

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditor's Report

March 31, 2021

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
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March 31, 2021

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Collins & Associates, S.C.

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Housing Authority of the City of Ashland  
Ashland, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the City of Ashland Housing Authority ("Housing Authority"), a component unit of the City of Ashland, Wisconsin, as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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

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## **Other Matters**

### **Required Supplementary Information**

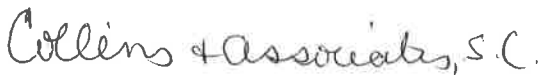
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 and the schedules relating to pensions and other postemployment benefits on pages 29-31 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements as a whole. The combining financial statements and financial data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and the financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022, on our consideration of the Housing 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 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 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 Housing Authority's internal control over financial reporting and compliance.



Collins & Associates, S.C.

La Crosse, Wisconsin

January 28, 2022

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2021

As management of the Housing Authority of the City of Ashland ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 9.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$2,303,198.
- The Authority's cash and investment balance at March 31, 2021, was \$876,105 representing an increase of \$37,434 from March 31, 2020.
- Department of Housing and Urban Development grants and other governmental grants amounting to \$735,548 were reported as revenues, a decrease of \$65,334 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements included in this report are those of a special-purpose government engaged only in a business-type activity. The following statements are included:

The *statement of net position* presents information on all of the Authority's assets, deferred outflows, liabilities and deferred inflows. Net position is the difference between total assets and deferred outflows, net of total liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* reports the Authority's cash flows from operating, investing, and capital and related financing activities.

The basic financial statements can be found on pages 9 - 11 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 12 - 28 of this report.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows exceeded liabilities and deferred inflows by \$2,303,198 at the close of the most recent fiscal year.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2021

By far, the largest portion of the Authority's net position (77 percent) reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and machinery), less any related debt used to acquire those assets that is still outstanding. The Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

**Housing Authority of the City of Ashland - Net Position  
March 31, 2021 and 2020**

	2021	2020	Total Change
<b><u>ASSETS</u></b>			
Current assets	\$ 945,500	\$ 912,379	\$ 33,121
Capital assets	1,946,237	2,130,909	(184,672)
Other assets	62,435	-	62,435
<b>Total assets</b>	<u>2,954,172</u>	<u>3,043,288</u>	<u>(89,116)</u>
<b><u>DEFERRED OUTFLOWS</u></b>			
Related to pension	155,888	193,161	(37,273)
Related to OPEB	20,615	2,961	17,654
<b>Total deferred outflows</b>	<u>176,503</u>	<u>196,122</u>	<u>(19,619)</u>
<b><u>LIABILITIES</u></b>			
Current liabilities	201,166	178,253	22,913
Noncurrent liabilities	429,756	515,941	(86,185)
<b>Total liabilities</b>	<u>630,922</u>	<u>694,194</u>	<u>(63,272)</u>
<b><u>DEFERRED INFLOWS</u></b>			
Related to pension	187,113	95,454	91,659
Related to OPEB	9,442	9,335	107
<b>Total deferred inflows</b>	<u>196,555</u>	<u>104,789</u>	<u>91,766</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,763,303	1,940,381	(177,078)
Restricted	134,999	45,381	89,618
Unrestricted	404,896	454,665	(49,769)
<b>Total net position</b>	<u>\$ 2,303,198</u>	<u>\$ 2,440,427</u>	<u>\$ (137,229)</u>

Current assets increased \$33,121 due to an increase in cash and investments of \$37,434. Capital assets decreased during the year due to depreciation in excess of capital additions. The Authority had capital additions of \$48,404 during the year. Total liabilities decreased \$63,272, from the prior year due to a decrease in the net pension liability of \$68,444. The Authority had debt retirement of \$7,594 during the fiscal year.

The Authority's net position decreased \$137,229 during the current fiscal year and decreased \$130,634 during the prior fiscal year.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2021

**Housing Authority of the City of Ashland - Changes in Net Position  
For The Years Ended March 31, 2021 and 2020**

	2021	2020	Total Change
<b><u>OPERATING REVENUES</u></b>			
Dwelling rental	\$ 607,854	\$ 633,757	\$ (25,903)
Tenant revenue - other	58,855	29,673	29,182
Operating grants	716,972	620,902	96,070
<b>Total operating revenues</b>	<u>1,383,681</u>	<u>1,284,332</u>	<u>99,349</u>
<b><u>OPERATING EXPENSES</u></b>			
Low Rent Public Housing	1,006,633	1,131,911	(125,278)
Capital Fund Program	24,609	33,443	(8,834)
PH CARES Act Funding	35,925	-	35,925
Voucher Program	230,961	215,810	15,151
N/C S/R Section 8	82,176	76,666	5,510
COCC	167,390	159,006	8,384
<b>Total operating expenses</b>	<u>1,547,694</u>	<u>1,616,836</u>	<u>(69,142)</u>
<b>Operating income (loss)</b>	(164,013)	(332,504)	168,491
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Interest on investments	8,662	7,547	1,115
Interest subsidies	18,576	18,819	(243)
Extraordinary maintenance	-	(5,010)	5,010
Casualty losses - non-capitalized	(9,540)	-	(9,540)
Fraud recovery	700	-	700
Other revenues	28,813	40,861	(12,048)
Gain (loss) on sale of capital assets	-	(422)	422
Interest expense	(20,427)	(21,086)	659
<b>Total nonoperating revenues (expenses)</b>	<u>26,784</u>	<u>40,709</u>	<u>(13,925)</u>
<b>CHANGE IN NET POSITION BEFORE CAPITAL GRANTS</b>	(137,229)	(291,795)	154,566
Capital grants	<u>-</u>	<u>161,161</u>	<u>(161,161)</u>
<b>CHANGE IN NET POSITION</b>	(137,229)	(130,634)	(6,595)
NET POSITION - Beginning of Year	2,440,427	2,571,294	(130,867)
Prior Period Adjustment	-	(233)	233
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 2,303,198</u></u>	<u><u>\$ 2,440,427</u></u>	<u><u>\$ (137,229)</u></u>

Operating revenues increased by \$99,349 from the previous year due mainly to an increase in HUD operating grants of \$96,070. Operating expenses decreased \$69,142, due mainly to a decrease in depreciation expense of \$106,386.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2021

**BUDGETS**

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD and RD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

CAPITAL ASSETS	2021	2020	Total Change
Land	\$ 354,565	\$ 354,565	\$ -
Buildings	11,132,660	11,098,661	33,999
Furniture, Equipment and Machinery			
Dwellings	117,607	110,988	6,619
Administrative	289,445	281,660	7,785
Less accumulated depreciation	(9,948,040)	(9,714,965)	(233,075)
<b>Total</b>	<u>1,946,237</u>	<u>2,130,909</u>	<u>(184,672)</u>
 Long-term debt	 <u>182,934</u>	 <u>190,528</u>	 <u>(7,594)</u>
 Net investment in capital assets	 <u>\$ 1,763,303</u>	 <u>\$ 1,940,381</u>	 <u>\$ (177,078)</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority has stayed within budget for the fiscal year ending March 31, 2021. While it is difficult to predict emergency spending for the next fiscal year, the Authority anticipates the budget for fiscal year end March 31, 2022, is adequate for operating and maintaining its housing units. The Authority also does annual and five-year planning for its Capital Fund Program. While capital fund grants are not known at this time, the Authority anticipates the grants will meet the long-term improvements in their plan.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, City of Ashland Housing Authority, 319 Chapple Ave, Ashland, WI 54806.



# HOUSING AUTHORITY OF THE CITY OF ASHLAND

Ashland, Wisconsin

## STATEMENT OF NET POSITION

March 31, 2021

### ASSETS

#### *Current Assets*

Cash and cash equivalents	\$ 589,031
Tenant receivables	10,710
Accounts receivable - HUD	2,043
Fraud recovery	550
Prepaid expense	49,168
Inventory	6,924

#### *Restricted Assets:*

Cash and cash equivalents	148,515
Investments	138,559
Total current assets	<u>945,500</u>

#### *Noncurrent Assets*

##### *Capital Assets:*

Land	354,565
Buildings	11,132,660
Furniture, Equipment and Machinery:	
Dwellings	117,607
Administrative	289,445
Accumulated depreciation	(9,948,040)
Total Capital Assets	<u>1,946,237</u>

##### *Other Assets:*

Net pension asset	62,435
Total Noncurrent Assets	<u>2,008,672</u>
Total Assets	<u>2,954,172</u>

### DEFERRED OUTFLOWS

Deferred outflows related to pension	155,888
Deferred outflows related to OPEB	20,615
Total Deferred Outflows	<u>176,503</u>

### LIABILITIES

#### *Current Liabilities*

Accounts payable	13,889
Accrued wages/payroll taxes	16,545
Accrued compensated absences - current	41,047
Accrued payables - other government	39,727
Accrued interest payable	170
Accrued liabilities - other	12,396

#### *Current Liabilities Payable from Restricted Assets:*

Tenant security deposits payable	61,488
Current portion of long-term debt	9,220
Unearned revenues	6,684
Total Current Liabilities	<u>201,166</u>

#### *Noncurrent Liabilities*

Long-term debt net of current portion	173,714
Net OPEB liability	42,923
Accrued compensated absences	28,560
Noncurrent liabilities - other	184,559
Total Noncurrent Liabilities	<u>429,756</u>
Total Liabilities	<u>630,922</u>

### DEFERRED INFLOWS

Deferred inflows related to pension	187,113
Deferred inflows related to OPEB	9,442
Total Deferred Inflows	<u>196,555</u>

### NET POSITION

Net investment in capital assets	1,763,303
Restricted	134,999
Unrestricted	404,896
TOTAL NET POSITION	<u>\$ 2,303,198</u>

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

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
For The Year Ended March 31, 2021

**Operating Revenues**

Dwelling rental	\$ 607,854
Tenant revenue - other	58,855
HUD operating grants	681,507
Rental assistance	35,465
Total Operating Revenues	<u>1,383,681</u>

**Operating Expenses**

Administration	399,338
Tenant services	57,477
Utilities	214,690
Ordinary maintenance and operation	329,988
Protective services	2,188
General expense	105,801
Depreciation expense	233,075
Housing assistance payments	205,137
Total Operating Expenses	<u>1,547,694</u>

Operating Income (Loss) (164,013)

**Nonoperating Revenues (Expenses)**

Interest on investments	8,662
Casualty losses - non-capitalized	(9,540)
Fraud recovery	700
Interest subsidies	18,576
Other revenues	28,813
Interest expense	(20,427)

Total Nonoperating Revenues (Expenses) 26,784

Change in Net Position (137,229)

Total Net Position - beginning	2,440,427
Total Net Position - ending	<u><u>\$ 2,303,198</u></u>

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

## HOUSING AUTHORITY OF THE CITY OF ASHLAND

Ashland, Wisconsin

## STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2021

***Cash Flows From Operating Activities***

Cash received from tenants	\$ 672,844
Cash received from grants	721,988
Cash paid to employees	(381,218)
Cash paid to suppliers	(741,821)
Housing assistance payments	(205,137)
Net Cash Flows Provided by Operating Activities	66,656

***Cash Flows From Capital and Related Financing Activities***

Purchase of capital assets	(48,404)
Casualty loss	(9,540)
Interest subsidies	18,576
Interest paid	(20,434)
Debt retirement	(7,594)
Other receipts	29,513
Net Cash Flows Provided by Capital and Related Financing Activities	(37,883)

***Cash Flows From Investing Activities***

Interest received on investments	8,661
Net Cash Flows Provided by Investing Activities	8,661

Net Change in Cash	37,434
Cash Balance - Beginning of year	838,671
CASH BALANCE - END OF YEAR	<u>\$ 876,105</u>

***Cash Balance is Comprised of***

Cash - unrestricted	\$ 589,031
Cash - restricted	148,515
Investments - restricted	138,559
	<u>\$ 876,105</u>

***Reconciliation Of Operating Income (Loss) To Net******Cash Provided By Operating Activities***

Operating income (loss)	\$ (164,013)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	233,075
Pension expense	(1,945)
OPEB expense	3,063
Changes in Operating Assets and Liabilities	
Tenant receivables	3,840
Other receivables	(2,593)
Prepaid expenses	2,405
Inventory	661
Accounts payable	10,763
Accrued wages/payroll taxes	3,361
Accrued compensated absences	11,393
Accrued payable - other government	(2,741)
Accrued liabilities - other	783
Noncurrent liabilities - other	(39,257)
Unearned revenues	5,839
Tenant security deposits	2,022
Net Cash Flows From Operating Activities	<u>\$ 66,656</u>

*The accompanying notes are an integral part of the financial statement.*

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

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

The accounting policies of the Housing Authority of the City of Ashland, Wisconsin, conform to generally accepted accounting principles as applicable to enterprise funds of governmental units.

**A. REPORTING ENTITY** – This report contains the financial information of the Housing Authority of the City of Ashland (the “Authority”), which is a component unit of the City of Ashland. The Authority is a legally separate organization. The board of commission of the Authority is appointed by the mayor and city council of the City of Ashland. Wisconsin Statutes provide for circumstances whereby the City of Ashland can impose their will on the Authority, and also create a potential financial benefit to or burden on the City of Ashland. The reporting entity for the Authority 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

The Authority was established for the purpose of engaging in the development, acquisition, and administrative activities of low-income housing programs and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make loans to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to local housing authorities for the purpose of maintaining the low-rent character of the local housing programs.

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. The Authority reports on the accrual basis of accounting. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into “net investment in capital assets”; “restricted”; and “unrestricted” components.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION - continued**

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for dwelling rental and administrative fees. Operating expenses for the Authority include administrative expenses, tenant expenses, maintenance and operation, housing assistance payments and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. ASSETS, LIABILITIES, AND NET POSITION**

Deposits and Investments – For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an initial maturity of three years or less when acquired to be cash equivalents. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

None of the Authority's investments are subject to fair value measurement. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

See NOTE 3A for further information.

Receivables – Accounts receivable have been shown net of an allowance for uncollectible accounts of \$0.

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within business-type activities are eliminated in the Statement of Net Position.

Fee revenue and fee expenses are eliminated on the Statement of Revenues, Expenses, and Changes in Net Position. The result of this is that fee revenues and operating expenses decreased by \$158,424 from the Combining Statement of Revenues, Expenses, and Changes in Net Position.

Prepaid Expense – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

Inventory – Inventory is valued at the lower of cost or net realizable value. At March 31, 2021, inventory of \$6,924 represents maintenance and office supplies on hand.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**D. ASSETS, LIABILITIES, AND NET POSITION– continued**

Restricted Assets – Mandatory segregations of assets are presented as restricted assets. Such segregations are required by loan agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Capital Assets – Capital assets are defined by the Authority as assets with an initial cost of more than \$500 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$-0- of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Equipment	5 - 10 Years
Improvements	15 Years

Compensated Absences - Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at March 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Claims and Judgments – Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**D. ASSETS, LIABILITIES, AND NET POSITION– continued**

Net Position – Net position is classified and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and 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.
- b. Restricted – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. BUDGETARY INFORMATION - The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS**

A. DEPOSITS AND INVESTMENTS - The Authority's deposits and investments as of March 31, 2021:

	2021	
	Bank Balance	Carrying Value
Petty cash	\$ -	\$ 100
Deposits covered by federal insurance	557,096	558,689
Deposits uncollateralized and uninsured	342,267	317,316
Totals	<u>\$ 899,363</u>	<u>\$ 876,105</u>

The Authority had no significant type of investment during the year not included in the above schedule.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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**NOTE 3 – DETAILED NOTES ON ALL FUNDS – continued**

**A. DEPOSITS AND INVESTMENTS – continued**

The FDIC's coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits (which includes NOW accounts, money markets deposit accounts, and other interest-bearing checking accounts) owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Additionally, all demand deposits owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. The FDIC coverage of accounts owned by a public unit and held by the same official custodian in a depository institution is located outside the State in which the public unit is located is different; all deposits are added together and insured up to \$250,000.

Bank accounts are also provided limited protection by the Wisconsin State Public Deposit Guarantee Fund up to \$400,000 in excess of FDIC coverage until the fund is depleted. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities.

Fluctuating cash flows during the year due to receipt of federal grants and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of the year end there were no long-term investments.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk – The Authority has an investment policy regarding concentration of credit risk.

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The Authority does have an investment policy that would limit the exposure to custodial credit risk for deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority does have an investment policy that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

**B. RESTRICTED ASSETS** – The following represent the balances of the restricted assets:

Tenant Security Deposits – Monies held by the Authority for payment of repairs at the end of residents' tenancies.

Housing Assistance Payments – Monies held by the Authority for the Housing Choice Voucher Program. These monies are restricted for payments of rents through the Housing Choice Voucher program.



HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**NOTE 3 – DETAILED NOTES ON ALL FUNDS – continued**

**B. RESTRICTED ASSETS – continued**

Deferred compensation program – Monies held by Nationwide Retirement solutions to be used for future employee retirement benefits.

Rural Development Escrow Accounts – These accounts are held by Rural Development for future repairs and replacement of capital assets.

**C. CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Reclassifications &amp; Additons</u>	<u>Reclassifications &amp; Deletions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land	\$ 354,565	\$ -	\$ -	\$ 354,565
Other Capital Assets				
Buildings	11,098,661	33,999	-	11,132,660
Furniture, equipment and machinery				
Dwellings	110,988	6,619	-	117,607
Administrative	281,660	7,785	-	289,445
Total Capital Assets At Historical Cost	11,845,874	48,403	-	11,894,277
Less: Accumulated depreciation	(9,714,965)	(233,075)	-	(9,948,040)
Net Capital Assets	<u>\$ 2,130,909</u>			<u>\$ 1,946,237</u>

Depreciation expense was charged to functions as follows:

Low Rent Public Housing	\$ 203,996
CFP	3,204
N/C S/R Section 8	25,395
COCC	480
Total Depreciation Expense	<u>\$ 233,075</u>

**D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

For the statement of net position, interfund balances which are owed within the business-type activities are netted and eliminated.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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March 31, 2021

**NOTE 3 – DETAILED NOTES ON ALL FUNDS - continued**

**E. NET POSITION**

Net position reported on statement of net position at March 31, 2021, includes the following:

Investment in capital assets, net of related debt	
Land	\$ 354,565
Other capital assets, net of accumulated depreciation	1,591,672
Less long-term debt	<u>(182,934)</u>
Net investment in capital assets	1,763,303
Restricted	134,999
Unrestricted	<u>404,896</u>
Total Net Position	<u><u>\$ 2,303,198</u></u>

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended March 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 58,214	\$ 11,393	\$ -	\$ 69,607	\$ 41,047
Note payable	190,528	-	7,594	182,934	9,220
Noncurrent liabilities - other	223,816	-	39,257	184,559	-
Totals	<u><u>\$ 472,558</u></u>	<u><u>\$ 11,393</u></u>	<u><u>\$ 46,851</u></u>	<u><u>\$ 437,100</u></u>	<u><u>\$ 50,267</u></u>

Rural Development Project 02-5 - On October 2, 1981, the PHA signed a loan resolution with the United States Department of Agriculture, Rural Development for the amount of \$366,000. A promissory note was issued which is payable in installments over a 50 year period and which bears interest at a 11% rate as prescribed by the United States Government. As security on the note, the government has a lien on the related buildings and equipment.

	<u>\$ 182,934</u>
Total	182,934
Current portion of long-term debt	<u>9,220</u>
LONG-TERM DEBT	<u><u>\$ 173,714</u></u>

Estimated annual total maturities on the above notes are as follows:

2022	\$ 9,220
2023	9,681
2024	10,165
2025	10,673
2026	11,206
Thereafter	<u>131,989</u>
TOTAL	<u><u>\$ 182,934</u></u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**NOTE 4 – OTHER INFORMATION**

**A. EMPLOYEES' RETIREMENT SYSTEM**

***Summary of Significant Accounting Policies***

**Pensions.** For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***General Information about the Pension Plan***

**Plan description.** The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**Vesting.** For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits provided.** Employees who retire at or after age 65 (54 for protective occupations, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/16) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

# HOUSING AUTHORITY OF THE CITY OF ASHLAND

Ashland, Wisconsin

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### **NOTE 4 – OTHER INFORMATION - continued**

#### **A. EMPLOYEES' RETIREMENT SYSTEM – continued**

**Post-Retirement Adjustments.** The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2010	-1.3%	22%
2011	-1.2%	11%
2012	-7.0%	-7%
2013	-9.6%	9%
2014	4.7%	25%
2015	2.9%	2%
2016	0.5%	-5%
2017	2.0%	4%
2018	2.4%	17%
2019	0.0%	-10%

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$21,255 in contributions from the employer.

Contribution rates as of December 31, 2019, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 – OTHER INFORMATION - continued**

**A. EMPLOYEES' RETIREMENT SYSTEM – continued**

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

At March 31, 2021, the Housing Authority of the City of Ashland reported a liability (asset) of (\$62,435) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018, rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority of the City of Ashland's proportion of the net pension liability (asset) was based on the Housing Authority of the City of Ashland's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the Housing Authority of the City of Ashland's proportion was 0.00193632%, which was an increase of .00001247% from its proportion measured as of December 31, 2018.

For the year ended March 31, 2021, the Housing Authority of the City of Ashland recognized pension expense of \$23,148.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experience	\$ 118,518	\$ (59,310)
Net differences between projected and actual earnings on pension plan investments	-	(127,640)
Changes in assumptions	4,866	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,549	(163)
Employer contributions subsequent to the measurement date	30,955	-
Total	<u>\$ 155,888</u>	<u>\$ (187,113)</u>

\$30,955 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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March 31, 2021

**NOTE 4 – OTHER INFORMATION - continued**

**A. EMPLOYEES' RETIREMENT SYSTEM – continued**

<u>Year ended March 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2020	\$ 87,584	\$ (105,889)
2021	86,190	(99,775)
2022	68,657	(66,262)
2023	15,361	(48,048)
Thereafter	-	-

**Actuarial assumptions.** The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

*\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 – OTHER INFORMATION – continued**

**A. EMPLOYEES' RETIREMENT SYSTEM – continued**

**Asset Allocation Targets and Expected Returns  
As of December 31, 2019**

<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
Global Equities	49.0%	8.0%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9.0%	6.3%	3.5%
Private Equity/Debt	8.0%	10.6%	7.6%
Multi-Asset	4.0%	6.9%	4.0%
Total Core Fund	110.0%	7.5%	4.6%
<b>Variable Fund Asset Class</b>			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0%	8.2%	5.3%
Total Variable Fund	100.0%	7.8%	4.9%

New England pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%.

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

**Single Discount rate.** A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.75%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond 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 Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset) to changes in the discount rate.** The following presents the Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

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**NOTE 4 – OTHER INFORMATION - continued**

**A. EMPLOYEES' RETIREMENT SYSTEM – continued**

	<b>1% Decrease To Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase To Discount Rate (8.00%)</b>
Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset)	\$ 160,783	\$ (62,435)	\$ (229,317)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

**B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

***Summary of Significant Accounting Policies***

***Other Post-Employment Benefits (OPEB).*** The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***General Information about the Other Post-Employment Benefits***

***Plan description.*** The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

***OPEB Plan Fiduciary Net Position.*** ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>

***Benefits provided.*** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

***Contributions.***

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.



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NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**NOTE 4 – OTHER INFORMATION – continued**

**B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued**

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2019 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2019 are as listed below:

**Life Insurance Employee Contribution Rates For  
the year ended December 31, 2019**

<b>Attained Age</b>	<b>Basic</b>	<b>Supplemental</b>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$182 in contributions from the employer.

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

At March 31, 2021, the Housing Authority of the City of Ashland reported a liability (asset) of \$42,923 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority of the City of Ashland's proportion of the net OPEB liability (asset) was based on the Housing Authority of the City of Ashland's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the Housing Authority of the City of Ashland's proportion was .01008000%, which was an increase of .001433% from its proportion measured as of December 31, 2018.

For the year ended March 31, 2021, the Housing Authority of the City of Ashland recognized OPEB expense of \$4,576.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 – OTHER INFORMATION – continued**

**B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued**

At March 31, 2021, the Housing Authority of the City of Ashland reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ (1,924)
Net differences between projected and actual earnings on plan investments	810	-
Changes in assumptions	15,834	(4,721)
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,649	(2,797)
Employer contributions subsequent to the measurement date	322	-
Total	<u>\$ 20,615</u>	<u>\$ (9,442)</u>

\$322 reported as deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended March 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended March 31:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2020	\$ 3,583	\$ (1,842)
2021	3,583	(1,842)
2022	3,495	(1,842)
2023	3,405	(1,842)
2024	3,103	(1,714)
2025	3,069	(359)
2026	55	-

**Actuarial assumptions.** The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.87%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

# HOUSING AUTHORITY OF THE CITY OF ASHLAND

Ashland, Wisconsin

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### **NOTE 4 – OTHER INFORMATION – continued**

#### **B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – continued**

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

#### **Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2019**

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**Single Discount rate.** A single discount rate of 2.87% was used to measure the total OPEB liability, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2021

**NOTE 4 – OTHER INFORMATION – continued**

**B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – continued**

*Sensitivity of the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) to changes in the discount rate.* The following presents the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.87 percent, as well as what the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	<b>1% Decrease To Discount Rate (1.87%)</b>	<b>Current Discount Rate (2.87%)</b>	<b>1% Increase To Discount Rate (3.87%)</b>
Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset)	\$ 59,269	\$ 42,923	\$ 30,486

**C. DEFERRED COMPENSATION PLAN**

The employees of the Authority can also participate in a 457(b) deferred compensation plan through the City of Ashland.

**D. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

**E. COMMITMENTS AND CONTINGENCIES**

From time to time, the Authority is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Authority's attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Authority's financial position or results of operations.

The Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

**F. ECONOMIC DEPENDENCY**

The Authority is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD) and Rural Development (RD). The Authority operates at a loss prior to receiving contributions and grants from HUD and RD.

**G. SUBSEQUENT EVENTS**

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through January 28, 2022, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
REQUIRED SUPPLEMENTARY INFORMATION  
March 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

Plan Year Ending	Authority's Proportion of the Net Pension Liability (Asset)	Authority's Proportionate Share of the Net Pension Liability (Asset)	Authority's Covered Employee Payroll	Authority's Proportionate Share of the Net Pension Liability/Asset as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2019	0.00193632%	\$ (62,435)	\$ 324,505	-19.24%	102.96%
12/31/2018	0.00192385%	\$ 68,444	\$ 278,393	24.59%	96.45%
12/31/2017	0.00198865%	\$ (59,046)	\$ 292,596	-20.18%	102.93%
12/31/2016	0.00208468%	\$ 17,183	\$ 288,641	5.95%	99.12%
12/31/2015	0.00213722%	\$ 34,730	\$ 284,132	12.22%	98.20%
12/31/2014	0.00211175%	\$ (51,870)	\$ 315,470	-16.44%	102.74%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

SCHEDULE OF CONTRIBUTIONS  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
3/31/2021	\$ 21,255	\$ (21,255)	\$ -	\$ 324,505	6.55%
3/31/2020	\$ 18,652	\$ (18,652)	\$ -	\$ 278,393	6.70%
3/31/2019	\$ 19,896	\$ (19,896)	\$ -	\$ 292,596	6.80%
3/31/2018	\$ 19,050	\$ (19,050)	\$ -	\$ 288,641	6.60%
3/31/2017	\$ 19,321	\$ (19,321)	\$ -	\$ 284,132	6.80%
3/31/2016	\$ 22,083	\$ (22,083)	\$ -	\$ 315,470	7.00%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

*See notes to Required Supplementary Information*

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
REQUIRED SUPPLEMENTARY INFORMATION  
March 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
Local Retiree Life Insurance Fund  
Last 10 Fiscal Years\*

Plan Year Ending	Authority's proportion of the net OPEB liability (asset)	Authority's proportionate share of the net OPEB liability (asset)	Authority's covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
12/31/2019	0.01008000%	\$ 42,923	\$ 314,000	37.58%
12/31/2018	0.00864700%	\$ 22,313	\$ 233,000	48.69%
12/31/2017	0.00957500%	\$ 28,807	\$ 402,656	44.81%

\*The Amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

SCHEDULE OF CONTRIBUTIONS  
Local Retiree Life Insurance Fund  
Last 10 Fiscal Years\*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
3/31/2021	\$ 182	\$ (182)	\$ -	\$ 314,000	0.06%
3/31/2020	\$ 166	\$ (166)	\$ -	\$ 233,000	0.07%
3/31/2019	\$ 181	\$ (181)	\$ -	\$ 402,656	0.04%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

*See notes to Required Supplementary Information*

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
March 31, 2021

**NOTE 1 – WISCONSIN RETIREMENT SYSTEM**

Changes of benefit terms

2019 - None  
2018 - None  
2017 - None  
2016 - None  
2015 - None  
2014 - None

Changes of assumptions

2019 - None  
2018 – The discount rate and the long-term expected rate of return changed from 7.2% to 7.0%. The post-retirement adjustment changed from 2.1% to 1.9%. The wage inflation rate changed from 3.2% to 3.0%. The mortality rate changed from the Wisconsin 2012 mortality table to the Wisconsin 2018 mortality table.  
2017 - None  
2016 - None  
2015 - None  
2014 - None

**NOTE 2 – OTHER POST-EMPLOYMENT BENEFITS**

Changes of benefit terms

2019 - None  
2018 - None  
2017 - None

Changes of assumptions

2019 - The discount rate changed from 4.22% to 2.87%. The long-term expected rate of return changed from 5.0% to 4.25%.  
2018 - The discount rate changed from 3.63% to 4.22%. The wage inflation rate went from 3.2% to 3.0%. The seniority/merit rate went from 0.2%-5.6% to 0.1%-5.6%. The mortality rate changed from the Wisconsin 2012 mortality table to the Wisconsin 2018 mortality table.  
2017 - None

## SUPPLEMENTAL INFORMATION



HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
COMBINING STATEMENT OF NET POSITION  
March 31, 2021

	Low Rent Public Housing	CFP	PH CARES Act Funding
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 335,136	\$ -	\$ -
Tenant receivables	10,710	-	-
Accounts receivable - HUD	-	-	2,043
Fraud recovery	-	-	-
Prepaid expense	45,425	-	-
Inventory	5,304	-	-
Inter program due from	2,043	-	-
<i>Restricted Assets:</i>			
Cash and cash equivalents	59,841	-	-
Investments	-	-	-
Total current assets	<u>458,459</u>	<u>-</u>	<u>2,043</u>
<i>Noncurrent Assets</i>			
Capital Assets:			
Land	350,506	-	-
Buildings	10,438,170	36,214	-
Furniture, Equipment and Machinery:			
Dwellings	94,584	-	-
Administrative	244,147	3,949	-
Accumulated depreciation	(9,446,653)	(4,678)	-
Total Capital Assets	<u>1,680,754</u>	<u>35,485</u>	<u>-</u>
Other Assets:			
Net pension asset	41,824	-	-
Total Noncurrent Assets	<u>1,722,578</u>	<u>35,485</u>	<u>-</u>
Total Assets	<u>2,181,037</u>	<u>35,485</u>	<u>2,043</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows related to pension	106,135	-	-
Deferred outflows related to OPEB	14,497	-	-
Total Deferred Outflows	<u>120,632</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable	10,584	-	-
Accrued wages/payroll taxes	8,450	-	-
Accrued compensated absences - current	23,407	-	-
Accrued payables - other government	37,149	-	-
Accrued liabilities - other	12,326	-	-
Accrued interest payable	-	-	-
Inter program due to	-	-	2,043
<i>Current Liabilities Payable from Restricted Assets:</i>			
Tenant security deposits payable	58,723	-	-
Current portion of long-term debt	-	-	-
Unearned revenues	1,118	-	-
Total Current Liabilities	<u>151,757</u>	<u>-</u>	<u>2,043</u>
<i>Noncurrent Liabilities</i>			
Long-term debt net of current portion	-	-	-
Net OPEB liability	30,187	-	-
Accrued compensated absences	28,560	-	-
Noncurrent liabilities - other	-	-	-
Total Noncurrent Liabilities	<u>58,747</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>210,504</u>	<u>-</u>	<u>2,043</u>
<b>DEFERRED INFLOWS</b>			
Deferred inflows related to pension	125,342	-	-
Deferred inflows related to OPEB	6,640	-	-
Total Deferred Inflows	<u>131,982</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,680,754	35,485	-
Restricted	41,824	-	-
Unrestricted	236,605	-	-
TOTAL NET POSITION	<u>\$ 1,959,183</u>	<u>\$ 35,485</u>	<u>\$ -</u>

Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
\$ 23,541	\$ -	\$ 230,354	\$ 589,031
-	-	-	10,710
-	-	-	2,043
550	-	-	550
1,980	1,044	719	49,168
-	-	1,620	6,924
-	-	-	2,043
31,999	56,675	-	148,515
-	-	138,559	138,559
58,070	57,719	371,252	947,543
-	4,059	-	354,565
-	658,276	-	11,132,660
-	23,023	-	117,607
636	15,908	24,805	289,445
(636)	(473,424)	(22,649)	(9,948,040)
-	227,842	2,156	1,946,237
1,887	-	18,724	62,435
1,887	227,842	20,880	2,008,672
59,957	285,561	392,132	2,956,215
4,353	-	45,400	155,888
161	-	5,957	20,615
4,514	-	51,357	176,503
2,355	742	208	13,889
559	-	7,536	16,545
274	-	17,366	41,047
-	2,578	-	39,727
-	70	-	12,396
-	170	-	170
-	-	-	2,043
-	2,765	-	61,488
-	9,220	-	9,220
5,566	-	-	6,684
8,754	15,545	25,110	203,209
-	173,714	-	173,714
326	-	12,410	42,923
-	-	-	28,560
46,000	-	138,559	184,559
46,326	173,714	150,969	429,756
55,080	189,259	176,079	632,965
5,656	-	56,115	187,113
72	-	2,730	9,442
5,728	-	58,845	196,555
-	44,908	2,156	1,763,303
28,320	46,131	18,724	134,999
(24,657)	5,263	187,685	404,896
\$ 3,663	\$ 96,302	\$ 208,565	\$ 2,303,198

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
For The Year Ended March 31, 2021

	Low Rent Public Housing	CFP	PH CARES Act Funding
<b>Operating Revenues</b>			
Dwelling rental	\$ 564,863	\$ -	\$ -
Tenant revenue - other	57,743	-	-
HUD operating grants	260,106	113,373	35,925
Rental assistance	-	-	-
Fee revenues	-	-	-
Total Operating Revenues	<u>882,712</u>	<u>113,373</u>	<u>35,925</u>
<b>Operating Expenses</b>			
Administration	324,977	21,405	2,240
Asset management fee	19,690	-	-
Tenant services	13,166	-	33,685
Utilities	194,771	-	-
Ordinary maintenance and operation	314,741	-	-
Protective services	819	-	-
General expense	92,897	-	-
Depreciation expense	203,996	3,204	-
Housing assistance payments	-	-	-
Total Operating Expenses	<u>1,165,057</u>	<u>24,609</u>	<u>35,925</u>
Operating Income (Loss)	(282,345)	88,764	-
<b>Nonoperating Revenues (Expenses)</b>			
Interest on investments	7,431	-	-
Casualty losses - non-capitalized	(9,540)	-	-
Fraud recovery	-	-	-
Other revenues	20,784	-	-
Interest subsidies	-	-	-
Interest expense	-	-	-
Total Nonoperating Revenues (Expenses)	<u>18,675</u>	<u>-</u>	<u>-</u>
Change in Net Position Before Transfers	(263,670)	88,764	-
Equity transfer	129,180	(129,180)	-
Operating transfer	<u>91,968</u>	<u>(91,968)</u>	<u>-</u>
Change in Net Position	(42,522)	(132,384)	-
Total Net Position - beginning	<u>2,001,705</u>	<u>167,869</u>	<u>-</u>
Total Net Position - ending	<u>\$ 1,959,183</u>	<u>\$ 35,485</u>	<u>\$ -</u>

Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
\$ -	\$ 42,991	\$ -	\$ 607,854
-	1,112	-	58,855
272,103	-	-	681,507
-	35,465	-	35,465
-	-	156,184	156,184
272,103	79,568	156,184	1,539,865
19,558	14,075	155,817	538,072
-	-	-	19,690
6,121	2,265	2,240	57,477
-	16,610	3,309	214,690
-	15,247	-	329,988
-	1,369	-	2,188
145	7,215	5,544	105,801
-	25,395	480	233,075
205,137	-	-	205,137
230,961	82,176	167,390	1,706,118
41,142	(2,608)	(11,206)	(166,253)
14	7	1,210	8,662
-	-	-	(9,540)
700	-	-	700
-	363	9,906	31,053
-	18,576	-	18,576
-	(20,427)	-	(20,427)
714	(1,481)	11,116	29,024
41,856	(4,089)	(90)	(137,229)
-	-	-	-
-	-	-	-
41,856	(4,089)	(90)	(137,229)
(38,193)	100,391	208,655	2,440,427
\$ 3,663	\$ 96,302	\$ 208,565	\$ 2,303,198

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
COMBINING STATEMENT OF CASH FLOWS  
For The Year Ended March 31, 2021

	Low Rent Public Housing	CFP	PH CARES Act Funding
<b><i>Cash Flows From Operating Activities</i></b>			
Cash received from tenants	\$ 628,978	\$ -	\$ -
Cash received from grants	260,106	113,373	35,925
Cash paid to employees	(246,280)	-	(21,573)
Cash paid to suppliers	(705,669)	(21,405)	(14,352)
Other receipts	-	-	-
Housing assistance payments	-	-	-
Net Cash Flows From Operating Activities	(62,865)	91,968	-
<b><i>Cash Flows From Capital and Related Financing Activities</i></b>			
Purchase of capital assets	(37,376)	-	-
Casualty loss	(9,540)	-	-
Cash transfer	91,968	(91,968)	-
Interest subsidy	-	-	-
Interest paid	-	-	-
Debt retirement	-	-	-
Other receipts	20,784	-	-
Net Cash Flows From Capital and Related Financing Activities	65,836	(91,968)	-
<b><i>Cash Flows From Investing Activities</i></b>			
Interest received on investments	7,431	-	-
Net Cash Flows From Investing Activities	7,431	-	-
Net Change in Cash	10,402	-	-
Cash Balance - Beginning of year	384,575	-	-
CASH BALANCE - END OF YEAR	<u>\$ 394,977</u>	<u>\$ -</u>	<u>\$ -</u>
<b><i>Cash Balance is Comprised of</i></b>			
Cash and cash equivalents - unrestricted	\$ 335,136	\$ -	\$ -
Cash and cash equivalents- restricted	59,841	-	-
Investments - restricted	-	-	-
	<u>\$ 394,977</u>	<u>\$ -</u>	<u>\$ -</u>

Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
\$ -	\$ 43,866	\$ -	\$ 672,844
277,119	35,465	-	721,988
(10,113)	(8,975)	(94,277)	(381,218)
(9,886)	(47,678)	(101,255)	(900,245)
-	-	156,184	156,184
(205,137)	-	-	(205,137)
51,983	22,678	(39,348)	64,416
-	(11,028)	-	(48,404)
-	-	-	(9,540)
-	-	-	-
-	18,576	-	18,576
-	(20,434)	-	(20,434)
-	(7,594)	-	(7,594)
700	363	9,906	31,753
700	(20,117)	9,906	(35,643)
14	7	1,209	8,661
14	7	1,209	8,661
52,697	2,568	(28,233)	37,434
2,843	54,107	397,146	838,671
\$ 55,540	\$ 56,675	\$ 368,913	\$ 876,105
\$ 23,541	\$ -	\$ 230,354	\$ 589,031
31,999	56,675	-	148,515
-	-	138,559	138,559
\$ 55,540	\$ 56,675	\$ 368,913	\$ 876,105

HOUSING AUTHORITY OF THE CITY OF ASHLAND

Ashland, Wisconsin

COMBINING STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2021

	<u>Low Rent Public Housing</u>	<u>CFP</u>	<u>PH CARES Act Funding</u>
<b><i>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</i></b>			
Operating income (loss)	\$ (282,345)	\$ 88,764	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	203,996	3,204	-
Pension expense	(2,700)	-	-
OPEB expense	2,182	-	-
Changes in Operating Assets and Liabilities:			
Tenant receivables	3,840	-	-
Other receivables	-	-	(2,043)
Prepaid expenses	(5,216)	-	-
Inventories	(466)	-	-
Interprogram due from	(2,043)	-	-
Accounts payable	10,584	-	-
Accrued wages/payroll taxes	778	-	-
Accrued compensated absences	8,387	-	-
Accrued payable - other government	(3,177)	-	-
Accrued liabilities - other	783	-	-
Noncurrent liabilities - other	-	-	-
Inter program due to	-	-	2,043
Unearned revenues	273	-	-
Tenant security deposits	2,259	-	-
<b>Net Cash Flows From Operating Activities</b>	<u><u>\$ (62,865)</u></u>	<u><u>\$ 91,968</u></u>	<u><u>\$ -</u></u>

<u>Housing Choice Vouchers</u>	<u>N/C S/R Section 8</u>	<u>COCC</u>	<u>Total</u>
\$ 41,142	\$ (2,608)	\$ (11,206)	\$ (166,253)
-	25,395	480	233,075
265	-	490	(1,945)
(11)	-	892	3,063
-	-	-	3,840
(550)	-	-	(2,593)
5,233	(201)	2,589	2,405
-	-	1,127	661
-	-	-	(2,043)
78	(107)	208	10,763
332	-	2,251	3,361
(72)	-	3,078	11,393
-	436	-	(2,741)
-	-	-	783
-	-	(39,257)	(39,257)
-	-	-	2,043
5,566	-	-	5,839
-	(237)	-	2,022
<u>\$ 51,983</u>	<u>\$ 22,678</u>	<u>\$ (39,348)</u>	<u>\$ 64,416</u>



HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
COMBINING STATEMENT OF NET POSITION OF ASSET MANAGEMENT PROJECTS  
March 31, 2021

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 259,638	\$ -	\$ 75,498	\$ -	\$ 335,136
Tenant receivables	10,697	-	13	-	10,710
Prepaid expense	34,691	-	10,734	-	45,425
Inventory	4,011	-	1,293	-	5,304
Inter program due from	2,043	-	-	-	2,043
Restricted Assets:					
Cash and cash equivalents	48,176	-	11,665	-	59,841
Total Current Assets	359,256	-	99,203	-	458,459
<i>Noncurrent Assets</i>					
<i>Capital Assets:</i>					
Land	350,506	-	-	-	350,506
Buildings	8,807,864	36,214	1,630,306	-	10,474,384
Furniture, Equipment and Machinery:					
Dwellings	73,639	-	20,945	-	94,584
Administrative	179,966	3,949	64,181	-	248,096
Accumulated depreciation	(8,062,318)	(4,678)	(1,384,335)	-	(9,451,331)
Total Capital Assets	1,349,657	35,485	331,097	-	1,716,239
<i>Other Assets:</i>					
Net pension asset	35,877	-	5,947	-	41,824
Total Noncurrent Assets	1,385,534	35,485	337,044	-	1,758,063
Total Assets	1,744,790	35,485	436,247	-	2,216,522
<b>DEFERRED OUTFLOWS</b>					
Deferred outflows related to pension	90,898	-	15,237	-	106,135
Deferred outflows related to OPEB	13,609	-	888	-	14,497
Total Deferred Outflows	104,507	-	16,125	-	120,632
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts payable	10,584	-	-	-	10,584
Accrued wages/payroll taxes	6,884	-	1,566	-	8,450
Accrued compensated absences - current	19,457	-	3,950	-	23,407
Accrued payable - other government	27,856	-	9,293	-	37,149
Accrued liabilities - other	10,588	-	1,738	-	12,326
Current Liabilities Payable from Restricted Assets:					
Tenant security deposits	47,409	-	11,314	-	58,723
Unearned revenues	767	-	351	-	1,118
Total Current Liabilities	123,545	-	28,212	-	151,757
<i>Noncurrent Liabilities</i>					
Net OPEB liability	28,350	-	1,837	-	30,187
Accrued compensated absences	28,560	-	-	-	28,560
Total Noncurrent Liabilities	56,910	-	1,837	-	58,747
Total Liabilities	180,455	-	30,049	-	210,504
<b>DEFERRED INFLOWS</b>					
Deferred inflows related to pension	107,520	-	17,822	-	125,342
Deferred inflows related to OPEB	6,236	-	404	-	6,640
Total Deferred Inflows	113,756	-	18,226	-	131,982
<b>NET POSITION</b>					
Net investment in capital assets	1,349,657	35,485	331,097	-	1,716,239
Restricted	35,877	-	5,947	-	41,824
Unrestricted	169,552	-	67,053	-	236,605
TOTAL NET POSITION	\$ 1,555,086	\$ 35,485	\$ 404,097	\$ -	\$ 1,994,668

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION OF ASSET MANAGEMENT PROJECTS  
For The Year Ended March 31, 2021

	AMP 01		AMP 02		
	Low Rent	Capital	Low Rent	Capital	
	Public Housing	Fund	Public Housing	Fund	Total
<b>Operating Revenues</b>					
Dwelling rental	\$ 441,720	\$ -	\$ 123,143	\$ -	\$ 564,863
Tenant revenue - other	53,220	-	4,523	-	57,743
HUD operating grants	232,116	100,124	27,990	13,249	373,479
<b>Total Operating Revenues</b>	<u>727,056</u>	<u>100,124</u>	<u>155,656</u>	<u>13,249</u>	<u>996,085</u>
<b>Operating Expenses</b>					
Administration	259,383	21,405	65,594	-	346,382
Asset management fee	16,200	-	3,490	-	19,690
Tenant services	9,676	-	3,490	-	13,166
Utilities	165,062	-	29,709	-	194,771
Ordinary maintenance and operation	262,671	-	52,070	-	314,741
Protective services	595	-	224	-	819
General expense	75,337	-	17,560	-	92,897
Depreciation expense	152,228	3,204	51,768	-	207,200
<b>Total Operating Expenses</b>	<u>941,152</u>	<u>24,609</u>	<u>223,905</u>	<u>-</u>	<u>1,189,666</u>
<b>Operating Income (Loss)</b>	(214,096)	75,515	(68,249)	13,249	(193,581)
<b>Nonoperating Revenues (Expenses)</b>					
Interest on investments	5,580	-	1,851	-	7,431
Casualty losses - non-capitalized	(9,540)	-	-	-	(9,540)
Other revenues	17,788	-	2,996	-	20,784
<b>Total Nonoperating Revenues (Expenses)</b>	<u>13,828</u>	<u>-</u>	<u>4,847</u>	<u>-</u>	<u>18,675</u>
<b>Change in Net Position Before Transfers</b>	(200,268)	75,515	(63,402)	13,249	(174,906)
Equity transfer	129,180	(129,180)	-	-	-
Operating transfer	78,719	(78,719)	13,249	(13,249)	-
<b>Change in Net Position</b>	7,631	(132,384)	(50,153)	-	(174,906)
<b>Total Net Position - beginning</b>	<u>1,547,455</u>	<u>167,869</u>	<u>454,250</u>	<u>-</u>	<u>2,169,574</u>
<b>Total Net Position - ending</b>	<u>\$ 1,555,086</u>	<u>\$ 35,485</u>	<u>\$ 404,097</u>	<u>\$ -</u>	<u>\$ 1,994,668</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
COMBINING STATEMENT OF CASH FLOWS OF ASSET MANAGEMENT PROJECTS  
For The Year Ended March 31, 2021

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
<b><i>Cash Flows From Operating Activities</i></b>					
Cash received from tenants	\$ 500,997	\$ -	\$ 127,981	\$ -	\$ 628,978
Cash received from grants	232,116	100,124	27,990	13,249	373,479
Cash paid to employees	(198,873)	-	(47,407)	-	(246,280)
Cash paid to suppliers	(578,646)	(21,405)	(127,023)	-	(727,074)
Net Cash Flows From Operating Activities	(44,406)	78,719	(18,459)	13,249	29,103
<b><i>Cash Flows From Capital and Related Financing Activities</i></b>					
Purchase of capital assets	(32,966)	-	(4,410)	-	(37,376)
Casualty losses - non-capitalized	(9,540)	-	-	-	(9,540)
Cash transfer	78,719	(78,719)	13,249	(13,249)	-
Other receipts	17,788	-	2,996	-	20,784
Net Cash Flows From Capital and Related Financing Activities	54,001	(78,719)	11,835	(13,249)	(26,132)
<b><i>Cash Flows From Investing Activities</i></b>					
Interest received on investments	5,580	-	1,851	-	7,431
Net Cash Flows From Investing Activities	5,580	-	1,851	-	7,431
Net Change in Cash	15,175	-	(4,773)	-	10,402
Cash Balance - Beginning of year	292,639	-	91,936	-	384,575
CASH BALANCE - END OF YEAR	<u>\$ 307,814</u>	<u>\$ -</u>	<u>\$ 87,163</u>	<u>\$ -</u>	<u>\$ 394,977</u>
<b><i>Cash Balance is Comprised of</i></b>					
Cash and cash equivalents - unrestricted	\$ 259,638	\$ -	\$ 75,498	\$ -	\$ 335,136
Cash and cash equivalents - restricted	48,176	-	11,665	-	59,841
	<u>\$ 307,814</u>	<u>\$ -</u>	<u>\$ 87,163</u>	<u>\$ -</u>	<u>\$ 394,977</u>
<b><i>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</i></b>					
Operating income (loss)	\$ (214,096)	\$ 75,515	\$ (68,249)	\$ 13,249	\$ (193,581)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	152,228	3,204	51,768	-	207,200
Pension expense	(2,271)	-	(429)	-	(2,700)
OPEB expense	2,050	-	132	-	2,182
Changes in assets and liabilities					
Tenant receivables	3,853	-	(13)	-	3,840
Prepaid expenses	(3,346)	-	(1,870)	-	(5,216)
Inventories	(306)	-	(160)	-	(466)
Interprogram due from	(2,043)	-	-	-	(2,043)
Accounts payable	10,584	-	-	-	10,584
Accrued wages/payroll taxes	625	-	153	-	778
Accrued compensated absences	8,327	-	60	-	8,387
Accrued payable - other government	(2,919)	-	(258)	-	(3,177)
Accrued liabilities - other	704	-	79	-	783
Unearned revenues	161	-	112	-	273
Tenant security deposits	2,043	-	216	-	2,259
Net Cash Flows From Operating Activities	<u>\$ (44,406)</u>	<u>\$ 78,719</u>	<u>\$ (18,459)</u>	<u>\$ 13,249</u>	<u>\$ 29,103</u>

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2021

[illegible]

180	Total Non-Current Assets	\$1,758,063	\$0	\$227,842	\$0	\$0	\$0	\$1,887	\$0	\$20,880	\$2,008,672	\$2,008,672
200	Deferred Outflow of Resources	\$20,632						\$4,514		\$51,357	\$176,503	\$176,503
290	Total Assets and Deferred Outflow of Resources	\$2,337,154	\$2,043	\$285,561	\$0	\$0	\$0	\$58,905	\$5,566	\$443,489	\$3,132,718	\$3,130,675
311	Bank Overdraft											
312	Accounts Payable <= 90 Days	\$10,584		\$742				\$78		\$208	\$11,612	\$11,612
313	Accounts Payable >90 Days Past Due											
321	Accrued Wage/Payroll Taxes Payable	\$8,450						\$559		\$7,536	\$16,545	\$16,545
322	Accrued Compensated Absences - Current Portion	\$23,407						\$274		\$17,366	\$41,047	\$41,047
324	Accrued Contingency Liability											
325	Accrued Interest Payable											
331	Accounts Payable - HUD PHA Programs			\$170						\$170	\$170	\$170
332	Account Payable - PHA Projects											
333	Accounts Payable - Other Government	\$37,149		\$2,578								
341	Tenant Security Deposits	\$88,723		\$2,765						\$39,727	\$39,727	\$39,727
342	Unearned Revenue	\$1,118							\$5,566	\$61,488	\$61,488	\$61,488
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue									\$5,684	\$6,684	\$6,684
344	Current Portion of Long-term Debt - Operating Borrowings			\$9,220						\$9,220	\$9,220	\$9,220
345	Other Current Liabilities							\$2,277			\$2,277	\$2,277
346	Accrued Liabilities - Other	\$12,326		\$70						\$12,396	\$12,396	\$12,396
347	Inter Program - Due To		\$2,043							\$2,043	\$0	\$0
348	Loan Liability - Current											
310	Total Current Liabilities	\$151,757	\$2,043	\$15,545	\$0	\$0	\$0	\$3,188	\$5,566	\$25,110	\$203,209	\$201,166
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue											
352	Long-term Debt, Net of Current - Operating Borrowings			\$173,714							\$173,714	\$173,714
353	Non-current Liabilities - Other											
354	Accrued Compensated Absences - Non Current	\$28,560						\$46,000		\$138,559	\$184,559	\$184,559
355	Loan Liability - Non Current										\$28,560	\$28,560
356	FASB 5 Liabilities											
357	Accrued Pension and OPEB Liabilities	\$30,187						\$326		\$12,410	\$42,923	\$42,923
350	Total Non-Current Liabilities	\$58,747	\$0	\$173,714	\$0	\$0	\$0	\$46,326	\$0	\$150,969	\$429,756	\$429,756
300	Total Liabilities	\$210,504	\$2,043	\$189,259	\$0	\$0	\$0	\$49,514	\$5,566	\$176,079	\$632,965	\$630,922
400	Deferred Inflow of Resources	\$131,982						\$5,728		\$58,845	\$196,555	\$196,555
508.4	Net Investment in Capital Assets	\$1,716,239	\$0	\$44,908	\$0	\$0	\$0	\$0	\$0	\$2,159	\$1,763,303	\$1,763,303
511.4	Restricted Net Position	\$41,824	\$0	\$46,131	\$0	\$0	\$0	\$28,320	\$0	\$18,724	\$134,999	\$134,999
512.4	Unrestricted Net Position	\$-236,605	\$0	\$5,263	\$0	\$0	\$0	\$-24,657	\$0	\$187,685	\$404,896	\$404,896
513	Total Equity - Net Assets / Position	\$1,994,668	\$0	\$96,302	\$0	\$0	\$0	\$3,663	\$0	\$208,565	\$2,303,198	\$2,303,198
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,337,154	\$2,043	\$285,561	\$0	\$0	\$0	\$58,905	\$5,566	\$443,489	\$3,132,718	\$3,130,675

Ashland Housing Authority (WI131)  
ASHLAND, WI

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2021

	Project Total	14 PHC Public Housing CARES Act Funding	14 182 NHC SR Section 8 Programs	14 CCC Central Office Cost Center CARES Act Funding	10 415 Rural Rental Housing Loans	14 871 Housing Choice Vouchers	14 HCC-HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$564,863		\$42,591						\$607,854		\$607,854
70400 Tenant Revenue - Other	\$57,743		\$1,112						\$58,855		\$58,855
70500 Total Tenant Revenue	\$622,606	\$0	\$44,103	\$0	\$0	\$0	\$0	\$0	\$666,709	\$0	\$666,709
70600 HUD PHA Operating Grants	\$373,479	\$35,925			\$0	\$265,982	\$6,121		\$681,507		\$681,507
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								\$155,184	\$155,184	-\$155,184	\$0
70800 Other Government Grants											
71100 Investment Income - Unrestricted	\$7,431		\$18,576		\$35,465				\$54,041		\$54,041
71200 Mortgage Interest Income			\$7			\$14		\$1,210	\$8,662		\$8,662
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery											
71500 Other Revenue	\$20,784		\$363	\$2,240		\$700			\$700		\$700
71600 Gain or Loss on Sale of Capital Assets								\$7,666	\$31,053	-\$2,240	\$28,813
72000 Investment Income - Restricted											
70000 Total Revenue	\$1,024,300	\$35,925	\$63,049	\$2,240	\$35,465	\$266,696	\$6,121	\$0	\$1,598,855	-\$158,424	\$1,440,432
91100 Administrative Salaries	\$117,041		\$2,980			\$6,308		\$98,085	\$224,414		\$224,414
91200 Auditing Fees	\$6,100		\$1,375			\$1,375		\$550	\$9,400		\$9,400
91300 Management Fee	\$121,726	\$2,240							\$123,966	\$123,966	\$0
91310 Book-keeping Fee	\$14,768								\$14,768	-\$14,768	\$0
91400 Advertising and Marketing			\$212						\$212		\$212
91500 Employee Benefit Contributions - Administrative	\$57,434		\$729			\$2,113		\$27,825	\$88,101		\$88,101
91600 Office Expenses	\$17,582		\$355			\$3,896		\$9,131	\$30,904		\$30,904
91700 Legal Expense	\$2,132								\$2,132		\$2,132
91800 Travel											
91810 Allocated Overhead											
91900 Other	\$9,599		\$8,424			\$5,926		\$20,228	\$44,175		\$44,175
91000 Total Operating - Administrative	\$346,382	\$2,240	\$14,075	\$0	\$0	\$19,558	\$0	\$155,817	\$538,072	-\$138,734	\$399,338
92000 Asset Management Fee	\$19,690	\$21,573							\$19,690	-\$19,690	\$0
92100 Tenant Services - Salaries				\$1,521			\$4,065		\$7,159		\$7,159
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services							\$610		\$3,685		\$3,685
92400 Tenant Services - Other	\$13,166	\$2,835	\$2,265	\$240			\$1,446		\$26,633		\$26,633
92500 Total Tenant Services	\$13,166	\$33,695	\$2,265	\$2,240	\$0	\$0	\$6,121	\$0	\$57,477	\$0	\$57,477
93100 Water	\$102,357		\$4,864					\$2,096	\$109,317		\$109,317





9000	Total Expenses	\$1,199,206	\$35,925	\$102,603	\$2,240	\$0	\$224,840	\$6,121	\$165,150	\$1,736,085	-\$158,424	\$1,577,661
1000	Operating Transfer In											
10020	Operating transfer Out	\$91,968		\$35,465						\$127,433	-\$127,433	\$0
10030	Operating Transfers from/to Primary Government	-\$91,968				-\$35,465				-\$127,433	\$127,433	\$0
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)	\$0	\$0	\$35,465	\$0	-\$35,465	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$174,906	\$0	-\$4,089	\$0	\$0	\$41,855	\$0	-\$90	-\$137,229	\$0	-\$137,229
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$2,169,574	\$0	\$100,391	\$0	\$0	-\$38,193	\$0	\$208,655	\$2,440,427		\$2,440,427
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors			\$0						\$0		\$0
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 - Dwelling Rents											
11100	Changes in Allowance for Doubtful Accounts - Other											
11170	Administrative Fee Equity						-\$22,268			-\$22,268		-\$22,268
11180	Housing Assistance Payments Equity						\$26,433			\$26,433		\$26,433
11190	Unit Months Available	2004	0	132	0	0	744	0	0	2880		2880
11210	Number of Unit Months Leased	1969	0	132	0	0	596	0	0	2697		2697
11270	Excess Cash	\$181,609								\$181,609		\$181,609
11610	Land Purchases	\$0							\$0	\$0		\$0
11620	Building Purchases	\$22,972							\$0	\$22,972		\$22,972
11630	Furniture & Equipment - Dwelling Purchases	\$6,619							\$0	\$6,619		\$6,619
11640	Furniture & Equipment - Administrative Purchases	\$7,785							\$0	\$7,785		\$7,785
11650	Leasehold Improvements Purchases	\$0							\$0	\$0		\$0
11660	Infrastructure Purchases	\$0							\$0	\$0		\$0
13510	CFPP Debt Service Payments	\$0							\$0	\$0		\$0
3901	Replacement Housing Factor Funds	\$0							\$0	\$0		\$0



HOUSING AUTHORITY OF THE CITY OF ASHLAND  
Ashland, Wisconsin  
PHA'S STATEMENT AND CERTIFICATION OF ACTUAL  
MODERNIZATION COSTS  
Year Ended March 31, 2021

1. The Actual Modernization costs are as follows:

	Project WI39-P131-501-18
Funds Approved	\$ 296,457
Funds Expended	<u>296,457</u>
EXCESS OF FUNDS APPROVED	<u>\$ -</u>
Funds Advanced	\$ 296,457
Funds Expended	<u>296,457</u>
EXCESS OF FUNDS ADVANCED	<u>\$ -</u>

2. The distribution of costs by project as shown on the Actual Modernization Cost Certificate dated July 22, 2021, accompanying the Actual Modernization Grant Cost Certificates submitted to HUD for approval is in agreement with PHA's records.
3. All modernization grant costs have been paid and all related liabilities have discharged through payment.



Collins & Associates, S.C.

*Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners  
Housing Authority of the City of Ashland  
*Ashland, Wisconsin*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of Ashland, ("Authority"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2022

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatements, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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### 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 of the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Collins & Associates, S.C.*

Collins & Associates, S.C.

La Crosse, Wisconsin

January 28, 2022