

**STARK METROPOLITAN HOUSING AUTHORITY**

**STARK COUNTY**

**SINGLE AUDIT**

**APRIL 1, 2023 – MARCH 31, 2024**







65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Governing Board  
Stark Metropolitan Housing Authority  
400 Tuscarawas Street East  
Canton, Ohio 44702

We have reviewed the *Independent Auditor's Report* of the Stark Metropolitan Housing Authority, Stark County, prepared by Wilson, Shannon & Snow, Inc., for the audit period April 1, 2023 through March 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber  
Auditor of State  
Columbus, Ohio

January 10, 2025

**This page intentionally left blank.**

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	15
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	16
STATEMENT OF CASH FLOWS	17
NOTES TO THE BASIC FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF THE AUTHORITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)	51
SCHEDULE OF THE AUTHORITY’S CONTRIBUTIONS - PENSION	52
SCHEDULE OF THE AUTHORITY’S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)	53
SCHEDULE OF THE AUTHORITY’S CONTRIBUTIONS - OPEB	54
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	55
SUPPLEMENTARY INFORMATION:	
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD	57
COST CERTIFICATIONS	59
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	60
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	61
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	62
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	64
SCHEDULE OF FINDINGS – 2 CFR § 200.515	67

**This page intentionally left blank.**

## INDEPENDENT AUDITOR'S REPORT

Stark Metropolitan Housing Authority  
Stark County  
400 Tuscarawas Street  
Canton, Ohio 44702

To the Board of Commissioners:

### *Report on the Audit of the Financial Statements*

#### *Opinions*

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Stark Metropolitan Housing Authority, Stark County, Ohio (the Authority), as of and for the fiscal year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units of the Stark Metropolitan Housing Authority, Stark County, Ohio, as of March 31, 2024, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Alliance Senior Tower, LLC, Hunter House PSH, LLC, and Turner Tower, LLC, which represent \$19,938,764 and 99 percent, \$4,725,246 and 96 percent, and \$2,258,401 and 95 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Alliance Senior Tower, LLC, the Hunter House PSH, LLC, and Turner Tower, LLC, are based solely on the report of other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Hunter House PSH, LLC and Turner Tower, LLC, were not audited in accordance with *Government Auditing Standards*.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Required Supplementary Information***

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

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The Financial Data Schedules, Cost Certifications, and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedules, Cost Certifications, and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Newark, Ohio  
November 26, 2024

THIS PAGE IS INTENTIONALLY LEFT BLANK

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

---

Stark Metropolitan Housing Authority's ("the Authority") management discussion and analysis (MDA) complies with Governmental Accounting Standards Board ("GASB") Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments: Omnibus" and Statement No. 38, "Certain Financial Statement Disclosures". Purpose of MDA is to assist reader on significant financial issues, provide an overview of Authority's financial activity, identify changes in Authority's financial position, and identify individual fund issues or concerns. MDA is designed to focus on fiscal year end March 31, 2024 activities, resulting changes, and currently known facts of primary government. Please read it in conjunction with Authority's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Authority's financial position at March 31, 2024, reflected total assets and deferred outflows of resources of \$66,672,300 and total liabilities and deferred inflows of resources of \$21,007,712. Total net position was \$45,664,588 which decreased by \$1,442,189 or approximately (3.1%). Financial operations were in accordance with expectations and approved budget plan.
- Total Operating Revenues were \$32,044,980 in fiscal year 2024 and \$30,572,669 in fiscal year 2023.
- Operating Expenses were \$37,566,113 in fiscal year 2024 and \$34,726,807 in fiscal year 2023.

### **FINANCIAL STATEMENTS**

The Financial Statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

Statement of Net Position reports all financial and capital resources of the Authority. The Statement is presented in a format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equal Net Position. Assets and liabilities are in order of liquidity and classified as "current" (convertible into cash within one year) and "non-current". The Statement of Net Position presents the financial position of the Authority at the end of fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position, difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, is an important indicator of current financial condition, while change in net position is an indicator of whether overall financial position has improved or worsened during the year.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

---

Focus of the Statement of Net Position (the “unrestricted” net position) is designed to represent net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net position is reported in three broad categories.

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

*Restricted Net Position:* This component of net position consists of restricted assets. Restricted assets are assets with constraints placed by creditors (such as debt covenants), grantors, contributors, laws, and regulations.

*Unrestricted Net Position:* Consists of net position that does not meet definition of “Net Investment in Capital Assets”, or “Restricted Net Position”.

Financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is similar to an income statement. This Statement includes Operating Revenues, such as rental income; Operating Expenses, such as administrative, utilities, maintenance, and depreciation; and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense. Focus of Statement of Revenues, Expenses, and Changes in Net Position is “Changes in Net Position”, which is similar to Net Income or Loss.

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

The Notes to the Basic Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

### **The Authority's Programs**

***Conventional Public Housing*** - Under Conventional Public Housing Program, the Authority rents units it owns to income eligible households. Operation of Conventional Public Housing Program is under an Annual Contributions Contract (ACC) with US Department of Housing and Urban Development (HUD). HUD provides Operating Subsidy and Capital Grant funding. Subsidy enables the Authority to provide housing and sets participants' rent at 30 percent of household income.

***Housing Choice Voucher Program*** - Under HUD's Housing Choice Voucher Program, the Authority administers contracts with independent property owners. The Authority subsidizes participant's rent through a housing assistance payment made to the property owner. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Budget Authority to enable the Authority to structure a lease that sets participants' rent at 30 percent of household income.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

---

***Capital Fund Program (CFP)*** - This is the primary funding source for the Authority's physical and management improvements in Conventional Public Housing. HUD's formula funding for CFP utilizes, size and age of units to determine the Authority's funding.

***Continuum of Care Program*** - This grant program, funded by HUD, is designed to link rental assistance to supportive services for hard-to-reach homeless persons with disabilities (primarily those who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immune deficiency syndrome (AIDS) and related diseases), and their families.

***Family Self-Sufficiency Program (FSS)*** – This grant program, funded by HUD, enables families in Conventional Public Housing and Housing Choice Voucher program to increase their earned income and reduce dependency on public assistance and rental subsidies. The participants are provided opportunities for education, job training, counseling and other forms of social assistance to obtain the skills necessary to achieve self-sufficiency. The program provides funds for FSS coordinators salary and related fringes. Program has an escrow account requirement for its participants.

***Component Unit*** – The Authority has four component unit which was developed or acquired to enable the Authority to serve the Stark County community. They are: *Alliance Senior Tower, LLC*, a multi-family residential housing; *Hunter House, LLC*, a multi-family residential housing; *Turner Tower, LLC*, a multi-family residential housing and *Progressive Housing Solutions Corporations*, a non-profit entity to acquire and operate housing development in Stark County, Ohio.

***State and Local Activities*** - These non-HUD resources were developed from a variety of activities.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

**BASIC FINANCIAL STATEMENTS**

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

**Table 1 - Condensed Statement of Net Position Compared to Prior Fiscal Year**  
**Primary Government (Business Type Activities)**

	2024	2023
<b><u>Assets and Deferred Outflows of Resources</u></b>		
Current Assets	\$ 12,157,131	\$ 12,060,842
Capital Assets	47,431,530	47,342,143
Other Non-Current Assets	3,895,637	4,556,902
<b>Total Assets</b>	<b>63,484,298</b>	<b>63,959,887</b>
 <b>Deferred Outflows of Resources</b>	 3,188,002	 4,401,701
<b>Total Assets and Deferred Outflows of Resources</b>	<b>66,672,300</b>	<b>68,361,588</b>
 <b><u>Liabilities, Deferred Inflows of Resources and Net Position</u></b>		
Current Liabilities	4,148,485	3,751,112
Non-Current Liabilities	15,431,407	16,864,120
<b>Total Liabilities</b>	<b>19,579,892</b>	<b>20,615,232</b>
 <b>Deferred Inflows of Resources</b>	 1,427,820	 639,579
 <b>Net Position</b>		
Net Investment in Capital Assets	42,288,673	41,618,136
Restricted	821,459	629,215
Unrestricted	2,554,456	4,859,426
<b>Total Net Position</b>	<b>45,664,588</b>	<b>47,106,777</b>
 <b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	 <b>\$ 66,672,300</b>	 <b>\$ 68,361,588</b>

**Major Factors Affecting Statement of Net Position**

Total assets and deferred outflows decreased by \$1,689,288 or (2.47%). The change includes \$96,288 increase in current assets, \$89,387 increase in capital assets, \$661,264 decrease in non-current assets and \$1,213,699 decrease in deferred outflows of resources.

Total liabilities decreased by \$1,035,340 or (5.02%). Primarily due to a decrease in net pension/OPEB liability of \$565,953.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

Below Table 2 presents details on the change in Unrestricted Net Position.

**Table 2 - Change of Unrestricted Net Position - Primary Government**

	2024
Beginning Balance - March 31, 2023	\$ 4,859,426
Results of Operations	\$ (1,442,189)
Adjustments:	
Depreciation (1)	<u>3,630,551</u>
Adjusted Results from Operations	2,188,362
Increase in Restricted Net Position	(192,244)
Capital Expenditures, Net	(3,719,939)
Debt Payments	(581,142)
Rounding	<u>(7)</u>
Ending Balance - March 31, 2024	<u>\$ 2,554,456</u>

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

While Results of Operations are a significant measure of the Authority's activities, the analysis of changes in Unrestricted Net Position provides a clearer change in financial well-being.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

**Statement of Revenues, Expenses, and Changes in Position**

Total revenues decreased by \$338,190 or (0.92) percent. Capital grants decreased \$2,383,573 and remaining revenue stream had slight increase in their area. Total expenses increased by \$2,960,291 or 8.46 percent. Administrative increased \$983,711, Maintenance increased \$1,231,981 and Housing Assistance Payment increased \$994,595 over last fiscal year.

**Table 3 - Statement of Revenues, Expenses and Changes in Net Position**  
**Primary Government**

	<u>2024</u>	<u>2023</u>
<b><u>Revenues</u></b>		
Operating Subsidies and Grants	\$ 24,899,993	\$ 23,743,404
Tenant Revenues	6,216,450	5,978,911
Capital Grants/Contributions	3,904,027	6,287,600
Interest Income	407,271	209,798
Other Income	928,537	850,354
Gain (Loss) on Disposal of Assets	151,725	(223,874)
<b>Total Revenues</b>	<u>36,508,003</u>	<u>36,846,193</u>
<b><u>Expenses</u></b>		
Administrative	7,865,262	6,881,551
Utilities	3,670,732	3,755,885
Maintenance	9,084,905	7,852,924
Tenant Services	470,481	387,864
General and Protective Services	2,503,793	2,211,444
Interest Expense	161,649	189,931
Housing Assistance Payments	10,101,180	9,106,585
Pension and OPEB Expense	239,209	340,622
Depreciation	3,630,551	4,189,932
Casualty Loss	222,430	73,163
<b>Total Expenses</b>	<u>37,950,192</u>	<u>34,989,901</u>
Change in Net Position	(1,442,189)	1,856,292
Beginning Net Position	<u>47,106,777</u>	<u>45,250,485</u>
Ending Net Position	<u>\$ 45,664,588</u>	<u>\$ 47,106,777</u>



**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year Ended March 31, 2024**  
**(Unaudited)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of fiscal year-end, the Authority had \$47,431,530 invested in a variety of capital assets as reflected in following schedule, which represents a net decrease (addition, deductions, and depreciation) of \$89,387 from end of last fiscal year.

**Table 4 - Capital Assets at Fiscal Year-End (Net of Depreciation) - Primary Government**

	<u>2024</u>	<u>2023</u>
Land	\$ 12,285,824	\$ 12,379,598
Construction in Progress	6,842,616	3,185,038
Buildings	164,255,751	164,448,369
Equipment	9,261,811	9,261,813
Accumulated Depreciation	<u>(145,214,472)</u>	<u>(141,932,675)</u>
<b>Total</b>	<u>\$ 47,431,530</u>	<u>\$ 47,342,143</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes on capital asset (Note 6).

**Table 5 - Change in Capital Assets - Primary Government**

	<u>2024</u>
Beginning Balance - March 31, 2023	\$ 47,342,143
Current Year Additions	4,018,222
Current Year Deletions	(298,283)
Current Year Depreciation Expense	(3,630,551)
Rounding	<u>(1)</u>
Ending Balance - March 31, 2024	\$ <u>47,431,530</u>

**Debt Outstanding**

As of fiscal year-end, the Authority had \$5,142,859 in debt outstanding compared to \$5,724,001 last fiscal year, a \$581,142 decrease related to debt service payments.

**Table 6 - Outstanding Debt, at Fiscal Year-End - Primary Government**

	<u>2024</u>	<u>2023</u>
Beginning Balance - March 31, 2023	\$ 5,724,001	\$ 6,290,143
Current Year Debt Issued	-	-
Current Year Principal Payments	<u>(581,142)</u>	<u>(566,142)</u>
<b>Ending Balance - March 31, 2024</b>	<u>\$ 5,142,859</u>	<u>\$ 5,724,001</u>

Additional detail found in Note 11 in notes to the basic financial statements.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year ended March 31, 2024**  
**(Unaudited)**

---

**NET PENSION/OPEB LIABILITY**

The net pension liability (NPL) is the largest single liability reported by the Authority at March 31, 2024 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In addition, the Authority reports financial balances pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year ended March 31, 2024**  
**(Unaudited)**

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. To further explain the impact of these accounting standards on the Authority's net position, additional information is presented below.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Deferred Outflows of Resources - Pension	\$ 2,885,925	\$ 3,729,274	\$ (843,349)
Deferred Outflows of Resources - OPEB	302,077	672,427	(370,350)
Deferred Inflows of Resources - Pension	(80,400)	(250,354)	169,954
Deferred Inflows of Resources - OPEB	(217,051)	(80,947)	(136,104)
Net Pension Asset	109,173	83,175	25,998
Net OPEB Asset	348,690	-	348,690
Net Pension Liability	(10,103,806)	(10,443,882)	340,076
Net OPEB Liability	<u>-</u>	<u>(225,877)</u>	<u>225,877</u>
Impact of GASB 68 & 75 on Net Position	<u>\$ (6,755,392)</u>	<u>\$ (6,516,184)</u>	<u>\$ (239,208)</u>

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Fiscal Year ended March 31, 2024**  
**(Unaudited)**

---

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding and subsidies provided by U.S. Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, employee health care costs, insurances, rents, supplies, and other costs.

**FINANCIAL CONTACT**

Questions concerning any information provided in this report or request for additional information should be addressed to Denita Johnson, Executive Director, Stark Metropolitan Housing Authority, 400 Tuscarawas Street East, Canton, Ohio 44702-1131, or call 330-454-8051.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS**  
**MARCH 31, 2024**

	Primary Government	Component Units
<b><u>ASSETS</u></b>		
Current Assets:		
Cash - Unrestricted	\$ 8,853,494	\$ 244,515
Cash - Restricted	2,327,246	1,098,105
Accounts Receivable - Net of Allowance	551,372	363,424
Inventories - Net of Allowance	340,331	5,843
Prepaid Expense	84,688	53,432
Total Current Assets	<u>12,157,131</u>	<u>1,765,319</u>
Non-Current Assets:		
Capital Assets - Non-Depreciated	19,128,440	268,870
Depreciable Capital Assets - Net	28,303,090	18,015,617
Note Receivable from Component Units	3,294,047	-
Other Non-Current Assets - Accrued Interest	143,727	66,773
Net Pension Asset	109,173	-
Net OPEB Asset	348,690	-
Total Non-Current Assets	<u>51,327,167</u>	<u>18,351,260</u>
Deferred Outflow of Resources:		
Deferred Outflow of Resources - Pension	2,885,925	-
Deferred Outflow of Resources - OPEB	302,077	-
Total Deferred Outflow of Resources	<u>3,188,002</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ 66,672,300</u>	<u>\$ 20,116,579</u>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Accounts Payable	\$ 1,395,047	\$ 2,620,613
Current Portion of Long-Term Debt	606,140	4,652,319
Intergovernmental Payable	234,594	31,952
Accrued Wages and Payroll Taxes	424,076	4,988
Tenant Security Deposits	410,059	46,257
Other Current Liabilities	1,078,569	583,360
Total Current Liabilities	<u>4,148,485</u>	<u>7,939,489</u>
Non-Current Liabilities:		
Long-Term Debt - Net of Current Portion	4,536,721	2,638,722
Notes Payable to Primary Government	-	3,294,047
Net Pension Liability	10,103,806	-
Other Long-Term Liabilities and Compensated Absences	790,880	1,342,090
Total Non-Current Liabilities	<u>15,431,407</u>	<u>7,274,859</u>
Total Liabilities	<u>19,579,892</u>	<u>15,214,348</u>
Deferred Inflow of Resources:		
Deferred Inflow of Resources - Pension	80,400	-
Deferred Inflow of Resources - OPEB	217,051	-
Deferred Inflow of Resources - Other	1,130,369	-
Total Deferred Inflow of Resources	<u>1,427,820</u>	<u>-</u>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	42,288,673	7,501,706
Restricted	821,459	-
Unrestricted	2,554,456	(2,599,475)
Total Net Position	<u>45,664,588</u>	<u>4,902,231</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<u>\$ 66,672,300</u>	<u>\$ 20,116,579</u>

The accompanying notes to the basic financial statements are an integral part of these statements.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

	Primary Government	Component Units
<b><u>Operating Revenues</u></b>		
Program Operating Grants/Subsidy	\$ 24,899,993	\$ 86,129
Tenant Revenues	6,216,450	2,034,598
Other Income	928,537	237,855
<b>Total Operating Revenues</b>	<b>32,044,980</b>	<b>2,358,582</b>
<b><u>Operating Expenses</u></b>		
Administrative	7,865,262	774,049
Utilities Expense	3,670,732	352,996
Maintenance Expense	9,084,905	788,657
Tenant Services	470,481	71,762
Protective Services	549,867	313,886
Housing Assistance Payments	10,101,180	-
Other General Expenses	1,953,926	370,896
Pension / OPEB Expenses	239,209	-
Depreciation	3,630,551	704,069
<b>Total Operating Expenses</b>	<b>37,566,113</b>	<b>3,376,315</b>
Operating Loss	<b>(5,521,133)</b>	<b>(1,017,733)</b>
<b><u>Non-Operating Revenue (Expenses)</u></b>		
Interest Income	407,271	7,244
Interest Expense	(161,649)	(252,899)
Casualty Loss	(222,430)	-
Gain on Disposal of Capital Assets	151,725	401,495
<b>Total Non-Operating Revenue (Expenses)</b>	<b>174,917</b>	<b>155,840</b>
Excess (Deficiency) of Revenue Over (Under) Expenses before Capital Grants/Contributions, Extraordinary and Special Items	<b>(5,346,216)</b>	<b>(861,893)</b>
<b><u>Capital Grants/Contributions, Extraordinary and Special Items</u></b>		
Capital Grants/Contributions	3,904,027	-
Extraordinary, Net Gain	-	58,780
Special Items, Net Loss	-	(300,717)
<b>Total Capital Grants/Contributions, Extraordinary and Special Items</b>	<b>3,904,027</b>	<b>(241,937)</b>
Change in Net Position	<b>(1,442,189)</b>	<b>(1,103,830)</b>
<b>Beginning Net Position</b>	<b>47,106,777</b>	<b>6,006,061</b>
<b>ENDING NET POSITION</b>	<b>\$ 45,664,588</b>	<b>\$ 4,902,231</b>

The accompanying notes to the basic financial statements are an integral part of these statements.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

	<u>Primary Government</u>
<b><u>Cash Flows from Operating Activities</u></b>	
Cash Received from HUD and Other Governments	\$ 25,686,462
Cash Received from Tenants	6,214,907
Cash Received from Other Sources	946,076
Cash Payments for Housing Assistance Payments	(10,101,180)
Cash Payments for Administration	(7,763,232)
Cash Payments for Other Operating Expenses	<u>(15,468,192)</u>
<b>Net Cash (Used by) Operating Activities</b>	<u>(485,159)</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Payments to HUD	(204,000)
Principal Payments on Debt	(606,142)
Sale of Capital Asset	224,705
Interest Expense	(170,800)
Acquisition of Capital Assets	(3,792,917)
Capital Grants and Contributions	3,904,027
Casualty Loss	<u>(222,430)</u>
<b>Net Cash (Used by) Capital and Other Related Financing Activities</b>	<u>(867,557)</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Decrease in Notes Receivable	1,013,670
Investment Income	<u>429,553</u>
<b>Net Cash Provided by Investing Activities</b>	<u>1,443,223</u>
Net Increase in Cash and Cash Equivalents	90,507
Cash and Cash Equivalents, Beginning	<u>11,090,233</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 11,180,740</u></u>
<b><u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u></b>	
Operating Loss	\$ (5,521,133)
Net Cash Used by Operating Activities	
Depreciation	3,630,551
(Increase) Decrease in:	
Receivables, Current and Non-Current	(45,643)
Inventory and Prepaid Expense	39,861
Deferred Outflows of Resources and Pension Asset	839,011
Increase (Decrease) in:	
Accounts Payable	1,090,172
Net Pension/OPEB Liability	(565,953)
Non-Current Liabilities	(31,619)
Accrued Wages/Payroll Taxes	(9,062)
Intergovernmental Payable	(11,452)
Deferred Inflow of Resources	788,241
Tenant Security Deposits	37,469
Current Liabilities	<u>(725,602)</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (485,159)</u></u>

The accompanying notes to the basic financial statements are an integral part of these statements.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 1: DESCRIPTION OF THE ENTITY**

Stark Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of various subsidized public housing programs for eligible Stark County residents. These programs provide housing for eligible families under the United States Housing Act of 1937, as amended. The Authority contracts with United States Department of Housing and Urban Development (HUD) to provide low and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on subsidies from HUD to operate.

The Authority participates in a low-rent public housing program (Conventional Public Housing). Under this Program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

In addition, the Authority participates in the Housing Choice Voucher program and other programs supported by HUD. These programs help assist families in payment of rent. Under these HUD Programs, subsidy payments are made directly to landlord on behalf of participants living in their respective unit.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Summary of Significant Accounting Policies**

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

**B. Reporting Entity**

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading and consistent with GASB's Statement No. 14, *The Financial Reporting Entity*. Based on the application of criteria set forth in GASB Statement No. 14 (as amended by GASB Statement No. 61), the Authority evaluated potential component units (PCU) for inclusion based on financial accountability, the nature and significance of their relationship to the Authority, and whether exclusion would cause basic financial statements to be misleading or incomplete.

Among the factors considered were whether the Authority holds PCU's corporate power, appoints a voting majority of the PCU's board, is able to impose its will on the PCU, or whether a financial benefit / burden relationship exists between the Authority and the PCU.

Primary government of the Authority consists of all funds, agencies, departments and offices that are not legally separate from the Authority. Preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. The following organizations have been reflected in the accompanying basic financial statements as discretely presented component units as excluding the following entities would render the Authority's basic financial statements incomplete or misleading.



**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Discretely Presented Component Units**

Component unit's column in the combined financial statements identifies financial data of the Authority's four component units: Alliance Senior Tower, LLC, Hunter House, LLC, Turner Tower, LLC and Progressive Housing Solutions Corporation, Inc. They are reported separately to emphasize that they are legally separate from the Authority and provide services to clients of the Authority and others.

Alliance Senior Tower, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. The entity was formed for the purpose of acquiring and operating Alliance Tower, a multi-family residential housing project in Stark County, Ohio. Separately issued audited financial statements are available from the Authority.

Hunter House, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. The entity was formed for the purpose of acquiring and operating Hunter House, a multi-family residential housing project in Stark County, Ohio. Hunter House, LLC has a December 31 fiscal year end. Separately issued audited financial statements are available from the Authority.

Turner Tower, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. The entity was formed for the purpose of acquiring and operating Cherrie Turner Tower, a multi-family residential housing project in Stark County, Ohio. Separately issued audited financial statements are available from the Authority.

Progressive Housing Solutions Corporation is a non-profit limited corporation formed under the laws of the State of Ohio under Section 501(c)(3) of the Internal Revenue Code of 1986. The entity was formed for the purpose of acquiring and operating housing developments in Stark County, Ohio. Progressive Housing Solutions Corporation has a December 31 fiscal year end.

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

**D. Fund Accounting**

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

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

**E. Proprietary Fund Types**

Proprietary funds are used to account for the Authority's ongoing activities, which are similar to those found in the private sector. Following is the proprietary fund type:

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Enterprise Fund - Fund used to account for operations financed and operated in a manner similar to private business enterprises. Intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**F. Measurement Focus/Basis of Accounting**

Proprietary funds are accounted for on an accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. The Authority's operating revenues and expenses generally result from providing service and producing and delivering goods in connection with the propriety fund's principal ongoing operation. The Authority's principal operating revenues arise from providing housing which in turn generates charges to tenants for rent and the related operating subsidies from HUD. The majority of operating expenses of the Authority's propriety fund include the cost of facility maintenance, housing assistance payments, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority maintains inventory warehouses at various low-rent public housing sites. This inventory consists of materials, parts and operating supplies for the efficient operation of the program. Value of the inventory is based on cost using the "First In First Out" (FIFO) method of accounting in accordance with GAAP.

The Authority is required to follow GAAP's Proprietary Fund accounting. GAAP requires the Authority to account for transactions using the accrual basis of accounting. Accrual basis of accounting requires revenues and expenses to be recognized in the period incurred. Contributions and subsidies received from HUD are generally recognized as revenues based on the Annual Contributions contract year. Tenant rents are recognized as revenues in the month of occupancy. Contributions under the Capital Fund Program (CFP) are recognized as revenue in the period in which expenses related to CFP projects were incurred. Rents or grants received in advance of the period in which they are recognized are recorded as deferred inflows of resources.

**G. Investments**

Investments are restricted by the provisions of HUD Regulations (See Note 2). Investments are valued at fair value. Interest income earned in fiscal year 2024 totaled \$407,271 for primary government and \$7,244 for component units.

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**H. Capital Assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property that has a useful life of more than one year and purchase price of \$5,000 or more per unit. Capital assets are depreciated using straight line method with a half year convention in the year of acquisition and disposal. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized.

Estimated useful lives for each major class of depreciable assets are as follows:

Buildings	40 Years
Building and Improvements	15 Years
Furniture and Equipment Dwellings	5 to 10 Years

**I. Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all liquid debt instruments with original maturities of three months or less.

**J. Compensated Absences**

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

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

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

**K. Capital Grants and Contributions**

Capital Grants are made available by HUD with respect to all federally aided projects under an annual contributions contract.

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**L. Budgetary Accounting**

The Authority annually prepares its budget as prescribed by HUD. Budget is adopted by the Board of the Authority and then submitted to HUD when required.

**M. Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and the disclosure of contingent assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**N. Inter-Program Loans**

Primary Government Inter-Program Due To and Due From are reflected on supplemental Financial Data Schedules (FDS) and are eliminated in total on both FDS and Statement of Net Position.

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB as well as intergovernmental revenue unavailable. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

**P. Pensions and Post-Employment Benefits**

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

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 3: DEPOSITS AND INVESTMENTS**

**A. Deposits**

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

*Active deposits* are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

*Inactive deposits* are public deposits the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than end of current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

*Interim deposits* are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

At fiscal year-end, carrying amount of the Authority's deposits was \$10,676,643 of which \$2,327,246 was restricted funds and \$4,250 was petty cash, and its bank balances were \$10,917,155

**Custodial Credit Risk**

Custodial credit risk is the risk, in the event of a bank failure, that the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits of the primary government totaling \$250,000 were covered by Federal Depository Insurance, and deposits totaling \$10,667,155 were uninsured and collateralized with securities held by the financial institution's trust department or agent, but not in the Authority's name.

**B. Investments**

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 3: DEPOSITS AND INVESTMENTS (Continued)**

The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value.

The Authority categorizes its fair value of measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to insure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Authority's investments are measured at fair value and valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk**

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires funds which are not operating reserve funds to be invested in investments with a maximum term of one year or Authority's operating cycle. For investments in the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

As of March 31, 2024, the Authority had the following investments and investment maturities:

<u>Investment Type</u>	<u>Measurement Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>	<u>Level</u>	<u>Percentage of Investments</u>
U.S. Treasury and Government Securities	\$ 207,039	AAA	Various Maturities	2	41.07%
U.S. Treasury and Government Securities	\$ 297,058	AAA	Various Maturities	2	58.93%
Total Investments	<u>\$ 504,097</u>				<u>100.00%</u>

	<u>Cash and Cash</u>	<u>Investments</u>
	<u>Equivalents</u>	
Per Statement of Net Position	\$ 11,180,740	\$ -
Huntington National Bank Escrow	(207,039)	207,039
Wells Fargo 100 % Treasury Money Market Fund	(297,058)	297,058
Per GASB Statement No. 3	<u>\$ 10,676,643</u>	<u>\$ 504,097</u>

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

**C. Component Units**

At March 31, 2024, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the \$250,000 insured limit. The Component Units also have escrows and reserves held by the mortgage lender, and the balances may exceed \$250,000. The total carrying value of cash for the component units was \$1,342,620.

**NOTE 4: RESTRICTED CASH**

Restricted cash balances as of March 31, 2024 represents cash on hand for following:

	Primary <u>Government</u>	Component <u>Units</u>
Tenant Security Deposits	\$ 410,059	\$ 46,257
Bond Proceeds to be Used for Capital Improvement	798,247	-
Other Restricted Cash	<u>1,118,940</u>	<u>1,051,848</u>
<b>Total Restricted Cash</b>	<u><u>\$ 2,327,246</u></u>	<u><u>\$ 1,098,105</u></u>

**NOTE 5: INSURANCE COVERAGE** (Primary Government)

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is covered for property damage and general liability through HAI Group or its affiliates. Auto liability and physical damage are covered through Travelers Insurance. Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation program, in which rates are calculated retrospectively. There was no significant reduction in coverage and no claims exceeded insurance coverage during the past three fiscal years.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 6: CAPITAL ASSETS**

The following is a summary of the Authority's capital assets and changes in capital assets:

	<b>Primary Government</b>				
	<b>Balance 3/31/2023</b>	<b>Rounding/ Reclasses</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 3/31/2024</b>
<i>Capital assets not being Depreciated</i>					
Land	\$ 12,379,598	\$ -	\$ -	\$ (93,774)	\$ 12,285,824
Construction in Progress	3,185,038	(84,881)	3,946,967	(204,509)	6,842,616
<i>Total Capital Assets not being Depreciated</i>	<u>15,564,636</u>	<u>(84,881)</u>	<u>3,946,967</u>	<u>(298,283)</u>	<u>19,128,440</u>
<i>Capital Assets Being Depreciated</i>					
Buildings and Building Improvements	164,448,369	84,881	71,255	(348,754)	164,255,751
Furniture and Equipment Dwelling	9,261,813	(2)	-	-	9,261,811
<i>Total Capital Assets Being Depreciated</i>	<u>173,710,182</u>	<u>84,879</u>	<u>71,255</u>	<u>(348,754)</u>	<u>173,517,562</u>
Accumulated Depreciation					
Buildings and Improvements	(134,640,900)	-	(3,025,536)	348,754	(137,317,682)
Furniture and Equipment	(7,291,775)	-	(605,015)	-	(7,896,790)
Subtotal Accumulated Depreciation	<u>(141,932,675)</u>	<u>-</u>	<u>(3,630,551)</u>	<u>348,754</u>	<u>(145,214,472)</u>
Net Capital Assets being Depreciated	<u>31,777,507</u>	<u>84,879</u>	<u>\$ (3,559,296)</u>	<u>-</u>	<u>28,303,090</u>
Total Primary Government	<u>\$ 47,342,143</u>	<u>\$ (2)</u>	<u>\$ 387,671</u>	<u>\$ (298,283)</u>	<u>\$ 47,431,530</u>

This space intentionally left blank



**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 6: CAPITAL ASSETS** (Continued)

	<b>Component Units</b>				
	<b>Balance</b>				<b>Balance</b>
	<b>3/31/2023</b>	<b>Reclasses</b>	<b>Additions</b>	<b>Deletions</b>	<b>3/31/2024</b>
<i>Capital assets not being Depreciated</i>					
Land	\$ 250,701	\$ -	\$ -	\$ (192,300)	\$ 58,401
Construction in Progress	3,853,585	-	12,776	(3,655,892)	210,469
<i>Total Capital Assets not being Depreciated</i>	<u>4,104,286</u>	<u>-</u>	<u>12,776</u>	<u>(3,848,192)</u>	<u>268,870</u>
<i>Capital Assets Being Depreciated</i>					
Buildings and Building Improvements	12,558,196	-	10,150,246	(698,700)	22,009,742
Furniture and Equipment Dwelling	210,247	-	-	-	210,247
<i>Total Capital Assets Being Depreciated</i>	<u>12,768,443</u>	<u>-</u>	<u>10,150,246</u>	<u>(698,700)</u>	<u>22,219,989</u>
Accumulated Depreciation					
Buildings and Improvements	(3,372,205)	-	(703,149)	69,869	(4,005,485)
Furniture and Equipment	(197,967)	-	(920)	-	(198,887)
Subtotal Accumulated Depreciation	<u>(3,570,172)</u>	<u>-</u>	<u>(704,069)</u>	<u>69,869</u>	<u>(4,204,372)</u>
Net Capital Assets being Depreciated	<u>9,198,271</u>	<u>-</u>	<u>9,446,177</u>	<u>(628,831)</u>	<u>18,015,617</u>
Total Component Units	<u>\$ 13,302,557</u>	<u>\$ -</u>	<u>\$ 9,458,953</u>	<u>\$ (4,477,023)</u>	<u>\$ 18,284,487</u>

**NOTE 7: NOTES RECEIVABLE**

In August 2022, the Authority entered into 2 promissory notes with Turner Tower LLC, an Ohio limited Liability company. The first note, Seller Note, was for the purchase of Cherrie Turner Tower Complex from the Authority in the amount of \$2,056,553. The Complex serves as collateral for the note. The note has an annual interest rate of 3.35%. Principal and interest are payable to the authority out of surplus cash as defined in the Operating Agreement. The note matures August 1, 2064, at which time any unpaid principal and interest shall be due and payable. As of March 31, 2024, the outstanding principal balance and accrued interest are \$2,056,553 and \$116,364.

The second note, Capital Fund note, was for Cherrie Turner Tower project Capital Fund from the Authority in the amount of \$500,000. The Complex serves as collateral for the note. The note has an annual interest rate of 2.50%. Principal and interest are payable to the authority out of surplus cash as defined in the Operating Agreement. The note matures August 1, 2064, at which time any unpaid principal and interest shall be due and payable. As of March 31, 2024, the outstanding principal balance and accrued interest are \$500,000 and \$21,042.

In September 2019, the Authority entered into a promissory note with Progressive Housing Solutions Corporation, an affiliate of the Authority, for the acquisition of The Villas at Meadowview, a market-rent apartment complex, in the amount of \$1,000,000. The Villas at Meadowview serve as collateral for the note. The note has an annual interest rate of 3.00%. As of March 31, 2024, the outstanding principal balance and accrued interest are \$0 and \$0, respectively.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 7: NOTES RECEIVABLE (cont'd)**

In August 2014, the Authority entered into a Surplus Cash Note with Alliance Senior Tower, LLC for the acquisition of Alliance Senior Tower, in the amount of \$200,000. The Alliance Senior Tower serves as collateral for the note. The note has an annual interest rate of 4.00%. No payments are required prior to September 30, 2024. Principal and interest are payable to the Authority out of surplus cash as defined in the Surplus Cash Note. The note matures November 1, 2031, at which time any unpaid principal and interest shall be due and payable. As of March 31, 2024, the outstanding principal balance and accrued interest are \$157,359 and \$6,322, respectively.

**NOTE 8: DEFINED BENEFIT PENSION PLAN**

***Net Pension Liability/Asset***

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension liability*. Any liability for the contractually-required pension contribution outstanding at the end of the fiscal year is included in *intergovernmental payable*

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

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

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

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

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

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

When a Traditional Pension Plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed Plan participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit account (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
<b>2023-2024 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
<b>2023-2024 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	14.0 %	14.0 %	14.0 %
Employee	10.0 %	10.0 %	10.0 %

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For fiscal year ending March 31, 2024, the Authority's contractually required contributions used to fund pension benefits was \$920,221 for the Traditional Pension Plan, \$19,338 for the Combined Plan.

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

The net pension liability/asset for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/asset was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Prior Measurement Date	0.035355%	0.035290%	
Current Measurement Date	0.038593%	0.035517%	
Change in Proportionate Share	0.003238%	0.000227%	
Proportionate Share of the:			
Net Pension Liability	\$ 10,103,806	\$ 0	\$ 10,103,806
Net Pension Asset	\$ 0	\$ 109,173	\$ 109,173
Pension Expense	\$ 1,234,449	\$ 12,291	\$ 1,246,740

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

At March 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 2,039,379	\$ 17,755	\$ 2,057,134
Differences between expected and actual experience	165,139	4,423	169,562
Changes of assumptions	0	4,048	4,048
Changes in proportion and differences between Authority contributions and proportionate share of contributions	377,418	40,887	418,305
Authority contributions subsequent to the measurement date	<u>232,572</u>	<u>4,304</u>	<u>236,876</u>
Total Deferred Outflows of Resources	<u><u>\$ 2,814,508</u></u>	<u><u>\$ 71,417</u></u>	<u><u>\$ 2,885,925</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 0	\$ 10,793	\$ 10,793
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>61,983</u>	<u>7,624</u>	<u>69,607</u>
Total Deferred Inflows of Resources	<u><u>\$ 61,983</u></u>	<u><u>\$ 18,417</u></u>	<u><u>\$ 80,400</u></u>

This space intentionally left blank

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

\$236,876 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the fiscal year ending March 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Fiscal Year Ending March 31:			
2025	\$ 710,523	\$ 7,330	\$ 717,853
2026	798,415	10,130	808,545
2027	1,301,415	15,289	1,316,704
2028	(290,400)	2,385	(288,015)
2029	-	6,704	6,704
Thereafter	<u>-</u>	<u>6,858</u>	<u>6,858</u>
Total	<u>\$ 2,519,953</u>	<u>\$ 48,696</u>	<u>\$ 2,568,649</u>

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

	<u>Traditional Pension Plan</u>	<u>Combined Plan</u>
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

The most recent experience study was completed for the five-year period ended December 31, 2020.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.



**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 8: DEFINED BENEFIT PENSION PLAN (cont'd)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Authority's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate** The following table presents the Authority's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

<u>Authority's proportionate share of the net pension liability/(asset)</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Traditional Pension Plan	\$ 15,906,105	\$ 10,103,806	\$ 5,277,979
Combined Plan	\$ (66,062)	\$ (109,173)	\$ (143,134)

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 9: DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

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

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

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 9: DEFINED BENEFIT OPEB PLANS (cont'd)**

the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022 or after must meet the following health care eligibility requirements to receive an HRA allowance:

- 1. Age 65 or older** – minimum of 20 years of qualified health care service credit.
- 2. Age 60 to 64** – based on the following age-and-service criteria:
  - a. Group A – 30 years of total service with at least 20 years of qualified health care service credit;
  - b. Group B – 31 years of total service with at least 20 years of qualified health care service credit; or
  - c. Group C – 32 years of total service with at least 20 years of qualified health care service credit.
- 3. Age 59 or younger** – based on the following age-and-service criteria:
  - a. Group A – 30 years of qualified health care service credit;
  - b. Group B - 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or
  - c. Group C – 32 years of qualified health care service credit and at least age 55.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service. Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Retirement Date	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
December 1, 2014 or Prior	Any	10	Any	10	Any	10
January 1, 2015 through December 31, 2021	60	20	52 60	31 20	55	32
	Any	30	Any	32	60	20

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 9: DEFINED BENEFIT OPEB PLANS (cont'd)**

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2023 and 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023-2024, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023-2024 was 2.0 percent and 4.0 percent, respectively.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution allocated to health care was \$15,149 for the fiscal year ending March 31, 2024.

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

The net OPEB liability/asset for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the Net OPEB Asset:	
Prior Measurement Date	0.035824%
Current Measurement Date	0.038635%
Change in Proportionate Share	<u>0.002811%</u>
 Proportionate Share of the Net OPEB Asset	 \$ (348,690)
OPEB Expense	\$ (55,189)

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 9: DEFINED BENEFIT OPEB PLANS (cont'd)**

At March 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 209,406
Changes of assumptions	89,771
Authority contributions subsequent to the measurement date	<u>2,900</u>
Total Deferred Outflows of Resources	<u>\$ 302,077</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ 49,629
Changes of assumptions	149,891
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>17,531</u>
Total Deferred Inflows of Resources	<u>\$ 217,051</u>

\$2,900 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the fiscal year ending March 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending March 31:	<u>OPERS</u>
2025	\$ (20,123)
2026	9,954
2027	163,004
2028	<u>(70,709)</u>
Total	<u>\$ 82,126</u>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 9: DEFINED BENEFIT OPEB PLANS (cont'd)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.70 percent	5.22 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	3.77 percent	4.05 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2038	5.50 percent initial, 3.50 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 9: DEFINED BENEFIT OPEB PLANS (cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	<u>5.00</u>	2.43
Total	<u>100.00 %</u>	

**Discount Rate** A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	<u>1% Decrease (4.70%)</u>	<u>Current Discount Rate (5.70%)</u>	<u>1% Increase (6.70%)</u>
Authority's proportionate share of the net OPEB liability/(asset)	\$ 191,630	\$ (348,690)	\$ (796,267)



**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 9: DEFINED BENEFIT OPEB PLANS (cont'd)**

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability/Asset to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/asset. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	<u>1% Decrease</u>	<u>Assumption</u>	<u>1% Increase</u>
Authority's proportionate share of the net OPEB liability/(asset)	\$ (363,169)	\$ (348,690)	\$ (332,261)

**NOTE 10: COMPENSATED ABSENCES**

The Board of Commissioners based on local and state laws establishes all leave policies. Union employees and non-union employees earn 4.6 and 4 hours, respectively of sick leave per eighty hours of service. Unused sick leave is accumulated without limit. At the time of separation, if an employee states separation is due to retirement, employee will be eligible to receive payment for 50% of their accumulated sick leave balance. For employees hired on or after April 1, 2008, payment on sick leave is reduced from 50% to 33.33%. For employees hired on or after April 1, 2011, payment on sick leave is reduced from 50% to 25%. All permanent employees earn vacation hours accumulated based on length of service. Vacation time earned may be accumulated up to three times the annual amount that can be accrued in a calendar year. For employees hired after April 1, 2011 vacation time earned may be accumulated up to one times the annual amount that can be earned in a calendar year.

Following is a summary of changes in compensated absences liability for the fiscal year ended March 31, 2024:

<u>Balance at</u> <u>3/31/2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> <u>3/31/2024</u>	<u>Due Within</u> <u>One Year</u>
<u>\$383,234</u>	<u>\$75,632</u>	<u>(\$104,406)</u>	<u>\$354,460</u>	<u>\$68,810</u>



**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 11: LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2024 are as follows:

**General Long-Term Obligations**

<b><u>Primary Government</u></b>	<b><u>Balance at 3/31/23</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance at 3/31/24</u></b>	<b><u>Due Within One Year</u></b>
Long-Term Debt:					
Ohio Housing Finance Agency					
Serial Bonds 2018A	\$2,429,335	\$ -	\$445,867	\$1,983,468	\$465,865
Energy Performance Contract					
EPC Series 2019 COPs	3,294,666	-	135,275	3,159,391	140,275
HUD CF Repayment	815,507	-	204,000	611,507	204,000
Knights of Columbus	116,667	-	25,000	91,667	25,000
Compensated Absence	383,234	75,632	104,406	354,460	68,810
Authority advance to HCV	10,946	45,000	35,000	20,946	-
Family Self Sufficiency Escrow	<u>53,508</u>	<u>66,367</u>	<u>30,252</u>	<u>89,623</u>	<u>24,151</u>
<b><i>Total Primary Government</i></b>	<b><u>\$7,103,863</u></b>	<b><u>\$186,999</u></b>	<b><u>\$979,800</u></b>	<b><u>\$6,311,062</u></b>	<b><u>\$928,101</u></b>

**Component Units**

Alliance Senior Tower, LLC	\$1,029,011	\$ -	\$71,408	\$957,603	\$45,302
Hunter House, LLC	1,378,292	-		1,378,292	-
Progressive Housing Solution	1,000,000	-	1,000,000	-	-
Turner Tower, LLC	2,676,589	1,011,864	-	3,688,453	-
<b><i>Total Component Units</i></b>	<b><u>\$6,083,892</u></b>	<b><u>\$1,011,864</u></b>	<b><u>\$1,071,408</u></b>	<b><u>\$6,024,348</u></b>	<b><u>\$45,302</u></b>

*This space intentionally left blank*

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 11: LONG-TERM DEBT (Continued)**

The Authority was obligated on the following notes as of March 31, 2024:

	<b><u>2024</u></b>
<b><u>Ohio Housing Finance Agency</u></b>	
<b>S erial Bond 2018A</b> - Bond dated M arch 13, 2018, due April 2027, funding by a bond issue in the principal amount of \$22,585,000, of which the Authority's share is \$4,390,000. Payments are due semi-annually beginning April 1, 2018, totaling approximately \$500,000 annually. This series replaces Serial Bond 2007A with a lower fixed interest rates between 3.00% and 4.00%. The bond is repaid from the Capital Fund Program and were issued to provide major renovations at three high-rise buildings: W.L. Hart Apartments, Plaza Apartments, and Lincoln Apartments. Premium on the bond of \$108,675 was added to the debt and is being amortized over the life of the bond.	1,983,468
<b><u>Stark Metropolitan Housing Authority</u></b>	
<b>S eries 2019 COPs</b> - COP proceeds, dated August 29, 2019 for \$ 3,675,000, being used to fund a Public Housing Energy Efficiency Improvement Project. The bonds bear interest at varying amounts from 2 percent - 3 percent with the final maturity date of August 1, 2039. Premium on the bond of \$5,490 was added to the debt and is being amortized over the life of the bond.	3,159,391
<b><u>HUD Capital Fund Repayment</u></b>	
The Authority entered into the repayment agreement on September 28, 2017 for \$ 3,789,507 as result of ineligible expenditures in the Capital Fund Program for grant years 2005-2012. An initial payment of \$ 1,750,000 was paid with the remaining balance, \$ 2,039,507, paid in 10 equal annual installments. Payments will be made through a reduction in the annual Capital Fund Program starting with 2017 Capital Grant Year	611,507
<b><u>Knights of Columbus Settlement</u></b>	
The Authority entered into a settlement agreement on November 20, 2015 for \$300,000 as result of litigation between the Authority and the Knights of Columbus. The settlement obligates the Authority to make 144 monthly payments of \$2,083 payable to the Knights of Columbus.	91,667
<b>Total</b>	<b>\$ 5,846,033</b>

*This space intentionally left blank*

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 11: LONG-TERM DEBT** (Continued)

Total payments including interest necessary over the next five years for the primary government on the above notes are as follows:

	Principal	Interest	Total
2025	\$ 835,140	\$ 150,250	\$ 985,390
2026	860,142	128,075	988,217
2027	889,649	106,650	996,299
2028	697,811	86,850	784,661
2029	165,275	74,325	239,600
Thereafter	2,398,016	426,075	2,824,091
Total	\$ 5,846,033	\$ 972,225	\$ 6,818,258

	CFFP 2018a Series Bond		Certificates of Participation		HUD Repaym't	Knights of Columbus	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Principal	Interest
2025	\$ 465,865	\$ 58,400	\$ 140,275	\$ 91,850	\$ 204,000	\$ 25,000	\$ 835,140	\$ 150,250
2026	485,867	39,800	145,275	88,275	204,000	25,000	860,142	128,075
2027	510,867	22,800	150,275	83,850	203,507	25,000	889,649	106,650
2028	520,869	7,650	160,275	79,200	-	16,667	697,811	86,850
2029	-	-	165,275	74,325	-	-	165,275	74,325
Thereafter	-	-	2,398,016	426,075	-	-	2,398,016	426,075
Total	\$ 1,983,468	\$ 128,650	\$ 3,159,391	\$ 843,575	\$ 611,507	\$ 91,667	\$ 5,846,033	\$ 972,225

*This space intentionally left blank*

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 11: LONG-TERM DEBT** (Continued)

Debt schedule for component units is as follows:

**Alliance Senior Tower LLC:**

First Mortgage - Principal Amount - Interest Rate of 1.0%

\$922,900 - Interest Rate of 1.0%	\$ 453,301
-----------------------------------	------------

2nd Mortgage - Payable to Department of HUD - Interest Rate of 1.0%	203,029
---	---------

3rd Mortgage - Payable to Department of HUD - Interest Rate of 1.0%	143,914
---	---------

Notes Payable Affiliates	157,359
--------------------------	---------

**Hunter House PSH, LLC-**

HDAP Loan	1,100,000
-----------	-----------

Home Loan: Stark County	83,792
-------------------------	--------

Home Loan: City of Canton	62,000
---------------------------	--------

Managing Member	132,500
-----------------	---------

**Progressive Housing Solutions Corp.**

The Authority's Note	-
----------------------	---

**Turner Tower, LLC**

Equity Bridge Loan	1,250,000
--------------------	-----------

2nd Mortgage	2,056,553
--------------	-----------

3rd Mortgage	500,000
--------------	---------

Less: Debt Issuance Costs	(118,100)
---------------------------	-----------

<b>Total</b>	<b>\$ 6,024,348</b>
--------------	---------------------

*This space intentionally left blank*

**STARK METROPOLITAN HOUSING AUTHORITY**  
**STARK COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

**NOTE 12: CONDENSED FINANCIAL STATEMENT INFORMATION – COMPONENT UNITS**

	<u>FYE12/2023</u>	<u>FYE03/2024</u>	<u>FYE12/2023</u>	<u>FYE 12/2023</u>	
	Hunter House	Alliance Senior	Progressive	Turner Tower,	
	PSH, LLC	Tower, LLC	Housing	LLC	
			Solutions Corp.		Total
<b><u>Balance Sheet</u></b>					
Current and Other Assets	\$ 456,810	\$ 567,171	\$ 177,815	\$ 630,296	\$ 1,832,092
Capital Assets	4,049,978	1,985,772	0	12,248,737	18,284,487
Current Liabilities	545,456	198,980	830	7,194,223	7,939,489
Non-Current Liabilities	1,402,384	935,293	0	4,937,182	7,274,859
<b>Net Position</b>	<b>\$ 2,558,948</b>	<b>\$ 1,418,670</b>	<b>\$ 176,985</b>	<b>\$ 747,628</b>	<b>\$ 4,902,231</b>
<b><u>Revenues, Expenses, and</u></b>					
<b><u>Changes in Equity</u></b>					
Total Revenues	\$ 527,832	\$ 949,073	\$ 107,425	\$ 781,496	\$ 2,365,826
Operating Expenses	674,977	824,628	239,849	1,053,745	2,793,199
Depreciation, Amortization					
& Other Expenses	264,761	103,822	(333,981)	399,918	434,520
Excess Revenue Over	(411,906)	20,623	201,557	(672,167)	(861,893)
Expense					
Beginning Net Position	2,970,854	1,398,047	(83,352)	1,720,512	6,006,061
Extraordinary/Special Item	-	-	58,780	(300,717)	(241,937)
<b>Ending Net Position:</b>	<b>\$ 2,558,948</b>	<b>\$ 1,418,670</b>	<b>\$ 176,985</b>	<b>\$ 747,628</b>	<b>\$ 4,902,231</b>
<b>Detailed Ending Net Position:</b>					
Unrestricted	\$ (112,738)	\$ 588,194	\$ 176,985	\$ (3,251,916)	\$ (2,599,475)
Net Investments in					
Capital Assets	2,671,686	830,476	-	3,999,544	7,501,706
	<b>\$ 2,558,948</b>	<b>\$ 1,418,670</b>	<b>\$ 176,985</b>	<b>\$ 747,628</b>	<b>\$ 4,902,231</b>

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 12: CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS (Continued)**

**Hunter House PSH, LLC**

Hunter House PSH, LLC (HH) was formed in 2010 as a partnership for the purchase, development and operation of a 48-unit complex serving homeless individuals with drug and alcohol dependencies. Currently HH general and managing member is Hunter House PSH, Inc. which is owned 76% by the Authority and 24% by Emerald Development and Economic Network, Inc (EDEN). HH is operated with subsidy from Department of Housing and Urban Development. The Authority did not provide any services and did not receive any fees or income from Hunter House PSH, LLC.

**Alliance Senior Tower, LLC**

Alliance Senior Tower, LLC (AT) was incorporated in April 2012 for the purpose of acquiring a 100-unit property at 350 South Arch Street in Alliance, Ohio. AT is a corporation which is 100% owned by the Authority. AT acquired the property in August 2012. Currently, the Authority is the managing agent and bookkeeper. AT is operated with assistance from the Department of Housing and Urban Development. The Authority collected \$97,924 from AT.

**Progressive Housing Solutions Corp.**

Progressive Housing Solutions Corp. (PHS) was incorporated in 2018 as an instrumentality of the Authority to assist with the development of housing for income eligible persons. PHS received an IRS Determination Letter as a tax exempt 501(c)(3) entity. PHS is a discreetly presented component unit of the financial statements. During 2019 PHS acquired Meadowview, a property with 13 units. SHMA is the managing and bookkeeping agent and received fees totaling \$6,728 from January 2023 to December 2024. Meadowview was sold in July 2023.

**Turner Tower, LLC.**

Turner Tower, LLC T/A Cherrie Turner Apartments (the Company), was formed as a limited liability company under the laws of the State of Ohio on August 6, 2021, to acquire a leasehold interest in land located in Canton, Ohio, and acquire, develop, and substantially rehabilitate, own, maintain and operate a 134-unit apartment complex (the Development) consisting of one building for rental to elderly, families, and individuals of low-income, located in Canton, Ohio. The Company acquired the Development from SMHA on August 1, 2022, for a purchase price of \$2,230,000.

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 13: CONTINGENCIES**

**Litigations and Claims**

In the normal course of operations, the Authority may be subjected to litigation and claims. At March 31, 2021, the Authority is involved in several matters. One matter involves an U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) investigation. The Authority received notification from HUD on May 24, 2023, that the audit was closed. In September 2023, The Authority received additional communication from the local HUD Field Office regarding how to resolve the issues identified in the Audit. As of March 31, 2024, the Authority is still working to resolve these issues with the Field Office.

HUD has been in discussion with the Authority to resolve prior year audit findings covering the fiscal year end 2011 through fiscal year end 2013 concerning the Authority lending Low Rent Public Housing funds to the Central Office Cost Center (COCC). In a letter dated May 9, 2019, HUD requested a repayment of \$1,123,368 from the COCC to the Public Housing Program. The Authority believes this amount has been included in the Repayment Agreement amount of \$6,793,413 described in Note 15. As of March 31, 2024, the outcome of this matter is still unresolved.

The Authority entered into a Security Support Agreement on February 23, 2020 to financially support security services for Hunter House, LLC. The Authority received a two-year operating grant from Ohio Supportive Housing Program in January 2019 in the amount of \$245,000 (\$122,500 per year) to cover security costs incurred from January 1, 2019 thru December 31, 2020. In the event the grant is not renewed, the Authority is obligated to cover the shortfall annually through the end of the Compliance Period which ends December 31, 2027. The shortfall amount is capped at \$122,500 per year. The grant was renewed for an additional two-year period from January 1, 2023 to December 31, 2024 in the amount of \$254,700 (\$127,350 per year).

The Authority, as majority member of the General Partner / Managing Member (Hunter House PSH, Inc.) of Hunter House PSH, LLC, will provide financial assistance in an amount of up to \$235,000 as stated in Hunter House PSH, LLC's Amended and Restated Operating Agreement. The Operating Deficit Guaranty in the agreement covers any operating deficits Hunter House PSH, LCC may incur. These funds are payable out of future excess cash flows of Hunter House PSH, LLC. As of March 31, 2024, the Operating Deficit Guaranty due to the Authority is \$132,500.

**NOTE 14: RESTRICTED NET POSITION**

The Housing Choice Voucher Program and the Veteran's Affairs Supportive Housing Program require the equity portion attributable to the excess housing assistance payments to be reflected as restricted net position. The corresponding funds are reflected in the cash and investment accounts.

Housing Assistance Payments – Section 8	\$ 1,874
Self-Sufficiency Forfeitures	7,769
Emergency Housing Vouchers	13,569
Efficiency Improvement Project	207,039
Capital Fund Financing Program	<u>591,208</u>
<b><i>Total Restricted Net Position</i></b>	<b><u><u>\$ 821,459</u></u></b>

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

---

**NOTE 15: HUD REPAYMENT AGREEMENTS**

The Authority entered into two repayment agreements with the U.S. Department of Housing and Urban Development (HUD) on September 28, 2017. Note 11 discusses the repayment agreement of capital grant funds. The other repayment agreement is for operating funds and is in the amount of \$6,793,413. The agreement obligates the Authority to make 38 annual payments of \$178,744 from non-federal funds to reimburse the Low-Rent Public Housing Program. The balance owed as of March 31, 2024 is \$5,542,025. This inter-program transaction is eliminated from the Authority's financial statements.

**NOTE 16: CHANGE IN ACCOUNTING PRINCIPLE**

For the fiscal year ended March 31, 2024, the Authority implemented Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the Authority's financial statements. The Authority did not have any contracts that met the GASB 96 definition of a SBITA.



Stark Metropolitan Housing Authority  
Required Supplementary Information  
Schedule of the Authority's Proportionate Share of the Net Pension Liability/(Asset)  
Ohio Public Employees Retirement System  
Last Ten Fiscal Years

<b>Traditional Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Authority's Proportion of the Net Pension Liability	0.038593%	0.035355%	0.037165%	0.038200%	0.034874%	0.033211%	0.033568%	0.036143%	0.037071%	0.035394%
Authority's Proportionate Share of the Net Pension Liability	\$ 10,103,806	\$ 10,443,882	\$ 3,233,505	\$ 5,656,588	\$ 6,893,083	\$ 9,095,820	\$ 5,266,168	\$ 8,207,461	\$ 6,421,164	\$ 4,268,911
Authority's Covered Payroll	\$ 6,352,465	\$ 5,480,470	\$ 5,393,763	\$ 5,380,272	\$ 4,904,826	\$ 4,485,696	\$ 4,435,990	\$ 4,672,291	\$ 4,613,808	\$ 4,389,276
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.57%	59.95%	105.14%	140.54%	202.77%	118.71%	175.66%	139.17%	97.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
<b>Combined Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Authority's Proportion of the Net Pension Asset	0.035517%	0.035290%	0.048935%	0.055833%	0.054586%	0.045800%	0.044182%	0.050612%	0.041660%	0.023007%
Authority's Proportionate Share of the Net Pension (Asset)	\$ (109,173)	\$ (83,175)	\$ (192,806)	\$ (161,170)	\$ (113,825)	\$ (51,215)	\$ (60,146)	\$ (28,169)	\$ (20,273)	\$ (8,858)
Authority's Covered Payroll	\$ 163,087	\$ 163,222	\$ 223,091	\$ 246,054	\$ 242,990	\$ 195,882	\$ 180,948	\$ 197,008	\$ 151,627	\$ 144,204
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	66.94%	50.96%	86.42%	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%	6.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

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

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority  
Required Supplementary Information  
Schedule of the Authority's Contributions - Pension  
Ohio Public Employees Retirement System  
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Contractually Required Contributions</u>										
Traditional Plan	\$ 920,221	\$ 795,587	\$ 760,082	\$ 731,171	\$ 722,801	\$ 634,933	\$ 589,854	\$ 550,035	\$ 556,134	\$ 522,711
Combined Plan	19,338	20,139	30,627	31,444	36,426	27,941	24,991	23,028	18,277	17,178
Total Required Contributions	\$ 939,559	\$ 815,726	\$ 790,709	\$ 762,615	\$ 759,227	\$ 662,874	\$ 614,845	\$ 573,063	\$ 574,411	\$ 539,889
Contributions in Relation to the Contractually Required Contribution	(939,559)	(815,726)	(790,709)	(762,615)	(759,227)	(662,874)	(614,845)	(573,063)	(574,411)	(539,889)
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Authority's Covered Payroll										
Traditional Plan	\$ 6,573,005	\$ 5,682,763	\$ 5,429,160	\$ 5,222,647	\$ 5,162,866	\$ 4,535,236	\$ 4,455,591	\$ 4,482,494	\$ 4,634,450	\$ 4,355,925
Combined Plan	\$ 161,150	\$ 160,426	\$ 218,761	\$ 224,602	\$ 260,184	\$ 199,579	\$ 188,775	\$ 187,667	\$ 152,308	\$ 143,150
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.24%	12.27%	12.00%	12.00%
Combined Plan	12.00%	12.55%	14.00%	14.00%	14.00%	14.00%	13.24%	12.27%	12.00%	12.00%

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority  
Required Supplementary Information  
Schedule of the Authority's Proportionate Share of the Net OPEB Liability/(Asset)  
Ohio Public Employees Retirement System  
Last Eight Fiscal Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/(Asset)	0.038635%	0.035824%	0.038294%	0.039560%	0.036100%	0.034437%	0.034560%	0.036890%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (348,690)	\$ 225,877	\$ (1,199,427)	\$ (704,793)	\$ 4,986,348	\$ 4,489,772	\$ 3,752,961	\$ 3,726,015
Authority's Covered Payroll	\$ 6,820,498	\$ 5,962,442	\$ 5,971,540	\$ 5,982,884	\$ 5,454,075	\$ 4,994,943	\$ 4,895,787	\$ 5,098,046
Authority's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%	91.42%	89.89%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority  
Required Supplementary Information  
Schedule of the Authority's Contributions - OPEB  
Ohio Public Employees Retirement System  
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 15,149	\$ 14,351	\$ 14,012	\$ 14,184	\$ 12,776	\$ 12,449	\$ 46,963	\$ 91,756	\$ 97,614	\$ 94,244
Contributions in Relation to the Contractually Required Contribution	<u>(15,149)</u>	<u>(14,351)</u>	<u>(14,012)</u>	<u>(14,184)</u>	<u>(12,776)</u>	<u>(12,449)</u>	<u>(46,963)</u>	<u>(91,756)</u>	<u>(97,614)</u>	<u>(94,244)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority Covered Payroll	\$ 7,032,307	\$ 6,143,930	\$ 5,998,231	\$ 5,801,854	\$ 5,742,451	\$ 5,046,054	\$ 4,917,411	\$ 4,902,245	\$ 4,967,620	\$ 4,650,833
Contributions as a Percentage of Covered Payroll	0.22%	0.23%	0.23%	0.24%	0.22%	0.25%	0.96%	1.87%	1.97%	2.03%

See accompanying notes to the required supplementary information

STARK METROPOLITAN HOUSING AUTHORITY

*Notes to the Required Supplementary Information  
For the Fiscal Year Ended March 31, 2024*

---

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

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2024.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

STARK METROPOLITAN HOUSING AUTHORITY  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended March 31, 2024*

---

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

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2024.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

**Stark Metropolitan Housing Authority**  
**Financial Data Schedules Submitted to HUD**  
**For the Fiscal Year Ended March 31, 2024**

	Project	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.896 PHA Family Self- Sufficiency Program	14.EFA FSS Escrow Forfeiture Account	14.267 Continuum of Care Program	14.870 Resident Opportunity and Supportive Services	6.1 Component Unit - Discreetly Presented	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$3,824	\$38,041	\$182,704	\$255,247	\$160,541	\$0	\$0	\$67,608	\$0	\$2,515	\$50,183	\$14,683	\$124,373	\$2,135,690	\$9,098,009	\$0	\$9,098,009
112 Cash - Restricted - Modernization and Development	\$798,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$198,627	\$0	\$0	\$0	\$996,874	\$0	\$996,874
113 Cash - Other Restricted	\$44,006	\$31,931	\$0	\$0	\$0	\$0	\$7,769	\$0	\$0	\$852,951	\$891,798	\$109,021	\$0	\$0	\$1,937,476	\$0	\$1,937,476
114 Cash - Tenant Security Deposits	\$437,263	\$0	\$7,211	\$0	\$0	\$0	\$0	\$0	\$0	\$46,527	\$0	\$0	\$0	\$0	\$491,001	\$0	\$491,001
100 Total Cash	\$7,103,940	\$69,972	\$182,704	\$262,458	\$160,541	\$0	\$7,769	\$67,608	\$0	\$1,342,620	\$941,981	\$123,704	\$124,373	\$2,135,690	\$12,523,360	\$0	\$12,523,360
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,174	\$0	\$7,174	\$0	\$7,174
122 Accounts Receivable - HUD Other Projects	\$0	\$4,394	\$0	\$26,954	\$20,306	\$0	\$9,454	\$20,091	\$336,263	\$0	\$0	\$1,098	\$0	\$0	\$418,560	\$0	\$418,560
125 Accounts Receivable - Miscellaneous	\$199,613	\$3,348	\$0	\$25	\$0	\$0	\$0	\$0	\$10	\$36,544	\$758	\$70	\$119,582	\$359,950	\$0	\$359,950	
126 Accounts Receivable - Tenants	\$184,859	\$0	\$700	\$0	\$0	\$0	\$0	\$0	\$122,583	\$0	\$0	\$0	\$0	\$0	\$308,142	\$0	\$308,142
126.1 Allowance for Doubtful Accounts - Tenants	(\$93,176)	\$0	(\$355)	\$0	\$0	\$0	\$0	\$0	-\$95,432	\$0	\$0	\$0	\$0	\$0	(\$188,963)	\$0	(\$188,963)
127 Notes, Loans, & Mortgages Receivable - Current	\$188,707	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,707	(\$178,774)	\$9,933
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$5,312	\$0	\$23,690	\$491	\$3,841	\$0	\$0	\$0	\$33,334	\$0	\$33,334
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,312)	\$0	(\$23,690)	(\$491)	(\$3,841)	\$0	\$0	\$0	(\$33,334)	\$0	(\$33,334)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$480,003	\$7,742	\$0	\$370	\$26,954	\$20,306	\$0	\$9,454	\$20,091	\$363,424	\$36,544	\$758	\$8,342	\$119,582	\$1,093,570	(\$178,774)	\$914,796
142 Prepaid Expenses and Other Assets	\$51,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$53,432	\$17,259	\$0	\$0	\$16,402	\$138,120	\$0	\$138,120
143 Inventories	\$360,12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,843	\$0	\$0	\$0	\$0	\$11,705	\$0	\$11,705
143.1 Allowance for Obsolete Inventories	(\$31,686)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$31,686)	\$0	(\$31,686)
144 Inter Program Due From	\$26,289	\$7,600	\$0	\$0	\$2,490	\$0	\$0	\$0	\$0	\$46,635	\$0	\$0	\$0	\$221,981	\$304,995	(\$304,995)	\$0
150 Total Current Assets	\$7,989,885	\$85,314	\$182,704	\$262,828	\$187,495	\$22,796	\$7,769	\$77,062	\$20,091	\$1,765,319	\$1,042,419	\$124,462	\$132,715	\$2,505,360	\$14,406,219	(\$483,769)	\$13,922,450
161 Land	\$11,750,919	\$0	\$0	\$27,692	\$0	\$0	\$0	\$0	\$0	\$58,401	\$0	\$0	\$0	\$507,213	\$12,344,225	\$0	\$12,344,225
162 Buildings	\$159,944,287	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,269,169	\$2,005,493	\$186,255,493
163 Furniture, Equipment & Machinery - Dwellings	\$4,344,139	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,344,139	\$0	\$4,344,139
164 Furniture, Equipment & Machinery - Administration	\$3,406,713	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,247	\$50,698	\$0	\$1,460,261	\$5,127,919	\$0	\$5,127,919	
166 Accumulated Depreciation	(\$141,255,528)	\$0	\$0	(\$684,858)	\$0	\$0	\$0	\$0	\$0	-\$4,204,372	(\$26,963)	\$0	(\$3,247,123)	(\$149,418,844)	\$0	(\$149,418,844)	
167 Construction in Progress	\$6,842,616	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$210,469	\$0	\$0	\$0	\$0	\$7,053,085	\$0	\$7,053,085
160 Total Capital Assets, Net of Accumulated Depreciation	\$45,033,146	\$0	\$0	\$385,135	\$0	\$0	\$0	\$0	\$0	\$18,294,487	\$23,735	\$0	\$0	\$1,989,514	\$65,716,017	\$0	\$65,716,017
171 Notes, Loans and Mortgages Receivable - Non-Current	\$5,363,221	\$0	\$2,963,425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$330,622	\$8,657,268	(\$5,363,221)	\$3,294,047
174 Other Assets	\$261,122	\$0	\$137,405	\$0	\$0	\$0	\$0	\$0	\$0	\$66,773	\$25,361	\$0	\$0	\$177,702	\$668,363	\$0	\$668,363
180 Total Non-Current Assets	\$50,657,489	\$0	\$3,100,830	\$385,135	\$0	\$0	\$0	\$0	\$0	\$18,351,260	\$49,096	\$0	\$0	\$2,497,838	\$75,041,648	(\$5,363,221)	\$69,678,427
290 Total Assets and Deferred Outflow of Resources	\$60,465,505	\$85,314	\$3,283,534	\$647,963	\$187,495	\$22,796	\$7,769	\$77,062	\$20,091	\$20,116,579	\$1,268,099	\$124,462	\$132,715	\$6,196,485	\$92,635,869	(\$5,846,990)	\$86,788,879
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$117,533	\$0	\$0	\$0	\$0	\$117,533	\$0	\$117,533
312 Accounts Payable <= 90 Days	\$1,313,564	\$0	\$195	\$0	\$0	\$0	\$10,400	\$51	\$2,503,080	\$5,026	\$389	\$0	\$0	\$65,421	\$3,898,127	\$0	\$3,898,127
321 Accrued Wages/Payroll Taxes Payable	\$159,544	\$195	\$0	\$0	\$0	\$1,858	\$0	\$0	\$1,776	\$4,652,319	\$0	\$0	\$0	\$24,549	\$5,429,815	\$0	\$5,429,815
325 Accrued Interest Payable	\$49,293	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$308,692	\$0	\$0	\$0	\$0	\$357,985	\$0	\$357,985
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,773	\$0	\$14,773	\$0	\$14,773	
333 Accounts Payable - Other Government	\$219,821	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,952	\$0	\$0	\$0	\$0	\$251,773	\$0	\$251,773
341 Tenant Security Deposits	\$402,848	\$0	\$0	\$7,211	\$0	\$0	\$0	\$0	\$0	\$46,527	\$0	\$0	\$0	\$0	\$456,586	\$0	\$456,586
342 Unearned Revenue	\$153,823	\$3,832	\$98,594	\$1,190	\$0	\$0	\$0	\$0	\$0	\$20,899	\$80,028	\$64,196	\$0	\$0	\$422,560	\$0	\$422,560
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$606,140	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,652,319	\$0	\$0	\$0	\$0	\$5,258,459	\$0	\$5,258,459
345 Other Current Liabilities	\$204,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$251,116	\$14,560	\$0	\$0	\$178,774	\$648,450	(\$178,774)	\$469,676
346 Accrued Liabilities - Other	\$293,498	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,383	\$0	\$0	\$0	\$46,747	\$342,628	\$0	\$342,628
347 Inter Program Due To	\$110,298	\$7,600	\$0	\$583	\$0	\$20,938	\$0	\$18,264	\$0	\$0	\$84,077	\$4,148	\$0	\$59,087	\$304,995	(\$304,995)	\$0
310 Total Current Liabilities	\$3,541,214	\$11,617	\$98,594	\$9,180	\$269	\$22,796	\$0	\$11,026	\$20,091	\$7,939,489	\$201,119	\$69,039	\$14,773	\$632,536	\$12,571,743	(\$483,769)	\$12,087,974
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$4,536,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,932,769	\$0	\$0	\$0	\$0	\$10,469,490	\$0	\$10,469,490
353 Non-current Liabilities - Other	\$441,922	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,342,090	\$31,056	\$0	\$0	\$5,429,888	\$7,244,956	(\$5,363,221)	\$1,881,735
354 Accrued Compensated Absences - Non Current	\$114,575	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,312	\$0	\$0	\$0	\$19,348	\$251,235	\$0	\$251,235
357 Accrued Pension and OPEB Liabilities	\$5,762,246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$559,651	\$0	\$0	\$0	\$3,781,909	\$10,103,806	\$0	\$10,103,806
350 Total Non-Current Liabilities	\$10,855,464	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,274,859	\$608,019	\$0	\$0	\$9,331,145	\$28,069,487	(\$5,363,221)	\$22,706,266
300 Total Liabilities	\$14,396,678	\$11,617	\$98,594	\$9,180	\$269	\$22,796	\$0	\$11,026	\$20,091	\$15,214,348	\$809,138	\$69,039	\$14,773	\$9,963,681	\$40,641,230	(\$5,846,990)	\$34,794,240
400 Deferred Inflow of Resources	\$169,636	\$25,131	\$308,278	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$781,811	\$31,624	\$0	\$111,340	\$1,427,820	\$0	\$1,427,820
508.4 Net Investment in Capital Assets	\$39,890,289	\$0	\$385,135	\$0	\$0	\$0	\$0	\$0	\$0	\$7,501,706	\$23,735	\$0	\$0	\$1,989,514	\$49,790,379	\$0	\$49,790,379
511.4 Restricted Net Position	\$798,247	\$0	\$0	\$0	\$0	\$0	\$7,769	\$0	\$0	\$1,874	\$13,569	\$0	\$0	\$0	\$821,459	\$0	\$821,459
512.4 Unrestricted Net Position	\$5,210,655	\$48,566	\$2,876,662	\$253,648	\$187,226	\$0	\$0	\$66,036	\$0	-\$2,599,475	(\$348,459)	\$10,230	\$117,942	(\$5,868,050)	(\$45,019)	\$0	(\$45,019)
513 Total Equity - Net Assets / Position	\$45,899,191	\$48,566	\$2,876,662	\$638,783	\$187,226	\$0	\$7,769	\$66,036	\$0	\$4,902,231	(\$322,850)	\$23,799	\$117,942	(\$3,878,536)	\$50,566,819	\$0	\$50,566,819
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$60,465,505	\$85,314	\$3,283,534	\$647,963	\$187,495	\$22,796	\$7,769	\$77,062	\$20,091	\$20,116,579	\$1,268,099	\$124,462	\$132,715	\$6,196,485	\$92,635,869	(\$5,846,990)	\$86,788,879

Stark Metropolitan Housing Authority  
Financial Data Schedules Submitted to HUD  
For the Fiscal Year Ended March 31, 2024

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	12.089 Moderate Rehabilitation Single Room Occupancy	14.896 PHU Family Self-Sufficiency Program	14.EFAFSS Escrow Forfeiture Account	14.267 Continuum of Care Program	14.870 Resident Opportunity and Support Services	6.1 Component Unit - Discretionary	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	13.089 Income Housing Assistance Program - Sect	COCC	Subtotal	ELIM	Total			
70300 Net Tenant Rental Revenue	\$5,876,978			\$136,248	\$0					\$2,016,838	\$0	\$0	\$0	\$0	\$8,033,064	\$0	\$8,033,064			
70400 Tenant Revenue - Other	\$208,000			\$2,200	\$0					\$217,984	\$0	\$0	\$0	\$0	\$217,984	\$0	\$217,984			
70500 Total Tenant Revenue	\$6,074,978	\$0	\$0	\$141,453	\$0	\$0	\$0	\$0	\$0	\$2,034,598	\$0	\$0	\$0	\$0	\$8,251,048	\$0	\$8,251,048			
70600 HUD PHA Operating Grants	\$13,234,533	\$362,644			\$10,614	\$76,845	\$0	\$563,581	\$70,813	\$0	\$9,657,066	\$407,577	\$229,147	\$0	\$24,732,620	\$0	\$24,732,620			
70610 Capital Grants	\$3,904,027				\$0	\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$3,904,027	\$0	\$3,904,027			
70710 Management Fee	\$0				\$0	\$0	\$0			\$0	\$0	\$0	\$24,154,000	\$2,451,540	\$26,605,540	\$0	\$26,605,540			
70720 Asset Management Fee	\$0				\$0	\$0	\$0			\$0	\$0	\$0	\$274,243	\$274,243	\$574,243	\$0	\$574,243			
70730 Book Keeping Fee	\$0				\$0	\$0	\$0			\$0	\$0	\$0	\$281,939	\$281,939	\$581,939	\$0	\$581,939			
70740 Front Line Service Fee	\$0				\$0	\$0	\$0			\$0	\$0	\$0	\$1,234,473	\$1,234,473	\$1,234,473	\$0	\$1,234,473			
70750 Other Fees	\$0				\$0	\$0	\$0			\$0	\$0	\$0	\$302,037	\$302,037	\$302,037	\$0	\$302,037			
70760 Total Fee Revenue	\$0				\$0	\$0	\$0			\$0	\$0	\$0	\$4,544,232	\$4,544,232	\$9,392,185	\$0	\$9,392,185			
70800 Other Government Grants	\$0			\$167,373	\$0					\$86,129	\$0	\$0	\$0	\$0	\$253,502	\$0	\$253,502			
71100 Investment Income - Unrestricted	\$0		\$86,056		\$0					\$6,770	\$203		\$64,979	\$158,008	\$0	\$158,008	\$0	\$158,008		
71400 Fraud Recovery	\$0	\$479			\$0			\$0	\$20,912	\$1,022	\$0	\$0	\$0	\$31,413	\$0	\$31,413	\$0	\$31,413		
71500 Other Revenue	\$542,180	\$0		\$1,094	\$0	\$14,156	\$5,855	\$0		\$227,856	\$16,634	\$0	\$16,168	\$352,942	\$0	\$652,942	\$0	\$652,942		
71600 Gain or Loss on Sale of Capital Assets	\$151,725	\$0			\$0					\$401,456	\$0	\$0	\$0	\$553,220	\$0	\$553,220	\$0	\$553,220		
72000 Investment Income - Restricted	\$256,033				\$0					\$474	\$0	\$0	\$0	\$256,507	\$0	\$256,507	\$0	\$256,507		
70000 Total Revenue	\$24,163,495	\$363,123	\$86,056	\$309,920	\$10,614	\$91,001	\$5,855	\$563,581	\$70,813	\$2,767,321	\$9,703,815	\$408,599	\$229,147	\$4,624,379	\$43,517,519	(\$4,242,195)	\$39,275,324			
91000 Administrative Salaries	\$1,821,961	\$8,813		\$6,936	\$1,462	\$0		\$27,996	\$34,334	\$1,913	\$1,134,334	\$11,389	\$5,111	\$1,741,052	\$1,825,203	\$0	\$1,825,203			
91200 Auditing Fees	\$21,197			\$132	\$279			\$751		\$2,268	\$10,837		\$410	\$1,041	\$67,517	\$0	\$67,517			
91300 Management Fee	\$2,217,537	\$9,441	\$0	\$10,054	\$4,460	\$0	\$0	\$0	\$136,376	\$204,575	\$0	\$5,473	\$0	\$2,587,916	(\$2,451,540)	\$136,376	\$136,376			
91310 Book-keeping Fee	\$190,372	\$4,538		\$1,328	\$2,640			\$7,988	\$0	\$19,945	\$67,992	\$4,148	\$2,933	\$0	\$301,884	(\$281,939)	\$19,945			
91400 Advertising and Marketing	\$0			\$0	\$0			\$584	\$0	\$0	\$0	\$0	\$7,458	\$8,042	\$0	\$8,042	\$0	\$8,042		
91500 Employee Benefit Contributions - Grant Services	\$716,318	\$2,922		\$1,086	\$459	\$0		\$10,031	\$0	\$19,866	\$182,676	\$2,268	\$1,965	\$824,543	\$1,786,753	\$0	\$1,786,753			
91600 Office Expenses	\$343,468	\$0		\$54	\$80	\$5,771		\$2,757	\$3,737	\$64,735	\$49,294		\$903	\$263,149	\$734,520	\$0	\$734,520			
91700 Legal Expense	\$141,926	\$0		\$0	\$0			\$16,273	\$600	\$0	\$104,248	\$263,047	\$0	\$263,047	\$0	\$263,047	\$0	\$263,047		
91800 Travel	\$16,782	\$0		\$1,017	\$0	\$990		\$22,559	\$38	\$0	\$47,479	\$88,875	\$0	\$88,875	\$0	\$88,875	\$0	\$88,875		
91900 Other	\$690,047	\$0		\$171,263	\$0	\$12,181	\$83	\$55,167	\$0	\$306,666	\$112,138	\$0	\$532,686	\$1,880,263	(\$7,186)	\$1,873,078	\$0	\$1,873,078		
91000 Total Operating - Administrative	\$5,881,442	\$23,614	\$0	\$162,371	\$3,995	\$18,942	\$83	\$104,800	\$3,737	\$174,049	\$970,074	\$17,782	\$16,883	\$3,522,258	\$11,518,020	(\$2,740,604)	\$8,777,416			
92000 Asset Management Fee	\$274,243				\$0					\$0	\$0	\$0	\$0	\$0	\$274,243	(\$274,243)	\$0	\$0		
92100 Tenant Services - Salaries	\$175,839			\$0	\$42,368			\$36,826	\$45,552	\$0	\$0	\$0	\$0	\$300,615	\$0	\$300,615	\$0	\$300,615		
92200 Relocation Costs	\$51,513			\$1,000	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$52,573	\$0	\$52,573	\$0	\$52,573		
92300 Employee Benefit Contributions - Tenant Services	\$27,319			\$29,155	\$0			\$29,376	\$0	\$145,169	\$0	\$0	\$0	\$145,169	\$0	\$145,169	\$0	\$145,169		
92400 Tenant Services - Other	\$20,696	\$0		\$0	\$0		\$841	\$450	\$0	\$8,143	\$5,891	\$3,765	\$0	\$39,886	\$0	\$39,886	\$0	\$39,886		
92500 Total Tenant Services	\$320,419	\$0	\$0	\$1,000	\$0	\$71,553	\$941	\$450	\$66,402	\$17,762	\$5,891	\$3,765	\$0	\$542,243	\$0	\$542,243	\$0	\$542,243		
93100 Water	\$561,328			\$12,516	\$0					\$40,553	\$0	\$0	\$5,034	\$619,431	\$0	\$619,431	\$0	\$619,431		
93200 Electricity	\$990,402			\$1,014	\$0					\$64,278	\$0	\$0	\$0	\$1,055,694	\$0	\$1,055,694	\$0	\$1,055,694		
93300 Gas	\$1,354,319			\$1,332	\$0					\$27,547	\$0	\$0	\$15,115	\$1,398,303	\$0	\$1,398,303	\$0	\$1,398,303		
93600 Sewer	\$657,769			\$6,770	\$0					\$48,312	\$0	\$0	\$718	\$713,569	\$0	\$713,569	\$0	\$713,569		
93000 Total Utilities	\$3,563,908	\$0	\$0	\$21,681	\$0	\$0	\$0	\$0	\$0	\$352,996	\$0	\$0	\$65,143	\$4,023,728	\$0	\$4,023,728	\$0	\$4,023,728		
94100 Ordinary Maintenance and Operations - Labor	\$2,339,416			\$0	\$0					\$77,365	\$0	\$0	\$612,102	\$2,728,873	\$0	\$2,728,873	\$0	\$2,728,873		
94200 Ordinary Maintenance and Operations - Materials and Other	\$1,575,832			\$16,246	\$0					\$71,904	\$0	\$0	\$20,460	\$1,693,442	\$0	\$1,693,442	\$0	\$1,693,442		
94300 Ordinary Maintenance and Operations Contracts	\$4,797,334			\$60,380	\$0					\$639,398	\$0	\$0	\$55,979	\$5,551,091	(\$1,227,288)	\$4,323,803	\$0	\$4,323,803		
94500 Employee Benefit Contributions - Ordinary Maintenance	\$694,737			\$0	\$0			\$0	\$0	\$0	\$0	\$0	\$333,671	\$1,228,608	\$0	\$1,228,608	\$0	\$1,228,608		
94000 Total Maintenance	\$9,307,319	\$0	\$0	\$76,626	\$0	\$0	\$0	\$0	\$0	\$788,657	\$0	\$0	\$0	\$1,029,412	\$11,202,014	(\$1,227,288)	\$9,974,726	\$0	\$9,974,726	
95000 Total Protective Services	\$477,823	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,886	\$0	\$0	\$0	\$72,244	\$863,753	\$0	\$863,753	\$0	\$863,753	
96110 Property Insurance	\$512,997			\$4,498	\$0					\$158,226	\$0	\$0	\$12,107	\$687,828	\$0	\$687,828	\$0	\$687,828		
96120 Liability Insurance	\$161,671			\$1,131	\$0					\$4,580	\$13,671	\$0	\$0	\$184,239	\$0	\$184,239	\$0	\$184,239		
96130 Workmen's Compensation	\$47,292	\$104		\$85	\$23	\$506		\$370	\$474	\$4,284	\$4,064	\$142	\$93	\$28,939	\$86,346	\$0	\$86,346	\$0	\$86,346	
96140 All Other Insurance	\$17,626			\$7,238	\$0					\$14,603	\$4,433	\$0	\$0	\$15,947	\$0	\$15,947	\$0	\$15,947		
96100 Total Insurance Premiums	\$653,586	\$104	\$0	\$6,942	\$23	\$506	\$0	\$370	\$474	\$170,845	\$22,306	\$142	\$93	\$558,839	\$1,114,260	\$0	\$1,114,260	\$0	\$1,114,260	
96200 Other General Expenses	\$320,064			\$1,688	\$1,073	\$0		\$3,101		\$143,184	\$70,301	\$0	\$0	\$608,988	\$608,399	\$0	\$608,399	\$0	\$608,399	
96210 Compensated Absences	\$30,087	\$429		\$16	\$0	\$0		\$1,013		\$0	\$3,846	\$64	\$0	\$68,951	\$104,406	\$0	\$104,406	\$0	\$104,406	
96300 Payments in Lieu of Taxes	\$219,821			\$0	\$0					\$0	\$0	\$0	\$0	\$219,821	\$0	\$219,821	\$0	\$219,821		
96400 Bad debt - Tenant Rents	\$216,823			\$3,866	\$0					\$26,897	\$380	\$0	\$0	\$277,556	\$0	\$277,556	\$0	\$277,556		
96000 Total Other General Expenses	\$786,795	\$429	\$0	\$5,554	\$1,089	\$0	\$0	\$4,114	\$0	\$200,051	\$74,527	\$64	\$0	\$137,939	\$1,210,562	\$0	\$1,210,562	\$0	\$1,210,562	
96710 Interest of Mortgage (or Bonds) Payable	(\$1,886)			\$0	\$0					\$127,606	\$0	\$0	\$0	\$125,721	\$0	\$125,721	\$0	\$125,721		
96720 Interest on Notes Payable (Short and Long Term)	\$163,534			\$0	\$0					\$125,263	\$0	\$0	\$0	\$288,797	\$0	\$288,797	\$0	\$288,797		
96700 Total Interest Expense and Amortization Cost	\$161,648	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$252,869	\$0	\$0	\$0	\$414,548	\$0	\$414,548	\$0	\$414,548		
96900 Total Operating Expenses	\$21,607,084	\$26,147	\$0	\$304,234	\$11,107	\$91,001	\$1,024	\$109,624	\$70,813	\$2,925,145	\$1,072,858	\$21,753	\$16,946	\$4,905,835	\$31,163,371	(\$4,242,195)	\$26,921,176	\$0	\$26,921,176	
97000 Excess of Operating Revenue over Operating Expenses	\$2,556,411	\$336,976	\$86,056	\$5,686	\$119,507	\$0	\$4,831	\$453,967	\$0	(\$157,824)	\$8,630,957	\$386,846	\$71,251	(\$291,456)	\$12,354,148	\$0	\$12,354,148	\$0	\$12,354,148	
97200 Casualty Losses - Non-capitalized	\$220,430			\$0	\$0					\$0	\$0	\$0	\$2,000	\$222,430	\$0	\$222,430	\$0	\$222,430		
97300 Housing Assistance Payments	\$0	\$314,536		\$99,395	\$0			\$462,820	\$0	\$0	\$8,683,081	\$349,982	\$190,914	\$0	\$10,100,728	\$0	\$10,100,728	\$0	\$10,100,728	
97350 HAP Portability-In	\$0			\$0	\$0					\$452	\$0	\$0	\$452	\$0	\$452	\$0	\$452	\$0	\$452	
97400 Depreciation Expense	\$3,393,367			\$48,751	\$0					\$74,069	\$9,917	\$0	\$178,116	\$4,234,253	\$0	\$4,234,253	\$0	\$4,234,253		
97500 Fraud Losses	\$0			\$0	\$0					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
97600 Capital Outlays - Governmental Funds	\$0			\$0	\$0					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
97700 Debt Principal Payment - Governmental Funds	\$0			\$0	\$0					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
97800 Dwelling Units Rent Expense	\$0			\$0	\$0					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
96000 Total Expenses	\$25,221,381	\$340,683	\$0	\$352,965	\$110,502	\$91,001	\$1,024	\$572,444	\$70,813	\$3,930,214	\$9,766,208	\$371,735	\$207,860	\$6,065,951	\$45,821,601	(\$4,242,195)	\$41,579,406	\$0	\$41,579,406	
10010 Operating Transfer In	\$2,076,460			\$0	\$0					\$0	\$0	\$0	\$0	\$0	\$2,076,460	(\$2,076,460)	\$0	\$0	\$0	
10020 Operating Transfer Out	(\$2,076,460)			\$0	\$0					\$0	\$0	\$0	\$0	\$0	(\$2,076,460)	\$2,076,460	\$0	\$0	\$0	
10070 Extraordinary Items, Net Gain/Loss	\$0			\$0	\$0					\$58,780	\$0	\$0	\$0	\$58,780	\$0	\$58,780	\$0	\$58,780	\$0	\$58,780
10080 Special Items (Net Gain/Loss)	\$0			\$0	\$0					(\$100,717)	\$0	\$0	\$0	(\$100,717)	\$0	(\$100,717)	\$0	(\$100,717)	\$0	(\$100,717)
10090 Transfers between Program and Project - In	\$111,686			\$0	\$0															



**STARK METROPOLITAN HOUSING AUTHORITY**

**COST CERTIFICATIONS**

**MARCH 31, 2024**

Capital Fund Program Number:	<u>501-19</u>	<u>502-19</u>
1. The Program Costs are as follows:		
Funds Approved	\$ 117,120	\$ 105,565
Funds Disbursed	<u>117,120</u>	<u>105,565</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Disbursed	\$ 117,120	\$ 105,565
Funds Expended	<u>117,120</u>	<u>105,565</u>
Excess (Deficiency) of Funds Disbursed	<u>\$ -</u>	<u>\$ -</u>
2. The Final Financial Status Report was signed and filed on:	1/10/24	1/10/24
3. All costs have been paid and there are no outstanding obligations.		
4. The Final Costs on the Certification agrees with the Authority's records.		

**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

<b>Federal Grantor / Pass Through Grantor Program Title</b>	<b>Pass-Through Number</b>	<b>Assistance Listing Number</b>	<b>Passed Through To Subrecipients</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<b><i>Direct Funding:</i></b>				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	N/A	14.871	\$ -	\$ 9,654,383
Mainstream Vouchers	N/A	14.879	-	362,644
COVID-19 - Emergency Housing Voucher	N/A	14.EHV	-	407,577
Total Housing Voucher Cluster				<u>10,424,604</u>
Public and Indian Housing - Low Rent Public Housing	N/A	14.850	-	10,823,125
Resident Opportunity and Supportive Services	N/A	14.870	-	70,613
Public Housing Capital Fund	N/A	14.872	-	5,801,389
Family Self-Sufficiency Program	N/A	14.896	-	67,174
Section 8 Project Based Cluster:				
Section 8 Moderate Rehabilitation Single Room Occupancy	N/A	14.249	-	129,452
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	N/A	14.856	-	227,727
Total Section 8 Project Based Cluster				<u>357,179</u>
Continuum of Care Program	N/A	14.267	<u>40,074</u>	<u>554,127</u>
Total Federal Award Expenditures			<u>\$ 40,074</u>	<u>\$ 28,098,211</u>

See accompanying notes to the schedule of expenditures of federal awards.

STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Stark Metropolitan Housing Authority, Stark County (the Authority) under programs of the federal government for the fiscal year ended March 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D – SUBRECIPIENTS

The Authority passes certain federal awards received from the U.S. Department of Housing and Urban Development (HUD) to other governments or not-for-profit agencies (subrecipients). As Note B describes, the Authority reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the Authority has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Stark Metropolitan Housing Authority  
Stark County  
400 Tuscarawas Street  
Canton, Ohio 44702

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Stark Metropolitan Housing Authority, Stark County, (the Authority) as of and for the fiscal year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 26, 2024. Our report refers to other auditors who audited the financial statements of the Alliance Senior Tower, LLC, Turner Tower, LLC and the Hunter House PSH, LLC, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of the Hunter House PSH, LLC and Turner Tower, LLC were not audited in accordance with *Government Auditing Standards*.

***Report on Internal Control Over Financial Reporting***

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

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

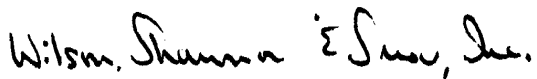
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Newark, Ohio  
November 26, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Stark Metropolitan Housing Authority  
Stark County  
400 Tuscarawas Street  
Canton, Ohio 44702

To the Board of Commissioners:

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

***Opinion on the Major Federal Program***

We have audited Stark Metropolitan Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the fiscal year ended March 31, 2024. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Stark Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the fiscal year ended March 31, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Stark Metropolitan Housing Authority  
Stark County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance  
Page 3

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

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

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

*Wilson, Shannon E. Shaw, Inc.*

Newark, Ohio  
November 26, 2024



**STARK METROPOLITAN HOUSING AUTHORITY  
STARK COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
MARCH 31, 2024**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Public Housing Capital Fund/ALN 14.872
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$842,946 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**STARK METROPOLITAN HOUSING AUTHORITY**

**STARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 1/23/2025**

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

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