Miami Valley Housing Opportunities, Inc. and Affiliates

Consolidated Financial Statements and Supplementary Information

June 30, 2020 and 2019

with Independent Auditors' Report

CLARK SCHAEFER HACKETT
CPAs & ADVISORS

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CLARK SCHAEFER HACKETT
CPAS & ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433 | cshco.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Miami Valley Housing Opportunities, Inc. and Affiliates
Dayton, Ohio

Report on the Financial Statements

We have audited the accompanying Consolidated financial statements of Miami Valley Housing Opportunities, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Miami Valley Housing Opportunities, Inc. and Affiliates as of June 30, 2020 and 2019, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 November 20, 2020, on our consideration of Miami Valley Housing Opportunities, Inc. and Affiliates' internal control over financial reporting and on 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 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 Miami Valley Housing Opportunities, Inc. and Affiliates' internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
November 20, 2020

Miami Valley Housing Opportunities, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2020 and 2019

Assets		2020	Restated 2019
Current assets:			
Cash	$	1,638,137	1,012,181
Investments held by Foundation		200,617	196,403
Grants and accounts receivable		611,820	474,149
Tenant receivable		44,605	37,069
Prepaid expenses		28,014	46,752
Total current assets		2,523,193	1,766,554
Property and equipment:			
Land, buildings, and equipment, net		9,110,798	10,480,882
Long-term assets:			
Restricted reserves		616,949	595,674
Notes receivable		3,310,000	3,310,000
Investment in subsidiary		2,077,049	2,077,352
Total long-term assets		6,003,998	5,983,026
Total assets	$	17,637,989	18,230,462
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	$	5,159	7,053
Accrued payroll and related taxes		63,289	47,565
Mortgages payable, current		65,377	62,668
Security deposits		104,060	104,653
Residual receipts available for recapture		11,700	11,700
Refundable advance		98,967	-
Deferred revenue		322,698	186,429
Total current liabilities		671,250	420,068
Long-term liabilities:			
Capital contribution payable		20,378	20,378
Loans payable, long-term		3,761,720	3,897,561
Mortgages payable, long-term		835,027	905,702
Total long-term liabilities		4,617,125	4,823,641
Total liabilities		5,288,375	5,243,709
Net assets:			
Without donor restrictions		9,637,113	10,147,058
With donor restrictions		2,712,501	2,839,695
Total net assets		12,349,614	12,986,753
Total liabilities and net assets	$	17,637,989	18,230,462

See accompanying notes to the financial statements.

		2020	Restated 2019
Changes in net assets without donor restrictions:			
Revenues and gains:			
Tenant rents	$	2,135,221	2,092,477
Grants - ADAMHS Board for Montgomery County		749,592	686,261
Grants - Shelter Plus Care		2,505,951	2,435,767
Contributions and grants		1,954,876	1,974,117
Grants - FHLB		-	1,000,000
Donations		20	-
Administration fee		343,363	347,218
Management fee		102,870	209,198
Investment income, net		3,566	4,904
In-kind revenue - debt forgiveness		135,841	152,508
Unrealized gain on investment		1,384	5,381
Tenant fees and reimbursements		94,511	88,373
Other		262,144	416,866
Loss on assignment of leasehold improvments		(880,543)	-
Total unrestricted revenues and gains		7,408,796	9,413,070
Net assets released from restrictions:			
Satisfaction of grant restrictions		127,194	127,194
Total unrestricted revenues and gains		7,535,990	9,540,264
Expenses:			
Management and general		1,895,682	1,680,798
Program Services:			
McKinney		155,738	170,673
SRO Project		142,655	169,834
PATH		190,323	206,261
Shelter Plus Care program		2,635,906	2,588,155
HOME program		350,604	378,716
CABHI		1,065	-
SLATE		51,489	93,879
Rental properties		2,375,918	2,634,408
Affiliates		246,555	256,275
Total expenses		8,045,935	8,178,999
Changes in net assets without donor restrictions		(509,945)	1,361,265
Changes in net assets with donor restrictions			
Net assets released from restrictions		(127,194)	(127,194)
Changes in net assets with donor restrictions		(127,194)	(127,194)
Changes in net assets		(637,139)	1,234,071
Net assets, beginning of year		12,986,753	11,752,682
Net assets, end of year	$	12,349,614	12,986,753

See accompanying notes to the financial statements.

	Program Services	Management and General	Total Expenses
Payroll and related expenses:			
Salaries	$ 811,350	924,627	1,735,977
Payroll taxes and benefits	155,043	228,285	383,328
	966,393	1,152,912	2,119,305
Operating expenses:			
Administrative fees	282,934	36,865	319,799
Bad debt expense	379	3,415	3,794
Bank charges	72	8,929	9,001
Client care supplies	63,171	-	63,171
Contract services	88,324	-	88,324
Dues and subscriptions	56	6,344	6,400
Housing	80,356	-	80,356
Insurance and bonding	225,946	15,768	241,714
Interest	40,601	666	41,267
Maintenance - Vendor labor	277,821	2,607	280,428
Maintenance supplies	105,784	3,014	108,798
Management fee	500	-	500
Mileage	16,195	11,435	27,630
Miscellaneous	4,863	18,945	23,808
Office rent	11,654	81,565	93,219
Office supplies	10,191	34,309	44,500
Postage and freight	-	10,532	10,532
Professional fees	29,755	62,001	91,756
Real estate taxes	19,971	-	19,971
Recruitment	251	244	495
Repair - Vendor labor	46,220	-	46,220
Repair supplies	17,091	47,168	64,259
Security	69,963	43	70,006
Small equipment	19,763	1,137	20,900
Telephone	14,080	28,963	43,043
Tenant assistance	2,735,673	417,141	3,152,814
Training and seminars	1,770	13,350	15,120
Utilities	514,101	-	514,101
Utilities assistance	15,923	8,112	24,035
Depreciation	492,088	7,964	500,052
	5,185,496	820,517	6,006,013
	6,151,889	1,973,429	8,125,318
Eliminations	(1,636)	(77,747)	(79,383)
Allocation of management and general expenses	1,493,743	(1,493,743)	-
Total expenses	$ 7,643,996	401,939	8,045,935

		Program Services	Management and General	Total Expenses
Payroll and related expenses:				
Salaries	$	793,907	863,670	1,657,577
Payroll taxes and benefits		171,942	209,800	381,742
		965,849	1,073,470	2,039,319
Operating expenses:				
Administrative fees		317,716	19,500	337,216
Bad debt expense		2,191	-	2,191
Bank charges		142	10,179	10,321
Client care supplies		62,417	-	62,417
Contract services		157,678	58,829	216,507
Dues and subscriptions		216	666	882
Housing		101,237	-	101,237
Insurance and bonding		218,494	19,822	238,316
Interest		38,356	211	38,567
Maintenance - Vendor labor		313,901	7,998	321,899
Maintenance supplies		147,828	658	148,486
Mileage		19,748	15,091	34,839
Miscellaneous		(581)	12,549	11,968
Office rent		2,533	75,469	78,002
Office supplies		14,372	25,327	39,699
Postage and freight		-	11,309	11,309
Professional fees		18,616	61,036	79,652
Real estate taxes		25,804	-	25,804
Recruitment		456	57	513
Repair - Vendor labor		53,084	84	53,168
Repair supplies		5,490	59,680	65,170
Security		52,847	-	52,847
Small equipment		5,594	-	5,594
Telephone		15,721	23,096	38,817
Tenant assistance		2,842,960	267,294	3,110,254
TRA landlord damages		17,276	-	17,276
Training and seminars		765	1,806	2,571
Travel		-	101	101
Utilities		607,667	1,581	609,248
Utilities assistance		23,731	5,867	29,598
Depreciation		466,796	4,587	471,383
		5,533,055	682,797	6,215,852
		6,498,904	1,756,267	8,255,171
Eliminations		(703)	(75,469)	(76,172)
Allocation of management and general expenses		1,407,639	(1,407,639)	-
Total expenses	$	7,905,840	273,159	8,178,999

See accompanying notes to the financial statements.

		2020	Restated 2019
Cash flows from operating activities:			
Change in net assets	$	(637,139)	1,234,071
Adjustments to reconcile change in net assets to net cash from operating activities:			
Depreciation		500,052	471,383
Bad debt expense		3,794	2,191
Unrealized gain on investment		(1,384)	(5,381)
Loss on assignment of leasehold improvements		880,543	-
In-kind - loan forgiveness		(135,841)	(152,508)
Net investments in subsidiary		303	(999,963)
Effects of changes in operating assets and liabilities:			
Grants and accounts receivable		(141,465)	57,806
Tenant receivable		(7,536)	(9,186)
Prepaid expenses		18,738	21,298
Accounts payable		(1,894)	(22,137)
Accrued payroll and related taxes		15,724	(906)
Security deposits		(593)	10,373
Residual receipts available for recapture		-	3,038
Refundable advances		98,967	-
Deferred revenue		136,269	(229,694)
Net cash from operating activities		728,538	380,385
Cash flows from investing activities:			
Capital expenditures		(10,511)	(42,994)
Investment income reinvested		(2,830)	(2,030)
Net cash from investing activities		(13,341)	(45,024)
Cash flows from financing activities:			
Mortgage and loan payable principal payments		(67,966)	(71,467)
Net cash from financing activities		(67,966)	(71,467)
Net change in cash and restricted operating reserves		647,231	263,894
Cash and restricted reserves, beginning of year		1,607,855	1,343,961
Cash and restricted reserves, end of year	$	2,255,086	1,607,855
Reconciliation of Cash and Restricted Reserves within the Balance Sheets			
Cash		1,638,137	1,012,181
Restricted reserves		616,949	595,674
Cash and Restricted Reserves Shown in the Statements of Cash Flows	$	2,255,086	1,607,855
Supplemental disclosure:			
Interest paid	$	41,267	38,567

See accompanying notes to the financial statements.

1. SUMMARY OF OPERATIONS:

Miami Valley Housing Opportunities, Inc. (MVHO) serves the housing needs of the most vulnerable citizens of Montgomery County, Ohio. MVHO owns or manages more than 500 rent-subsidized, service-supported housing units and manages federal rent subsidizes that houses more than 450 formerly-homeless persons in apartments owned by private landlords.

2. SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of the Miami Valley Housing Opportunities, Inc. and Affiliates (the Organization) are set forth to facilitate the understanding of data presented in the financial statements:

Principles of consolidation

The Organization's consolidated financial statements include the accounts of wholly-owned subsidiaries and the accounts of entities for which the Organization is considered to exercise significant control. All significant intercompany transactions and balances have been eliminated in consolidation.

The consolidated financial statements include the accounts of the following subsidiaries:

Tax Credit Corporations	Ownership %
Ohio Avenue Commons, Inc.	100
River-Homestart, Inc.	51
The Key Terrace, Manager LLC.	79
General Franklin Associates, Inc.	100

The consolidated financial statements also include the accounts of the following affiliated entities for which the Organization is considered to exercise significant control:

Entity
Miami Valley Housing Association I, Inc. (MVHA I)
The Opportunity Center (TOC)

MVHA I operates a housing project for the mentally and physically handicapped located in Dayton, Ohio. The apartment communities are HUD funded projects for low-income residents. The project has a total of 8 housing units.

The Opportunity Center owns and maintains the building and related assets that houses the Organization's operations. Space not occupied by the Organization is rented to various other tenants.

Adoption of new accounting standards

In November 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows – Restricted Cash*, which requires that the statement of cash flows reconcile the change during the period in total cash, cash equivalents and restricted cash. The Organization adopted this guidance on July 1, 2019 and prior periods were retrospectively adjusted. The adoption of this standard did not have an impact on the Organization's results of operations or statements of financial position.

Adoption of new accounting standards (continued)

The Organization adopted ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The standard will assist entities in determining whether transactions should be recorded as a contribution (nonreciprocal) transaction or as an exchange (reciprocal) transaction. The standard also provides expanded guidance on determining whether or not a contribution is conditional. The Organization has applied this standard on a modified prospective basis for the period beginning July 1, 2019. There was no material impact to the financial statements presented upon adoption of this standard.

The Organization also adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* effective fiscal year beginning July 1, 2019 using a full retrospective approach. The standard requires an entity to recognize revenue when the entity transfers control of promised goods and services to the customer. Revenue is recognized in an amount that reflects the consideration an entity expects to receive in exchange for those goods and services. An entity is also required to disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization assessed the impact of the new standard on various programs and concluded that accounting for these programs under the new standard is substantially consistent with the historical accounting practices. ASC 606 did not materially impact the financial position, results of operations, or cash flows of the Organization and there was no cumulative effect of a change in accounting principle recorded related to this adoption.

Financial statement presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

In accordance with the Not-for-Profit Entities Topic 958 of the FASB the Project is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. Net assets are reported as follows:

Net assets without donor restrictions represent funds available for grants and expenses which are not otherwise limited by donor restrictions.

Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time.

Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

Cash and cash equivalents

The Organization considers petty cash, demand checking accounts, money market accounts, and investments with a maturity of three months or less to be cash and cash equivalents for statements of cash flow purposes.

Restricted cash

The Organization is required to make periodic deposits to several reserve funds established to meet future commitments. These funds are restricted, and the Organization must receive prior approval for disbursements, with the exception of tenant security deposits.

Grants and accounts receivable

Grants and accounts receivable consist primarily of amounts billed under performance and cost contracts and tenant receivables. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. The Organization considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

Notes receivable

MVHO received funds to provide housing to low-income households. The funds were loaned to Key Terrace, LLC for the development of housing projects. The loans were recorded at the amount of unpaid principal with a corresponding increase in loans payable. Any loans subsequently repaid will reduce the loan receivable. The Organization has recorded an allowance for uncollectible interest related to the notes receivable equal the interest receivable of $74,580 and $44,063, respectively at June 30, 2020 and 2019. Bad debt expense totaling $30,517 and $32,237 for the years ended June 30, 2020 and 2019 was netted with the interest income.

Management has the intent and ability to hold all loans for the foreseeable future or until maturity or pay-off. Management has reported the loans at their outstanding unpaid principal balance and has not adjusted for any potential loan losses. Interest is calculated using the annual interest rate multiplied by the unpaid principal amount and accrued. Management does not charge loan origination fees on notes receivable, and thus, there is no accounting policy related to loan origination fees. The allowance for interest receivable is a valuation allowance for probable losses based on evaluation of the overall financial position of the housing partnership.

MVHO does not have a policy to address when loans will be placed on non-accrual status and has not historically placed loans on non-accrual status. At such time when a loan is determined to be past due, the interest-bearing loans would be placed on non-accrual status. The determination of past due loans for purposes of placing on non-accrual status is made on a case-by-case basis. Interest accrued but not collected for loans that are placed on non-accrual status is reversed against interest income when necessary. The interest on any non-accrual loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans would be returned to accrual status when all the principal and interest amounts contractually due are brought to current and future payments are reasonably assured.

Property and equipment

Land, buildings, improvements and equipment are recorded at cost when purchased, and at fair market value when donated. Acquisitions of property and equipment over $500 and expenditures, which substantially increase useful lives, are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets.

Investments held by Foundation
The financial statements of the Organization have been prepared in accordance with Accounting for Certain Investments Held by Not-for-Profit Organizations, whereby, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Marketable securities are exposed to various risks such as interest rate, market and credit risks. Accordingly, it is at least reasonably possible that changes in the values of marketable securities will occur in the near term, which could be material.

Deferred revenue
Revenues for certain grants are received in advance of expenditures. Revenues are recognized as expenditures are incurred.

Refundable advance
Funds received under the Paycheck Protection Program (PPP) that had not met the conditions for revenue recognition.

Income taxes and uncertain tax positions
MVHO and Miami Valley Housing Association I, Inc. are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Opportunity Center is a wholly owned subsidiary of MVHO and is subject to income taxes. There is no tax liability for these corporations. The wholly owned or majority-owned tax credit corporations or LLCs that are subject to income taxes. The activity of the corporations and LLCs are reported separately for tax purposes.

Income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. The Organization’s reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the financial statements as the Organization has determined it does not have unrelated business income subject to taxation.

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

Functional expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Salaries, payroll taxes and benefits are allocated based on time and effort. All other expenses are allocated on a full-time equivalent basis.

Investment in subsidiary

The Organization accounts for its investment in entities, for which it does not exercise significant control, under the equity method of accounting where the investment is initially recorded at cost, and the Organization's share of earnings is reflected in income as earned and distributions are credited against the investment when received.

During 2019, MVHO received grants from the Federal Home Loan Bank of Cincinnati under the Affordable Housing Program in the consolidated amount of $1,000,000. The funding was contributed to Key Terrace, LLC to pay for construction costs. The capital contribution to Key Terrace, LLC was recorded as investment in subsidiary on the consolidated statements of financial position at June 30, 2019.

Revenue recognition

Grants and contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grant Awards That Are Contributions

Grants that qualify as conditional contributions are recognized when the barrier for incurring eligible costs is overcome. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as a deferred revenue

Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 606. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Revenue recognition (continued)
Management, administrative, incentive management, and developer fee revenue is recognized as the Organization satisfies performance obligations under its contracts with a rental property or grantor and are typically recognized over time. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total charges. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and the Organization does not believe it is required to provide additional goods or services. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for management services. The Organization determines the transaction price based on approved rates from the regulatory agency or grantor.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided and the time the payer pays for that service will be one year or less. Additionally, the Organization elected to not disclose the aggregate of the transaction price allocated to unsatisfied performance obligations.

The following is a summary of the payment arrangements for the revenue categories:

Management and administrative fees: these fees are typically recognized on a monthly basis as services related to the grant or management of the rental property are performed.

Developer and incentive management fees: fees earned based on an approved rate as cash flow of the rental property exists. Collection is contingent upon the availability of future cash flows of the rental property and thus there is uncertainty in the timing of the revenue.

3. NOTES RECEIVABLE

MVHO has developed several housing projects. To facilitate fund-raising for these projects, for-profit corporations and limited partnerships were formed. The following summarizes the notes receivable from the limited partnerships which was used for construction and development:

Partnership	Source of Funds	Due Date	2020	2019	Interest Rate
The Key Terrace, LLC	OHFA	8/1/2046	$ 2,810,000	2,810,000	0.75%
The Key Terrace, LLC	OhioMHAS	12/1/2046	500,000	500,000	1.00%
Subtotal notes receivable			3,310,000	3,310,000	
Accrued interest receivable			74,580	44,063	
Allowance for uncollectible interest receivable			(74,580)	(44,063)	
Subtotals interest receivable, net			-	-	
Notes and interest receivable, net			$ 3,310,000	3,310,000	

4. LAND, BUILDINGS AND EQUIPMENT:

A summary of the Organization's land, building and equipment follows:

		2020			
		MVHO	TOC	MVHA I	Total
Land	$	1,017,800	9,580	32,500	1,059,880
Buildings and improvements		12,751,877	390,682	449,812	13,592,371
Furniture and equipment		409,783	20,000	7,282	437,065
Vehicles		93,798	-	-	93,798
		14,273,258	420,262	489,594	15,183,114
Less accumulated depreciation		(5,598,064)	(95,866)	(378,386)	(6,072,316)
Land, buildings and equipment, net	$	8,675,194	324,396	111,208	9,110,798

		2019			
		MVHO	TOC	MVHA I	Total
Land	$	1,017,800	9,580	32,500	1,059,880
Buildings and improvements		14,360,268	390,682	449,812	15,200,762
Furniture and equipment		439,623	20,000	7,282	466,905
Vehicles		93,798	-	-	93,798
		15,911,489	420,262	489,594	16,821,345
Less accumulated depreciation		(5,895,602)	(85,367)	(359,494)	(6,340,463)
Land, buildings and equipment, net	$	10,015,887	334,895	130,100	10,480,882

5. ENDOWMENT FUND AGREEMENT:

During fiscal year 2007, the Organization entered into an agreement with The Dayton Foundation, Inc. (the Foundation) to establish The Miami Valley Housing Opportunities Endowment Fund, for the purpose of providing annual unrestricted operating revenue for the Organization. The Organization invested $120,000 during fiscal year 2007 in this fund.

Interpretation of relevant law

The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which took effect in Ohio in June 2009, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund or until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the fund, (2) the purposes of the Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

5. ENDOWMENT FUND AGREEMENT (CONTINUED):

The endowment net assets composition by type of fund as of June 30, 2020 and 2019 was as follows:

		Without Donor Restrictions	With Donor Restrictions	Total
Board designated - 2020	$	200,617	-	200,617
Board designated - 2019	$	196,403	-	196,403

		Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 01, 2018	$	188,992	-	188,992
Investment income:				
Interest income, net		2,030	-	2,030
Net appreciation		5,381	-	5,381
Total investment income		7,411	-	7,411
Endowment net assets, June 30, 2019	$	196,403	-	196,403
Investment income:				
Interest income, net		2,830	-	2,830
Net appreciation		1,384	-	1,384
Total investment income		4,214	-	4,214
Endowment net assets, June 30, 2020	$	200,617	-	200,617

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires to be retained permanently. Such deficiencies result from unfavorable market fluctuations and continued appropriation for certain programs that were deemed prudent by the Board of Trustees. Deficiencies of this nature are reported as part of unrestricted net assets.

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to accumulate a pool of assets sufficient to build capital for future use while providing a predictable level of funding to meet current needs. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified periods(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in manner that is intended to produce results that exceed the Consumer Price Index at + 4% annually, while assuming a moderate level of investment risk.

Strategies employed for achieving objectives
To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation within both equity and fixed income securities, so as to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class or investment category.

Spending policy and how the investment objectives relate to spending policy
The Organization has a policy of appropriating for distribution each year no more than 4 percent of its endowment fund fair value over a 12-quarter moving average at March 31 of the prior fiscal year. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at a rate that exceeds annual distributions. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

6. FAIR VALUE MEASUREMENTS:

For accounting purposes, fair value is defined as an exit price, representing an amount that would be received to sell an asset or the amount paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, fair value is a market-based measurement based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, inputs are prioritized to measure fair value in the following three-tier fair value hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than quoted prices included in Level 1, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Unobservable inputs for which there is little or no market value. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use unobservable inputs.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

		Fair Value Measurements at Reporting Date Using		
Description		(Level 1)	(Level 2)	(Level 3)
Assets: Endowment fund				
June 30, 2020	$ 200,617	-	200,617	-
June 30, 2019	$ 196,403	-	196,403	-

6. FAIR VALUE MEASUREMENTS (CONTINUED):

Interest in asset held by community foundation are valued at the Organization's share of the investment pool as of the measurement date. The investment pool is based on quoted net asset values of underlying investments held by the investment pool adjusted by an asset charge. There were no changes in the valuation techniques during the current year.

7. INVESTMENT IN SUBSIDIARY:

MVHO has a 100% ownership in Ohio Avenue Commons, Inc., a 51% ownership in River-Homestart, Inc., and a 79% ownership in The Key Terrace Manager, LLC., which are the managing members of the affordable housing tax credit projects Ohio Avenue Commons, LLC, River Commons II, LLC, and The Key Terrace, LLC, respectively. The investments are recorded under the equity method of accounting. The investments are initially recorded at cost and are adjusted upward or downward for its proportionate share of the LLC's earnings or losses. The Organization has adjusted its carrying value downward to $181,594 and $181,604 at June 30, 2020 and 2019, respectively, for its proportionate share of the losses from Ohio Avenue Commons, LLC. The Organization also adjusted its carrying value to $895,774 and $895,961 at June 30, 2020 and 2019, respectively, for its proportionate share of the losses from River Commons II, LLC. The Organization has adjusted its carrying value downward to $999,681 and $999,787 at June 30, 2020 and 2019, respectively, for its proportionate share of the losses from The Key Terrace, LLC. The proportionate share of losses for the reporting period ended December 31, 2019 were $10, $187, and $106 for Ohio Avenue Commons, LLC, River Commons II, LLC, and The Key Terrace Manager, LLC, respectively.

On May 22, 2020, the Organization assigned leasehold improvements to General Franklin Associates, LLC (General Franklin), an affordable housing tax credit project. General Franklin Associates, Inc., which is owned 100% by MVHO, is the managing member of General Franklin. The assignment of the leasehold improvements resulted in a loss of $880,543 which is equal to the net book value of the improvements prior to the assignment.

The following summarizes the investment in subsidiaries in the consolidated statements of financial position and activities for the reporting period ended December 31, 2019 and 2018 are as follows:

		2019	2018
Total assets	$	16,481,556	17,049,667
Liabilities and members' equity:			
Total liabilities	$	7,086,241	7,434,239
Total members' equity		9,395,315	9,615,428
Total liabilities and members' equity	$	16,481,556	17,049,667
Total revenues	$	1,373,805	1,775,132
Total expenses		1,768,649	1,786,716
Net loss	$	(394,844)	(11,584)
Organization's share of net income (loss)	$	(303)	75

8. MORTGAGES AND LOANS PAYABLE:

Mortgages payable as of June 30, 2020 and 2019 are as follows:

	2020	2019
5.75% mortgage payable to Key Bank, payable in monthly installments of $1,677, including interest, secured by property with a cost of $679,000 through March 21, 2031. (MVHO)	$ 160,157	170,511
5.75% mortgage payable to Key Bank, in monthly installments of $1,111, including interest, secured by property with a cost of $425,000 through March 21, 2031. (MVHO)	106,831	113,688
2.5% permanent loan payable to Key Bank, in 239 installments of $2,990, including interest followed by a single payment of all outstanding principal and interest due on September 1, 2028. Note is secured by investment in real estate. (MVHO)	278,964	302,326
2.0% permanent loan payable to County Corp, in 240 monthly installments of $506, including interest, commencing on the first day of the month following conversion from a construction loan. The loan converted on March 1, 2009 and matures on March 1, 2029. Note is secured by a mortgage held by Key Bank. (MVHO)	46,370	51,478
1.5% permanent loan payable to County Corp, payable in 119 monthly installments of $965, including interest followed by a single payment of all outstanding principal and interest due on February 1, 2025. (MVHO)	153,909	163,121
5.7% mortgage payable to Key Bank, payable in monthly installments of $1,408, including interest, secured by property with a cost of $382,692 through June 24, 2023. (TOC)	146,256	154,746
4.75% mortgage payable to Key Bank, payable in 60 equal monthly installments plus interest on the outstanding loan balance. Note matures on December 3, 2021. (TOC)	7,917	12,500
Total	900,404	968,370
Less: current portion	65,377	62,668
	$ 835,027	905,702

8. MORTGAGES AND LOANS PAYABLE (CONTINUED):

The aggregate maturities of mortgages payable are as follows:

2021	$	65,377
2022		66,146
2023		184,349
2024		58,900
2025		167,297
Thereafter		358,335
	$	900,404

The Organization entered into a loan agreement with the City of Kettering for $110,000 on June 12, 2014 for the rehabilitation of the Wilmington Pike project. In accordance with the agreement, the loan will be forgiven after 10 years, provided the Project is maintained as safe, decent, affordable and sanitary. As of June 30, 2020 and 2019, the outstanding portion of the note was $110,000.

The Organization entered into a loan agreement with the Ohio Housing Finance Agency for $393,000 on December 18, 2013 for the rehabilitation of the Briarwood project. In accordance with the agreement, the loan will be forgiven on a prorated basis over 30 years, provided the housing is maintained as safe, decent, affordable and sanitary. As of June 30, 2020 and 2019, the outstanding portion of the note was $330,775 and $343,875, respectively. Debt forgiveness revenue of $13,100 was recognized during the years ended June 30, 2020 and 2019.

The Organization entered into a loan agreement with the Ohio Housing Finance Agency for $375,000 on April 1, 2015 for the rehabilitation of the Northwest projects. In accordance with the agreement, the loan will be forgiven on a prorated basis over 30 years, provided the housing is maintained as safe, decent, affordable and sanitary. As of June 30, 2020 and 2019, the outstanding portion of the note was $333,334 and $345,834. Debt forgiveness revenue of $12,500 was recognized during the years ended June 30, 2020 and 2019.

The Organization entered into a loan agreement with the Ohio Housing Finance Agency for $2,810,000 on August 31, 2016 for the construction of Key Terrace, LLC. In accordance with the agreement, the loan will be forgiven on a prorated basis over 30 years, provided the housing is maintained as safe, decent, affordable and sanitary. As of June 30, 2020 and 2019, the outstanding portion of the note was $2,529,281 and $2,622,854, respectively. Debt forgiveness revenue of $93,573 was recognized during the years ended June 30, 2020 and 2019.

The Organization entered into a loan agreement with the Ohio Department of Mental Health for $500,000 on January 1, 2017 for the construction of Key Terrace, LLC. In accordance with the agreement, the loan will be forgiven on a prorated basis over 30 years, provided the housing is maintained as safe, decent, affordable and sanitary. As of June 30, 2020 and 2019, the outstanding portion of the note was $458,330 and $474,998, respectively. Debt forgiveness revenue of $16,668 was recognized during the years ended June 30, 2020 and 2019.

9. CAPITAL ADVANCE

HUD provided funding for the construction of MVHA I, an 8-unit apartment project, under a Section 811 Capital Advance Program, in the amount of $425,300 on June 16, 1995. The terms of the Capital Advance Program require that the housing remain available for a period of not less than 40 years for very low-income persons with disabilities. The final maturity of the HUD Section 811 operating restrictions is May 1, 2036 and is secured by an “open-end” mortgage on the rental property payable to HUD in the amount of $425,300. The mortgage is non-interest bearing and repayment of the principal balance is not required as long as the housing remains available to very low-income persons with disabilities. MVHA I must comply with the terms of the Capital Advance Program or it may be required to repay the entire capital advance. MVHA I expects the housing will always be available for low-income persons with disabilities.

10. REFUNDABLE ADVANCE:

As part of the Organization’s response to the Coronavirus Disease (COVID-19) pandemic (see note 14), it received a loan through the Small Business Administration's (SBA) Paycheck Protection Program (PPP) of $368,840. The SBA may forgive all or part of the loan if the Organization satisfies and complies with the terms and conditions for loan forgiveness under the Coronavirus Aide, Relief, and Economic Security Act and the rules of the PPP. Any expenditures that do not meet the terms and conditions for loan forgiveness will convert to a loan at interest of 1% with principal and interest payments due monthly, starting November 1, 2020, for a period of eighteen months at which time the loan is due in full. As the Organization intends to apply for forgiveness, the loan is considered a conditional grant in accordance with ASU 2018-08 (Note 2), which also encompasses cancellation of liabilities. As of June 30, 2020, the Organization incurred qualifying expenses of $269,873 of PPP funding and has met the conditions of the funding and therefore recognized it as grant revenue in the statements of activities and changes in net assets. PPP funding of $98,967 that has not yet met the conditions of the PPP and SBA is recorded as refundable advance on the statements of financial position at June 30, 2020. During 2021, the Organization expects to meet the conditions of the PPP funding for the remaining $98,967 at June 30, 2020.

11. CAPITAL CONTRIBUTION PAYABLE:

At June 30, 2020 and 2019, MVHO owed capital contributions of $20,378 to River-Homestart, Inc. As the managing member of River Commons II, LLC (the Project), River-Homestart, Inc. will contribute the monies to the Project, as stated in the Operating Agreement. During 2014, MVHO made capital contributions of $876,899 to River-Homestart, Inc. who in-turn contributed the monies to River Commons II, LLC.

12. RETIREMENT PLAN:

The Organization has a 401(k)-retirement plan for its employees. The Organization contributes 6 percent of wages to each eligible employee's account and employees may also contribute to the plan. Total employer contributions for the years ended June 30, 2020 and 2019 are $94,392 and $94,510, respectively.

13. DONOR RESTRICTED GRANT REVENUE:

Grantors designate funds for specific purposes noted in the grant documents. The grantors' funds are considered restricted until certain requirements are met.

The Organization has entered into various mortgage agreements with the Ohio Department of Mental Health for a total of $4,778,380. In accordance with the mortgage agreements, the loans will be forgiven by the State of Ohio over a period of 40 years, under the condition the facility is used exclusively for the purpose of providing mental health services. If the Organization does not maintain the property for a period of 40 years, the balance of the mortgages will be payable upon demand to the Ohio Department of Mental Health. The entire amount of the forgivable mortgage was recognized as revenue in the year received. During 2020 and 2019, forgiveness on the agreements was $119,460.

The Organization entered into two similar mortgage agreements as described above with the Ohio Department of Mental Health for a total of $107,000 and $125,000, respectively. The terms of the agreements are the same as those mentioned in the previous paragraph except for a 30-year period instead of 40. The forgivable mortgages were recognized as revenue in the years received. During 2020 and 2019, forgiveness on the agreements was $7,734.

ODMH grants included in net assets with donor restrictions were $2,712,501 and $2,839,695 at June 30, 2020 and 2019, respectively.

14. SHELTER PLUS CARE PROGRAM:

The Organization renewed its contract with the City of Dayton for the operation of the Shelter Plus Care Program. As of June 30, 2020 and 2019, $2,505,951 and $2,435,767, respectively, of Shelter Plus Care funds were expended. For the year ended June 30, 2021, a portion of the Shelter Plus Care funds be received directly from the U.S. Department of Housing and Urban Development while another portion will continue to be received under a contract with the City of Dayton.

15. COMMITMENTS AND CONTINGENCIES:

Grantors monitor the Organization from time to time. These reviews may produce compliance findings, the effects of which have not been considered in the accompanying financial statements. Management believes the effect of such findings, if any, to be immaterial to these financial statements.

Some of the partnership agreements with related parties require Operating Deficit Guaranty Agreements with whereby various partners are obligated to provide funding in the following amounts to the partnerships to permit the partnerships to meet all reasonable costs of operation throughout the period defined by the agreements. The funding would be in the form of an interest-bearing loan to be repaid as cash flow permits.

Related Party	Operating Deficit Guaranty
Ohio Avenue Commons, LLC	$ 184,566
River Commons II, LLC	99,657
The Key Terrace, LLC	193,172

15. COMMITMENTS AND CONTINGENCIES (CONTINUED):

During fiscal year 2020, the World Health Organization declared the spread of COVID-19 a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its fiscal year 2021 operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, or loss of revenue due to reductions in certain revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of the date of the audit report.

The Organization will submit a PPP loan forgiveness application during the year ended June 30, 2021 which will be reviewed by the Small Business Administration. It is expected the Organization will meet the terms for forgiveness, see note 10, but the review by the SBA, could lead to repayment of PPP loan proceeds at the terms set forth in the promissory note.

16. AVAILABILITY OF FINANCIAL ASSETS:

The Organization's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

		2020	2019
Financial assets:			
Cash	$	1,638,137	1,012,181
Investments held by Foundation		200,617	196,403
Cash - restricted		616,949	595,674
Accounts receivable:			
Accounts receivable		611,820	474,149
Tenant receivables		44,605	37,069
Total financial assets	$	3,112,128	2,315,476

As part of the Organization's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Included in restricted deposits above are the pledge reserve, tenant deposits held in trust, reserve for replacement, and residual receipts. Use of the replacement reserve and residual receipts reserves are contingent upon HUD's prior written approval before general expenditure use. Investments held by Foundation are board designated and require the approval of the Board of Trustees before general expenditure use.

17. PRIOR PERIOD ADJUSTMENT:

The 2019 financial statements have been restated to correct an error in grants and accounts receivable at June 30, 2020. The result of the correction increased grants and accounts receivable at June 30, 2019 and increased contributions and grants for the year ended June 30, 2019 by $135,516. Additionally, the correction reduced net asset without restrictions at July 1, 2019 by $135,516.

The financial statements for the year ended June 30, 2019 have been restated as follows:

Line Item	As originally reported	As restated	Change
Grants and accounts receivable	$ 338,633	$ 474,149	$ 135,516
Contributions and grants	$ 1,838,601	$ 1,974,117	$ 135,516
Net assets without restrictions, end of year	$ 12,851,237	$ 12,986,753	$ 135,516

18. SUBSEQUENT EVENTS

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through November 20, 2020, the date which the financial statements were available to be issued.

On October 9, 2020, the Organization sold a portion of its housing units to Restoration Housing, LLC, an affordable housing tax credit project. Restoration Housing, Inc., which is owned 100% by MVHO, is the managing member and owns .1% of Restoration Housing, LLC. Rehabilitation of the units will be funded through a combination of commercial debt and tax credit equity financing. At the completion of the rehabilitation, the Organization will manage the operations of Restoration Housing, LLC.

	MVHO	Opportunity Center	MVHA I	Tax Credit Properties	Eliminations	Combined
Current assets:						
Cash and cash equivalents	$ 1,624,002	11,690	2,445	-	-	1,638,137
Investments held by Foundation	200,617	-	-	-	-	200,617
Grants and accounts receivable	611,398	0	422	-	-	611,820
Tenant receivable	44,605	-	-	-	-	44,605
Prepaid expenses	18,598	4,459	4,957	-	-	28,014
Total current assets	2,499,220	16,149	7,824	-	-	2,523,193
Property and equipment:						
Land, buildings, and equipment, net	8,675,194	324,396	111,208	-	-	9,110,798
Long-term assets:						
Restricted reserves	564,763	-	52,186	-	-	616,949
Capital contribution receivable	-	-	-	20,378	(20,378)	-
Notes receivable	3,529,800	-	-	-	(219,800)	3,310,000
Investment in subsidiary	2,077,049	-	-	179,894	(179,894)	2,077,049
Total long-term assets	6,171,612	-	52,186	200,272	(420,072)	6,003,998
Total assets	$ 17,346,026	340,545	171,218	200,272	(420,072)	17,637,989
Current liabilities:						
Accounts payable	$ 1,659	-	3,500	-	-	5,159
Accrued payroll and related taxes	63,289	-	-	-	-	63,289
Mortgages payable, current	51,525	13,852	-	-	-	65,377
Security deposits	93,602	8,920	1,538	-	-	104,060
Residual receipts available for recapture	-	-	11,700	-	-	11,700
Refundable advance	98,967	-	-	-	-	98,967
Deferred revenue	322,698	-	-	-	-	322,698
Total current liabilities	631,740	22,772	16,738	-	-	671,250
Long-term liabilities:						
Capital contribution payable	20,378	-	-	20,378	(20,378)	20,378
Loans payable, long-term	3,761,720	-	-	-	-	3,761,720
Mortgages payable, long-term	694,706	360,121	-	-	(219,800)	835,027
Total long-term liabilities	4,476,804	360,121	-	20,378	(240,178)	4,617,125
Total liabilities	5,108,544	382,893	16,738	20,378	(240,178)	5,288,375
Net assets (deficit):						
Without donor restrictions	9,524,981	(42,348)	154,480	179,894	(179,894)	9,637,113
With donor restrictions	2,712,501	-	-	-	-	2,712,501
Total net assets (deficit)	12,237,482	(42,348)	154,480	179,894	(179,894)	12,349,614
Total liabilities and net assets	$ 17,346,026	340,545	171,218	200,272	(420,072)	17,637,989

		MVHO	Opportunity Center	MVHA I	Tax Credit Properties	Eliminations	Combined
Changes in net assets without donor restrictions:							
Revenues and gains:							
Tenant rents	$	1,969,405	195,775	47,788	-	(77,747)	2,135,221
ADAMHS Board for Montgomery County		749,592	-	-	-	-	749,592
Shelter Plus Care		2,505,951	-	-	-	-	2,505,951
Contributions and grants		1,954,876	-	-	-	-	1,954,876
Donations		20	-	-	-	-	20
Administration fee		343,363	-	-	-	-	343,363
Management fee		104,203	-	-	-	(1,333)	102,870
Investment income, net		3,527	-	39	-	-	3,566
In-kind revenue - debt forgiveness		135,841	-	-	-	-	135,841
Unrealized gain on investment		1,384	-	-	-	-	1,384
Tenant fees and reimbursements		94,511	-	-	-	-	94,511
Other		257,547	4,547	50	-	-	262,144
Loss on assignment of leasehold improvments		(880,543)	-	-	-	-	(880,543)
Total unrestricted revenues and gains		7,239,677	200,322	47,877	-	(79,080)	7,408,796
Net assets with donor restrictions:							
Satisfaction of grant restrictions		127,194	-	-	-	-	127,194
Total unrestricted revenues and gains		7,366,871	200,322	47,877	-	(79,080)	7,535,990
Expenses:							
Management and general		1,973,429	-	-	-	(77,747)	1,895,682
Program Services:							
McKinney		155,738	-	-	-	-	155,738
SRO Project		142,655	-	-	-	-	142,655
PATH		190,323	-	-	-	-	190,323
Shelter Plus Care program		2,635,906	-	-	-	-	2,635,906
HOME program		350,604	-	-	-	-	350,604
CABHI		1,065	-	-	-	-	1,065
SLATE		51,489	-	-	-	-	51,489
Rental properties		2,376,221	-	-	-	(303)	2,375,918
Affiliates		-	196,529	51,056	303	(1,333)	246,555
Total expenses		7,877,430	196,529	51,056	303	(79,383)	8,045,935
Changes in net assets without donor restrictions		(510,559)	3,793	(3,179)	(303)	303	(509,945)
Changes in net assets with donor restrictions:							
Net assets released from restrictions		(127,194)	-	-	-	-	(127,194)
Changes in net assets with donor restrictions		(127,194)	-	-	-	-	(127,194)
Changes in net assets (deficit)		(637,753)	3,793	(3,179)	(303)	303	(637,139)
Net assets (deficit), beginning of year		12,875,235	(46,141)	157,659	180,197	(180,197)	12,986,753
Net assets (deficit), end of year	$	12,237,482	(42,348)	154,480	179,894	(179,894)	12,349,614

	MVHO Program Services									Affiliates Program Services				
	Management and General	McKinney	SRO Project	PATH	Shelter Plus Care	HOME Program	CABHI	SLATE	Rental Properties	Opportunity Center	MVHA I	Tax Credit Properties	Total Program	Total Expenses
Payroll and related expenses:														
Salaries	$ 924,627	-	-	126,693	164,853	-	-	35,971	427,103	56,730	-	-	811,350	1,735,977
Payroll taxes and benefits	228,285	-	-	25,219	24,426	-	-	4,839	86,969	13,590	-	-	155,043	383,328
	1,152,912	-	-	151,912	189,279	-	-	40,810	514,072	70,320	-	-	966,393	2,119,305
Operating expenses:														
Administrative fees	36,865	-	-	3,300	159,315	15,608	-	3,331	101,380	-	-	-	282,934	319,799
Bad debt expense	3,415	-	-	-	-	-	-	-	-	-	379	-	379	3,794
Bank charges	8,929	-	-	-	-	-	-	-	-	72	-	-	72	9,001
Client care supplies	-	-	-	-	-	-	-	-	63,171	-	-	-	63,171	63,171
Contract services	-	-	-	2,900	-	77,049	-	-	8,375	-	-	-	88,324	88,324
Dues and subscriptions	6,344	-	-	-	-	-	-	-	56	-	-	-	56	6,400
Housing	-	-	-	12,178	-	66,452	645	-	1,081	-	-	-	80,356	80,356
Insurance and bonding	15,768	25,512	23,748	-	-	11,832	-	-	142,320	17,563	4,971	-	225,946	241,714
Interest	666	-	-	-	-	-	-	-	31,283	9,318	-	-	40,601	41,267
Maintenance - Vendor labor	2,607	18,269	9,574	-	-	50,328	-	-	182,618	5,491	11,541	-	277,821	280,428
Maintenance supplies	3,014	4,435	3,218	-	-	4,373	-	-	65,907	27,851	-	-	105,784	108,798
Management fee	-	-	-	-	-	-	-	-	-	-	500	-	500	500
Mileage	11,435	-	-	4,902	-	-	-	3,459	7,834	-	-	-	16,195	27,630
Miscellaneous	18,945	435	432	-	-	-	-	-	3,224	233	236	303	4,863	23,808
Office rent	81,565	-	-	2,598	-	-	-	3,040	6,016	-	-	-	11,654	93,219
Office supplies	34,309	-	-	4,718	-	-	420	290	4,735	28	-	-	10,191	44,500
Postage and freight	10,532	-	-	-	-	-	-	-	-	-	-	-	-	10,532
Professional fees	62,001	1,050	341	-	-	1,791	-	-	18,437	3,703	4,433	-	29,755	91,756
Real estate taxes	-	845	-	-	-	450	-	-	10,521	8,070	85	-	19,971	19,971
Recruitment	244	-	-	-	-	-	-	-	251	-	-	-	251	495
Repair - Vendor labor	-	2,036	608	-	-	12,370	-	-	18,315	12,891	-	-	46,220	46,220
Repair supplies	47,168	-	216	6,700	-	120	-	-	10,055	-	-	-	17,091	64,259
Security	43	-	862	-	-	52,806	-	-	14,439	1,856	-	-	69,963	70,006
Small equipment	1,137	870	-	1,115	-	351	-	-	17,427	-	-	-	19,763	20,900
Telephone	28,963	-	251	-	-	-	-	559	9,075	4,195	-	-	14,080	43,043
Tenant assistance	417,141	-	44,128	-	2,283,268	400	-	-	407,877	-	-	-	2,735,673	3,152,814
Training and seminars	13,350	-	-	-	-	-	-	-	1,770	-	-	-	1,770	15,120
Utilities	-	46,642	17,335	-	-	25,957	-	-	389,709	24,439	10,019	-	514,101	514,101
Utilities assistance	8,112	-	-	-	4,044	-	-	-	11,879	-	-	-	15,923	24,035
Depreciation	7,964	55,644	41,942	-	-	30,717	-	-	334,394	10,499	18,892	-	492,088	500,052
Total other expenses	820,517	155,738	142,655	38,411	2,446,627	350,604	1,065	10,679	1,862,149	126,209	51,056	303	5,185,496	6,006,013
Total expenses	1,973,429	155,738	142,655	190,323	2,635,906	350,604	1,065	51,489	2,376,221	196,529	51,056	303	6,151,889	8,125,318
Eliminations	(77,747)	-	-	-	-	-	-	-	(303)	-	(1,333)	-	(1,636)	(79,383)
Allocation of management and general expenses	(1,493,743)	167,972	101,982	-	-	125,978	-	-	1,097,811	-	-	-	1,493,743	-
Total expenses	$ 401,939	323,710	244,637	190,323	2,635,906	476,582	1,065	51,489	3,473,729	196,529	49,723	303	7,643,996	8,045,935

See Independent Auditors' Report.

	MVHO	Opportunity Center	MVHA I	Tax Credit Properties	Eliminations	Restated Combined
Current assets:						
Cash and cash equivalents	$ 1,012,181	-	-	-	-	1,012,181
Investments held by Foundation	196,403	-	-	-	-	196,403
Grants and accounts receivable	482,676	-	535	-	(9,062)	474,149
Tenant receivable	37,069	-	-	-	-	37,069
Prepaid expenses	23,678	18,670	4,404	-	-	46,752
Total current assets	1,752,007	18,670	4,939	-	(9,062)	1,766,554
Property and equipment:						
Land, buildings, and equipment, net	10,015,887	334,895	130,100	-	-	10,480,882
Noncurrent assets:						
Restricted reserves	551,568	-	44,106	-	-	595,674
Capital contribution receivable	-	-	-	20,378	(20,378)	-
Notes receivable	3,529,800	-	-	-	(219,800)	3,310,000
Investment in subsidiary	2,077,352	-	-	180,197	(180,197)	2,077,352
Total noncurrent assets	6,158,720	-	44,106	200,575	(420,375)	5,983,026
Total assets	$ 17,926,614	353,565	179,145	200,575	(429,437)	18,230,462
Current liabilities:						
Accounts payable	$ 4,271	3,740	8,104	-	(9,062)	7,053
Accrued payroll and related taxes	47,565	-	-	-	-	47,565
Mortgages payable, current	49,305	13,363	-	-	-	62,668
Security deposits	94,051	8,920	1,682	-	-	104,653
Residual receipts available for recapture	-	-	11,700	-	-	11,700
Deferred revenue	186,429	-	-	-	-	186,429
Total current liabilities	381,621	26,023	21,486	-	(9,062)	420,068
Long-term liabilities:						
Capital contribution payable	20,378	-	-	20,378	(20,378)	20,378
Loan payable, long-term	3,897,561	-	-	-	-	3,897,561
Mortgages payable, long-term	751,819	373,683	-	-	(219,800)	905,702
Total long-term liabilities	4,669,758	373,683	-	20,378	(240,178)	4,823,641
Total liabilities	5,051,379	399,706	21,486	20,378	(249,240)	5,243,709
Net assets (deficit):						
Without donor restrictions	10,035,540	(46,141)	157,659	180,197	(180,197)	10,147,058
With donor restrictions	2,839,695	-	-	-	-	2,839,695
Total net assets (deficit)	12,875,235	(46,141)	157,659	180,197	(180,197)	12,986,753
Total liabilities and net assets	$ 17,926,614	353,565	179,145	200,575	(429,437)	18,230,462

	MVHO	Opportunity Center	MVHA I	Tax Credit Properties	Eliminations	Restated Combined
Changes in unrestricted net assets:						
Revenues and gains:						
Tenant rents	$ 1,908,278	213,097	46,571	-	(75,469)	2,092,477
ADAMHS Board for Montgomery County	686,261	-	-	-	-	686,261
Shelter Plus Care	2,435,767	-	-	-	-	2,435,767
Contributions and grants	1,974,117	-	-	-	-	1,974,117
Grants - FHLB	1,000,000	-	-		-	1,000,000
Administration fee	347,218	-	-	-	-	347,218
Management fee	209,976	-	-	-	(778)	209,198
Investment income, net	4,893	-	11	-	-	4,904
In-kind revenue - debt forgiveness	152,508	-	-	-	-	152,508
Unrealized gain on investment	5,381	-	-	-	-	5,381
Tenant fees and reimbursements	88,373	-	-	-	-	88,373
Other	414,680	1,303	883	-	-	416,866
Total unrestricted revenues and gains	9,227,452	214,400	47,465	-	(76,247)	9,413,070
Net assets released from restrictions:						
Satisfaction of grant restrictions	127,194	-	-	-	-	127,194
Total unrestricted revenues and gains	9,354,646	214,400	47,465	-	(76,247)	9,540,264
Expenses:						
Management and general	1,756,267	-	-	-	(75,469)	1,680,798
Program Services:						
McKinney	170,673	-	-	-	-	170,673
SRO Project	169,834	-	-	-	-	169,834
PATH	206,261	-	-	-	-	206,261
Shelter Plus Care program	2,588,155	-	-	-	-	2,588,155
HOME program	378,716	-	-	-	-	378,716
CABHI	-	-	-	-	-	-
SLATE	93,879	-	-	-	-	93,879
Rental properties	2,634,333	-	-	-	75	2,634,408
Affiliates	-	192,407	64,721	(75)	(778)	256,275
Total expenses	7,998,118	192,407	64,721	(75)	(76,172)	8,178,999
Changes in net assets without donor restrictions	1,356,528	21,993	(17,256)	75	(75)	1,361,265
Changes in net assets with donor restrictions:						
Net assets released from restrictions	(127,194)	-	-	-	-	(127,194)
Changes in net assets with donor restrictions	(127,194)	-	-	-	-	(127,194)
Changes in net assets (deficit)	1,229,334	21,993	(17,256)	75	(75)	1,234,071
Net assets (deficit), beginning of year	11,645,901	(68,134)	174,915	180,122	(180,122)	11,752,682
Net assets (deficit), end of year	$ 12,875,235	(46,141)	157,659	180,197	(180,197)	12,986,753

		MVHO Program Services							Affiliates Program Services				
	Management and General	McKinney	SRO Project	PATH	Shelter Plus Care	HOME Program	SLATE	Rental Properties	Opportunity Center	MVHA I	Tax Credit Properties	Total Program	Total Expenses
Payroll and related expenses:													
Salaries	$ 863,670	-	-	130,232	150,780	-	68,523	384,032	60,340	-	-	793,907	1,657,577
Payroll taxes and benefits	209,800	-	-	27,249	30,023	-	12,150	93,168	9,352	-	-	171,942	381,742
	1,073,470	-	-	157,481	180,803	-	80,673	477,200	69,692	-	-	965,849	2,039,319
Operating expenses:													
Administrative fees	19,500	-	-	-	166,910	21,645	4,506	124,655	-	-	-	317,716	337,216
Bad debt expense	-	-	-	-	-	-	-	1,698	-	493	-	2,191	2,191
Bank charges	10,179	-	-	-	76	-	-	-	66	-	-	142	10,321
Client care supplies	-	-	-	-	-	-	-	62,417	-	-	-	62,417	62,417
Contract services	58,829	-	-	4,344	-	125,073	-	28,261	-	-	-	157,678	216,507
Dues and subscriptions	666	-	-	-	-	-	-	216	-	-	-	216	882
Housing	-	-	-	27,899	600	71,800	-	938	-	-	-	101,237	101,237
Insurance and bonding	19,822	21,574	22,835	-	-	10,787	-	143,971	14,800	4,527	-	218,494	238,316
Interest	211	-	-	-	-	-	-	28,459	9,897	-	-	38,356	38,567
Maintenance - Vendor labor	7,998	23,952	13,847	-	-	36,836	-	211,676	6,805	20,785	-	313,901	321,899
Maintenance supplies	658	7,131	12,579	-	-	3,111	-	107,358	17,649	-	-	147,828	148,486
Mileage	15,091	-	-	4,656	-	-	4,940	10,152	-	-	-	19,748	34,839
Miscellaneous	12,549	-	194	-	-	-	-	-	(5,233)	4,533	(75)	(581)	11,968
Office rent	75,469	-	-	-	-	-	2,533	-	-	-	-	2,533	78,002
Office supplies	25,327	-	-	10,920	-	-	741	2,334	377	-	-	14,372	39,699
Postage and freight	11,309	-	-	-	-	-	-	-	-	-	-	-	11,309
Professional fees	61,036	650	401	-	-	-	-	12,579	608	4,378	-	18,616	79,652
Real estate taxes	-	830	-	-	-	450	-	16,368	8,071	85	-	25,804	25,804
Recruitment	57	-	-	-	-	-	-	456	-	-	-	456	513
Repair - Vendor labor	84	2,521	4,034	-	-	463	-	21,146	24,920	-	-	53,084	53,168
Repair supplies	59,680	-	-	-	-	-	-	5,490	-	-	-	5,490	65,170
Security	-	-	625	-	-	47,584	-	4,061	577	-	-	52,847	52,847
Small equipment	-	474	-	771	-	-	-	2,016	2,333	-	-	5,594	5,594
Telephone	23,096	-	352	-	-	-	486	8,603	6,280	-	-	15,721	38,817
Tenant assistance	267,294	-	48,572	-	2,219,410	50	-	574,928	-	-	-	2,842,960	3,110,254
TRA landlord damages	-	-	-	-	17,276	-	-	-	-	-		17,276	17,276
Training and seminars	1,806	-	-	190	-	-	-	575	-	-	-	765	2,571
Travel	101	-	-	-	-	-	-	-	-	-	-	-	101
Utilities	1,581	60,945	29,544	-	-	30,177	-	450,955	25,066	10,980	-	607,667	609,248
Utilities assistance	5,867	-	-	-	3,080	-	-	20,651	-	-	-	23,731	29,598
Depreciation	4,587	52,596	36,851	-	-	30,740	-	317,170	10,499	18,940	-	466,796	471,383
Total other expenses	682,797	170,673	169,834	48,780	2,407,352	378,716	13,206	2,157,133	122,715	64,721	(75)	5,533,055	6,215,852
Total expenses	1,756,267	170,673	169,834	206,261	2,588,155	378,716	93,879	2,634,333	192,407	64,721	(75)	6,498,904	8,255,171
Eliminations	(75,469)	-	-	-	-	-	-	75	-	(778)	-	(703)	(76,172)
Allocation of management and general expenses	(1,407,639)	149,103	127,226	-	-	96,819	-	1,034,491	-	-	-	1,407,639	-
Total expenses	$ 273,159	319,776	297,060	206,261	2,588,155	475,535	93,879	3,668,899	192,407	63,943	(75)	7,905,840	8,178,999

	CFDA Number	Pass-Through Number		Expenditures
Received from:				
U.S. Department of Housing and Urban Development:				
Direct funding:				
Supportive Housing for Persons with Disabilities	14.181	(1)	$	451,477
Passed through City of Kettering, Ohio:				
HOME Investment Partnership Program - Loan	14.239	(1)		110,000
Passed through City of Dayton, Ohio:				
Continuum of Care	14.267	(1)		3,318,346
				3,879,823
U.S. Department of Health and Human Services:				
Passed through the Alcohol, Drug Addiction and Mental Health Services Board:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	(1)		144,250
Total Federal Expenditures			$	4,024,073

(1) Pass-through number not available

See accompanying notes to schedule of expenditures of federal awards.

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Miami Valley Housing Opportunities, Inc. and Affiliates, under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the Schedule presents only a selected portion of the operations of Miami Valley Housing Opportunities, Inc. and Affilates it is not intended to and does not present Miami Valley Housing Opportunities, Inc. and Affiliates' financial position, changes in net assets, or cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

(b) Miami Valley Housing Opportunities, Inc. and Affiliates has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

(c) The outstanding balance of loan and loan guarantee programs at June 30, 2020 with continuing compliance requirements which are reported as federal expenditures on the accompanying schedule of expenditures of federal awards was $110,000.

(c) Miami Valley Housing Opportunities, Inc. and Affiliates did not pass any federal awards to subrecipients during the year ended June 30, 2020.

CLARK SCHAEFER HACKETT
CPAS & ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433 | cshco.com

INDEPENDENT AUDITORS' 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*

Board of Trustees
Miami Valley Housing Opportunities, Inc. and Affiliates
Dayton, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Miami Valley Housing Opportunities, Inc. and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Miami Valley Housing Opportunities, Inc. and Affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miami Valley Housing Opportunities, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
November 20, 2020

CLARK SCHAEFER HACKETT
CPAS & ADVISORS

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433 | cshco.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Miami Valley Housing Opportunities, Inc. and Affiliates
Dayton, Ohio

Report on Compliance for Each Major Federal Program
We have audited Miami Valley Housing Opportunities, Inc. and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Miami Valley Housing Opportunities, Inc. and Affiliates' major federal programs for the year ended June 30, 2020. Miami Valley Housing Opportunities, Inc. and Affiliates' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of Miami Valley Housing Opportunities, Inc. and Affiliates' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Miami Valley Housing Opportunities, Inc. and Affiliates' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Miami Valley Housing Opportunities, Inc. and Affiliates' compliance.

Opinion on Each Major Federal Program
In our opinion, Miami Valley Housing Opportunities, Inc. and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Miami Valley Housing Opportunities, Inc. and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Miami Valley Housing Opportunities, Inc. and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Miami Valley Housing Opportunities, Inc. and Affiliates' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
November 20, 2020

Financial Statements

Type of auditor's report issued:	unmodified	
Internal control over financial reporting:		
Material weakness identified?	___ Yes	X No
Significant deficiency identified not considered to be material weaknesses?	___ Yes	X No
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

Type of auditor's report issued on compliance for major programs:	unmodified	
Internal control over financial reporting:		
Material weakness identified?	___ Yes	X No
Significant deficiency identified not considered to be material weaknesses?	___ Yes	X No
Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.516(a)?	___ Yes	X No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.267	Continuum of Care

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	___ No

Financial Statement Findings

There were no findings or questioned costs relative to the financial statements.

Federal Award Findings and Questioned Costs

There were no findings or questioned costs relative to federal awards.

Prior Year Findings

None reported.