,426,402	-	4,426,402
							-	-	-
97100 Extraordinary Maintenance							-	-	-
97200 Casualty Losses - Non-capitalized							-	-	-
97300 Housing Assistance Payments				3,637,673	247,866	14,143	3,899,682	-	3,899,682
97350 HAP Portability-In							-	-	-
97400 Depreciation Expense	190,411		276,089	1,807			468,307	-	468,307
97500 Fraud Losses							-	-	-
97600 Capital Outlays - Governmental Funds							-	-	-
97700 Debt Principal Payment - Governmental Funds							-	-	-
97800 Dwelling Units Rent Expense							-	-	-
90000 Total Expenses	678,459	41,494	661,620	3,999,954	271,083	14,143	5,666,753	-	5,666,753
							-	-	-
10010 Operating Transfer In							-	-	-
10020 Operating transfer Out							-	-	-
10030 Operating Transfers from/to Primary Government							-	-	-
10040 Operating Transfers from/to Component Unit							-	-	-
10050 Proceeds from Notes, Loans and Bonds							-	-	-
10060 Proceeds from Property Sales							-	-	-
10070 Extraordinary Items, Net Gain/Loss							-	-	-
10080 Special Items (Net Gain/Loss)							-	-	-
10091 Inter Project Excess Cash Transfer In							-	-	-
10092 Inter Project Excess Cash Transfer Out							-	-	-
10093 Transfers between Program and Project - In							-	-	-
10094 Transfers between Project and Program - Out							-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-
							-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under)	(55,347)	-	(10,048)	100,078	-	23,730	58,413	-	58,413
							-	-	-
11020 Required Annual Debt Principal Payments	-	-	179,282	-	-	-	179,282	-	179,282
11030 Beginning Equity	2,613,964	-	881,315	(264,058)	-	-	3,231,221	-	3,231,221
11040 Prior Period Adjustments, Equity Transfers and	(324,644)		362,727				38,083	-	38,083
11050 Changes in Compensated Absence Balance							-	-	-
11060 Changes in Contingent Liability Balance							-	-	-
11070 Changes in Unrecognized Pension Transition Liability							-	-	-
11080 Changes in Special Term/Severance Benefits Liability							-	-	-
11090 Changes in Allowance for Doubtful Accounts -							-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other							-	-	-
11170 Administrative Fee Equity				(507,023)			(507,023)	-	(507,023)
							-	-	-
11180 Housing Assistance Payments Equity				88,783			88,783	-	88,783
11190 Unit Months Available	852		950	9,996	950	68	12,816	-	12,816
11210 Number of Unit Months Leased	844		947	9,326	950	22	12,089	-	12,089
11270 Excess Cash	238,383						238,383	-	238,383
11610 Land Purchases	-						-	-	-
11620 Building Purchases	-						-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-						-	-	-
11640 Furniture & Equipment - Administrative Purchases	-						-	-	-
11650 Leasehold Improvements Purchases	-						-	-	-
11660 Infrastructure Purchases	-						-	-	-
13510 CFFP Debt Service Payments	-						-	-	-
13901 Replacement Housing Factor Funds	-						-	-	-

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OHIO AUDITOR OF STATE
KEITH FABER

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

Athens Metropolitan Housing Authority
Athens County
10 Hope Drive
Athens, Ohio 45701

To the Board of Commissioners:

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities of the Athens Metropolitan Housing Authority, Athens County, Ohio (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 12, 2023. We were unable to obtain sufficient appropriate audit evidence to support the completeness and accuracy of the amounts reported in the Statement of Net Position or Statement of Revenues, Expenses and Change in Net Position (including beginning net position) due to unsupported reconciling items and transactions, including fraudulent transactions, recorded in the accounting records and reported on the financial statements. In addition, the Authority failed to include a Statement of Cashflows, as required by Governmental Accounting Standards Board Codification 2200 paragraph .104. Further, management has not provided certain written representations required by Auditing Standard Section AU-C Section 580, Written Representations.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2021-001 through 2021-004 and 2021-007 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our engagement and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2021-001. Additionally, if the scope of our work had been sufficient to enable us to express opinions on the basic financial statements, other instances of noncompliance or other matters may have been identified and reported herein.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the findings identified in our engagement and described in the accompanying Schedule of Findings and Corrective Action Plan. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

October 12, 2023

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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

Athens Metropolitan Housing Authority
Athens County
10 Hope Drive
Athens, Ohio 45701

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Disclaimer of Opinion

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

Disclaimer of Opinion on Housing Voucher Cluster

We do not express an opinion on the Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Housing Voucher Cluster major federal program. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion on Housing Voucher Cluster* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Housing Voucher Cluster major federal program.

Basis for Disclaimer of Opinion on Housing Voucher Cluster

As described in Finding 2021-007 in the accompanying Schedule of Findings, we were unable to obtain audit evidence supporting the Authority's compliance with Section A - Activities Allowed or Unallowed, Section B - Allowable Costs/Cost Principles, E- Eligibility, N- Special Tests and Provisions, and Section L- Reporting applicable to its Housing Voucher Cluster major federal program.

As a result of this matter, we were unable to determine whether the Authority complied with such requirements applicable to the identified program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our responsibility is to conduct an audit of compliance in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion on Housing Voucher Cluster* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on compliance.

We are required to be independent of the Athens Metropolitan Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying Schedule of Findings as item 2021-006. Our opinion on the major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the noncompliance findings identified in our compliance engagement described in the accompanying Schedule of Findings and Corrective Action Plan. The Authority's responses were not subjected to the other auditing procedures applied in the engagement of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as items 2021-005 through 2021-007 to be material weaknesses.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the internal control over compliance findings identified in our engagement described in the accompanying Schedule of Findings and Corrective Action Plan. The Authority's responses were not subjected to the other auditing procedures applied in the engagement of compliance and, accordingly, we express no opinion on the responses.

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

Keith Faber
Auditor of State
Columbus, Ohio

October 12, 2023

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ATHENS METROPOLITAN HOUSING AUTHORITY
ATHENS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Disclaimer
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Disclaimer
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):** • Housing Voucher Cluster AL #14.871	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

FINDING NUMBER 2021-001

Noncompliance and Material Weakness

Ohio Rev. Code §117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Admin. Code 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, requires the Authority to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

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

FINDING NUMBER 2021-001 (Continued)

Noncompliance and Material Weakness - Ohio Rev. Code § 117.38 (Continued)

Governmental Accounting Standards Board (GASB) Cod. 2200 paragraph .104 requires a Statement of Cashflows as part of the minimum content of the Authority's basic financial statements. Due to the oversight of the Executive Director, the Authority's annual financial report filed in the AOS Hinkle system for calendar year 2021 did not include the Statement of Cashflows, which contributed to the disclaimer of opinion issued in the Independent Auditor's Report.

The Director should follow GASB's GAAP requirements and ensure all required financial reporting elements and statements are included.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2021-002

Material Weakness - Financial Reporting

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

The annual financial report amounts and financial data schedule amounts did not agree to the underlying accounting records. As a result of our audit procedures, the following material errors were identified:

- Tenant Revenue decreased $34,054,
- Government Operating Grants decreased $40,300,
- Other Revenue increased $4,417,
- Administrative Expenses increased $49,262,
- Tenant Services Expenses decreased $5,812,
- Maintenance Expenses increased $8,060,
- General Expenses increased $91,045,
- Housing Assistance Payments Expenses increased $917,
- Depreciation Expenses increased $380,822,
- Capital Debt Forgiveness decreased $147,118,
- Interest Expense increased $1,000, and
- Net Position Beginning of Year increase $710,125.

In addition, the portion of Notes and Loans payable allocated to current liabilities was not properly calculated resulting in a reduction of Current Liabilities - Notes and Loans Payable and an increase in Noncurrent Liabilities - Notes and Loans Payable of $404,282.

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

FINDING NUMBER 2021-002 (Continued)

Material Weakness - Financial Reporting (Continued)

Further, additional immaterial audit adjustments identified by auditors were posted at the discretion of the Authority. In addition, the Authority's Notes to the Basic Financial Statements required material adjustment and additional disclosure relating to debt and capital assets. These misstatements were the result of an inadequate compilation and review of financial statements by management.

These adjustments with which the Authority's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements. There are additional unposted errors or omissions identified in Finding Number 2021-004.

To ensure the Authority's financial statements and notes to the financial statements are complete and accurate, the Executive Director should review transactions to ensure amounts have been properly recorded. Further, the Authority should review the basic financial statements compiled by their contracted Independent Public Accounting firm prior to filing those statements in the Hinkle System.

Officials' Response: See Corrective Action Plan.

FINDING NUMBER 2021-003

Material Weakness - Segregation of Duties

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls. The small size of the Authority's staff did not allow for an adequate segregation of duties; the Executive Director or Finance Manager performed all accounting functions. It is therefore important that the Board of Directors be integrally involved and monitor financial activity closely. Failure to adequately segregate duties or monitor financial activity contributed to the unreconcilable issues and unsupported differences identified in Finding Number 2021-004.

The Board of Directors received and approved a financial report each month provided by the Executive Director. This financial report consisted of a consolidated income/expense report. Neither monthly bank reconciliations nor the related bank statements were included for review by the Board. Further, the financial report did not include detailed monthly activity or budget and actual information. This could result in errors and omissions in posting and reconciling activity recorded in the financial records and the basic financial statements not being identified by Board in a timely manner. This can also result in unidentified fluctuations in the Authority's actual financial activity not considered in the adopted budget that may impact management's decisions.

The Board should review and approve detailed activity with evidential support, all bank reconciliations including adjusting factors to related support, bank statements for all accounts, and budget and actual information monthly. Regular review of this information is a valuable tool for management to identify and react to unexpected activity and to identify and correct errors in a timely manner. These reviews and specific reports and information reviewed should be evidenced by documentation in the Authority's meeting minutes.

Officials' Response: See Corrective Action Plan.

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

FINDING NUMBER 2021-004

Material Weakness- Bank Reconciliation / Unsupported Transactions and Material Misstatements

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft, and fraud to occur without timely detection.

The Executive Director was responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

The Authority had a fire in September 2022. The Executive Director at that time indicated that bank reconciliations for calendar year 2021 were lost in the fire and no evidence of their completion could be provided. As a result, she recreated the reconciliations for calendar year 2021. The bank reconciliations included unsupported deposits in transit of $669,670 which did not relate to any valid deposit in transit. In addition, these unsupported misstatements were identified:

- the book balance for two of the accounts was overstated by $12,997,
- ACH transactions in one bank account totaling $317,100 were not recorded in the general ledgers.
- the book values included an unsupported reduction of receipt of $91,312, and
- beginning balances from book were overstated by $436,930 based on a review of confirmed balances to the December 31, 2020 reconciliation.

After these errors were identified, the bank to book reconciliation still included an unidentified variance of $6,952. There was insufficient evidence to support the accuracy of this amount. Failure to properly reconcile monthly resulted in the Authority not being able to identify, assemble, analyze, classify, and record its transactions accurately or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increased the risk of theft/fraud and lead to inaccurate reporting in the annual financial statements.

Our audit procedures also identified unsupported transactions as a result of fraud involving the former Executive Director dating back many years.

Maintaining organized documentation and support for financial transactions is essential in assuring the Authority's financial statements are not materially misstated and that all expenditures are made for a proper public purpose.

Due to lack of sufficient audit evidence, the necessary adjustments for the issues noted above were undeterminable. Therefore, we were unable express an opinion on the Authority's accompanying financial statements.

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

FINDING NUMBER 2021-004 (Continued)

Material Weakness- Bank Reconciliation / Unsupported Transactions and Material Misstatements (Continued)

Please note the Auditor of State's Special Investigation Unit is currently conducting an additional investigation, which is on-going as the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

The current Executive Director or assigned staff should put a plan in place to identify these unsupported misstatements and develop a process and controls to ensure accurate recording and reporting of all transactions, as well as prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented, and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews. Furthermore, the Authority should maintain support for all financial transactions and records should be maintained in an orderly manner to support all transactions.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. <u>HQS Enforcement</u>

Finding Number:	**2021-005**
Assistance Listing Number and Title:	**AL # 14.871 - Section 8 Housing Choice Vouchers/Housing Voucher Cluster**
Federal Award Identification Number / Year:	**2021**
Federal Agency:	**U.S. Department of Housing and Urban Development**
Compliance Requirements:	**Special Test and Provisions, HQS Enforcement**
Pass-Through Entity:	**N/A**
Repeat Finding from Prior Audit?	**No**

Noncompliance and Material Weakness

2 CFR § 982.404 provides that the owner must maintain the unit in accordance with HQS. If the owner fails to maintain the dwelling unit in accordance with Housing Quality Standards (HQS), the PHA must take prompt and vigorous action to enforce the owner obligations. PHA remedies for such breach of the HQS include termination, suspension or reduction of housing assistance payments and termination of the HAP contract. The PHA must not make any housing assistance payments for a dwelling unit that fails to meet the HQS, unless the owner corrects the defect within the period specified by the PHA and the PHA verifies the correction. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any PHA-approved extension). The owner is not responsible for a breach of the HQS that is not caused by the owner, and for which the family is responsible (as provided in § 982.404(b) and § 982.551(c)). (However, the PHA may terminate assistance to a family because of HQS breach caused by the family.)

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2021-005 (Continued)

Noncompliance and Material Weakness- HQS Enforcement (Continued)

The Authority did not have HQS re-inspections completed within 30 calendar days for HQS inspection failures for 55 percent of failures tested and did not formally approve extensions. Failure to complete timely re-inspections or approve extensions could result in dwellings not maintained in accordance with HQS.

The Authority should complete re-inspections within the required time frame or approve extensions.

Officials' Response: See Corrective Action Plan.

2. Financial Reporting

Finding Number:	**2021-006**
Assistance Listing Number and Title:	**AL # 14.871 - Section 8 Housing Choice Vouchers/Housing Voucher Cluster**
Federal Award Identification Number / Year:	**2021**
Federal Agency:	**U.S. Department of Housing and Urban Development**
Compliance Requirements:	**Eligibility, Reporting, Special Test and Provisions, Housing Assistance Payments**
Pass-Through Entity:	**N/A**
Repeat Finding from Prior Audit?	**No**

Noncompliance and Material Weakness

24 CFR section 982.516(a) states the Public Housing Authority (PHA) must conduct a reexamination of family income and composition at least annually. Section 2 states the PHA must obtain and document in the tenant file third-party verification of the following factors or must document why third-party verification was not available: (i) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income- based rent.

24 CFR section 908 states the Public Housing Authority (PHA) is required to submit HUD-50058 form electronically to HUD each time the Public Housing Authority (PHA) completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family.

24 CFR section 982.505(b) states the Public Housing Authority (PHA) shall pay a monthly housing assistance payment on behalf of the family that is equal to the lower of:
(1) The payment standard for the family minus the total tenant payment; or
(2) The gross rent minus the total tenant payment.

The Authority input data into the HUD-50058 inaccurately for 3.3 percent of the tenant files tested for the Housing Choice Voucher program. This resulted in the data reported on HUD-50058 to be inaccurate and variances in the calculation of the Housing Assistance Payment.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

FINDING NUMBER 2021-006 (Continued)

Noncompliance and Material Weakness- Financial Reporting (Continued)

The Executive Director and Housing Choice Voucher employees should ensure all tenant files maintain the appropriate documentation to meet the requirements of income verification and housing assistance payments reporting.

Officials' Response: See Corrective Action Plan.

3. Financial Reporting

Finding Number:	**2021-007**
Assistance Listing Number and Title:	**AL # 14.871 - Section 8 Housing Choice Vouchers/Housing Voucher Cluster**
Federal Award Identification Number / Year:	**2021**
Federal Agency:	**U.S. Department of Housing and Urban Development**
Compliance Requirements:	**Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility Reporting Special Tests & Provisions**
Pass-Through Entity:	**N/A**
Repeat Finding from Prior Audit?	**No**

Material Weakness

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. As noted in Finding 2021-004, the Authority was unable to provide audit evidence to support the completeness of the amounts reported on the financial statements, bank reconciliation differences, as well as certain transactions, including fraudulent transactions. Due to lack of audit evidence, the necessary adjustments to the financial statements for the issue identified in Finding 2021-004 were undeterminable and we were unable to express an opinion on the Authority's accompanying financial statements or determine the completeness of the amounts reported on the Schedule of Expenditures of Federal Awards. As a result, we were also unable to obtain audit evidence supporting the completeness of the populations for testing the program compliance requirements, and unable to determine whether the Authority complied with the Activities Allowed or Unallowed, Allowable Cost / Cost Principles, Eligibility, Reporting or Special Tests and Provisions compliance requirements. Therefore, we have issued a disclaimer of opinion on the Housing Voucher Cluster program compliance.

See Finding 2021-004 in Section 2 above. *Government Auditing Standards* also requires us to report this finding in this section of this Schedule.

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Athens Metropolitan Housing Authority
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Significant Deficiency relating to Financial Reporting due to audit adjustments.	Not Corrected.	The fiscal procedures manual that existed for the Housing Authority was not adequate. In addition, the former Director was acting as the fiscal officer as well and was not sufficiently qualified to act in that capacity. A revised Fiscal Procedure Manual has been developed for Board review and approval, and was so approved at the June 20, 2023 regular meeting, and the engagement of outside fee accounting will continue until inside staff are sufficiently educated and trained to keep the books of record accurately in keeping with generally accepted accounting principles as well as Government Accounting Standards Board rules. The engaged fee accounting firm will have the 2022 books complete and ready for audit by the time the audit staff is ready to begin.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021

Finding Number:	2021-001
Planned Corrective Action:	The Housing Authority has engaged BDO/PHA Finance, a national accounting firm specializing in public housing finance, to rebuild fiscal year 2022 books of record, identify cash accounts and contents, make necessary adjustments to close the year-end, and then prepare the necessary financial submissions to the U.S. Department of Housing and Urban Development and the State of Ohio, including Hinkle filing. In that process, regular financial reports will be developed including income statements, balance sheets, and cash flow statements for the three general ledgers being Public Housing, Section 8 Housing Choice Voucher, and Board. Those reports will then be prepared monthly for presentation to the Board. It is anticipated that by the end of 2023, preparation of monthly financial reports will be accomplished by the in-house finance department with back-up and review by BDO.
Anticipated Completion Date:	July 31, 2023
Responsible Contact Person:	Stan W. Popp, Acting Executive Director

Finding Number:	2021-002
Planned Corrective Action:	The fiscal procedures manual that existed for the Housing Authority was not adequate. In addition, the former Director was acting as the fiscal officer as well and was not sufficiently qualified to act in that capacity. A revised Fiscal Procedure Manual has been developed for Board review and approval, and was so approved at the June 20, 2023 regular meeting, and the engagement of outside fee accounting will continue until inside staff are sufficiently educated and trained to keep the books of record accurately in keeping with generally accepted accounting principles as well as Government Accounting Standards Board rules. The engaged fee accounting firm will have the 2022 books complete and ready for audit by the time the audit staff is ready to begin.
Anticipated Completion Date:	June 30, 2023
Responsible Contact Person:	Stan W. Popp, Acting Executive Director

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021
(Continued)

Finding Number:	2021-003
Planned Corrective Action:	The Executive Director no longer performs any accounting functions other than review. All accounting functions are performed by the Finance Manager and/or the Accounting Clerk. The Accounting Clerk position was developed and added to the Organizational Chart in March of this year to allow for necessary segregation of duties. The position was filled shortly after with an existing employee who has a degree in accounting and has transitioned into the position quite well. During the interim, an accounting firm has been engaged to bring everything up to date, close out fiscal year 2022, and begin preparing monthly financial reports, including income statements, balance sheets and cash flow statements. A new Fiscal Procedures Manual has been developed and was presented to the Board for approval at the June 20, 2023 monthly meeting and was approved.
Anticipated Completion Date:	June 30, 2023
Responsible Contact Person:	Stan W. Popp, Acting Executive Director

Finding Number:	2021-004
Planned Corrective Action:	The new Fiscal Procedure Manual addresses reconciliation of cash, bank to book and sets the procedure for staff to complete monthly reconciliations which are to be reviewed by the Executive Director always and periodically presented to the Board for review. The finding for Adjustment will be forwarded to the engaged accounting firm for assessment and advice on how to accomplish that.
Anticipated Completion Date:	June 30, 2023
Responsible Contact Person:	Stan W. Popp, Acting Executive Director

Finding Number:	2021-005
Planned Corrective Action:	Housing Quality Standards inspection had been contracted for since the pandemic began in 2020, and the agreement had not included quality control or reinspection for failed inspections. That was supposedly corrected but for much of 2021, HQS inspections had been suspended due to the pandemic. Since that time failed, HQS is tracked by each staff person who has that unit in their caseload, and they assure a reinspection is automatically scheduled and notice sent to the landlord and tenant. If the unit fails a second inspection, in most cases the HAP is abated, or a formal extension is granted on occasion. The plan going forward is to bring the inspection process back in-house within the next year when the existing contract expires. An outside contractor will still be used for inspection when Housing Choice Vouchers are used in the AMHA owed units. All files will be reviewed to ensure compliance.

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2021
(Continued)

Anticipated Completion Date: July 31, 2023
Responsible Contact Person: Stan W. Popp, Acting Executive Director

Finding Number: 2021-006
Planned Corrective Action: The previous Executive Director was supposed to do quality control reviews on HCV files, however that was not being done. At present, the Coordinator of Housing Programs and Administration is assigned to do quality controls on a percentage of files touched within the previous 30 days. Each month, a number of files will be reviewed. Also, the Housing Authority has purchased a complete training academy as part of the Yardi software system that the Housing Authority has used since 2017. The training academy offers on-line courses in each of the areas of the HCV process and will be assigned all training modules that apply to the HCV process.
Anticipated Completion Date: July 31, 2023
Responsible Contact Person: Stan W. Popp, Acting Executive Director

Finding Number: 2021-007
Planned Corrective Action: The new Fiscal Procedure Manual addresses reconciliation of cash, bank to book and sets the procedure for staff to complete monthly reconciliations which are to be reviewed by the Executive Director always and periodically presented to the Board for review. The finding for Adjustment will be forwarded to the engaged accounting firm for assessment and advice on how to accomplish that.
Anticipated Completion Date: June 30, 2023
Responsible Contact Person: Stan W. Popp, Acting Executive Director

OHIO AUDITOR OF STATE
KEITH FABER

ATHENS METROPOLITAN HOUSING AUTHORITY

ATHENS 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 11/9/2023