ALLEN METROPOLITAN HOUSING AUTHORITY

ALLEN COUNTY

SINGLE AUDIT

JULY 1, 2022 – JUNE 30, 2023

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Commissioners
Allen Metropolitan Housing Authority
600 S. Main St.
Lima, OH 45804

We have reviewed the *Independent Auditor's Report* of the Allen Metropolitan Housing Authority, Allen County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2022 through June 30, 2023. 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 Allen Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 18, 2024

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ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY

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WILSON, SHANNON & SNOW INC. CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Allen Metropolitan Housing Authority
Allen County
600 South Main Street
Lima, Ohio 45804

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Allen Metropolitan Housing Authority, Allen County, Ohio (the Authority), as of and for the fiscal year ended June 30, 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Allen Metropolitan Housing Authority, Allen County, Ohio as of June 30, 2023, and the changes in financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

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.

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.cpa

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 sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules and Cost Certification as required by the U.S. Department of Housing and Urban Development 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 Certification and the Schedule of Expenditures of Federal Awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 8, 2023

The following discussion and analysis of the Allen Metropolitan Housing Authority (the "Authority") is to provide an introduction to the basic financial statements for the fiscal year ended June 30, 2023 with selected comparative information for the fiscal year ended June 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to the financial statements, and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by $7,525,087 (net position). Of this amount,$3,440,373 (unrestricted Net Position) may be used to meet the Authority's ongoing obligations to citizens and creditors.

- Depreciation exceeded capital additions by $93,636.

- Net Position increased slightly by $124,531 in the fiscal year ended June 30, 2023.

- Revenues increased significantly from 2022, increasing by $1,244,229. This was primarily due to tenant charges and operating subsidies increasing.

- Expenses increased by $1,664,379. The largest increases were to maintenance and HAP expense. Maintenance increased by $356,632 due to contracted services needed to address understaffing of the Maintenance Department, and tenant turnover. The Authority has been short 3 maintenance techs for most of the fiscal year. A lot of regular maintenance has had to be contracted out, which has increased costs. HAP expense was up by $802,509. This directly correlates to the notable increase in lease up from 2022. In addition, fair market rents were up 10% and payment standards took a big jump to 120% of the prior year.

USING THIS ANNUAL REPORT

The following graphic outlines the format of this report.

MD&A ~ Management's Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Change in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information (Pension and OPEB Schedules) ~
Other Supplementary Information ~ Financial Data Schedules ~ ~ Schedule of Expenditures of Federal Awards ~ ~ Cost Certification ~

The focus is on both the Authority as a whole (authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Basic Financial Statements

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

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

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets 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 (as applicable):

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

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

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

The Authority financial statements include a Statement of Revenues, Expenses and Change in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, operating grants, and other revenues; Operating Expenses, such as administrative, utilities, maintenance, general, insurance, housing assistance payments, and depreciation; and Non-Operating Revenues, capital grant revenue, and investment/interest income.

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

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

Fund Financial Statements

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

Accounting balances for many of the programs maintained by the Authority are segregated as required by HUD. Others are segregated to enhance accountability and control.

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

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

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority administers a contract with independent landlords that own the properties. The Authority subsidizes the family's rent through the Housing Assistance Payment made to the landlord. The Program is administered under the Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Special Needs Assistance Program (SNAP) – The Continuum of Care Program funding received from HUD for this Program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families if they are also homeless.

Section 8 Moderate Rehab – Single Room Only (SRO) – The Authority administers Section 8 Rental Assistance programs where HUD enters into annual contribution contract with a private owner. The owner rents housing to eligible low-income individuals who typically pay rent of 30% of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the HAP contract. The Authority earns an administration fee for these services rendered.

FSS – Service Coordinators – The purpose of the PIH Family Self-Sufficiency Program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing and coordinate available resources in the community to meet those needs. In the past, the ROSS grant had included programs such as ROSS-Family & Homeownership. These programs have been combined by HUD into the PIH Family Self-Sufficiency Program.

Business Activities - Represents other non-HUD activities

Authority Activity Highlights

Revenues and Expenses

The following is a summary of the results of operations of the Authority for the fiscal years ended June 30, 2023 and 2022:

	2023	2022
Revenue		
Tenant Revenues - Rents and Other	$ 836,626	$ 652,900
Operating Subsidies	8,380,792	7,298,959
Capital Grants	220,885	177,125
Investment Income	10,986	1,335
Other Revenues	99,931	174,672
Total Revenues	9,549,220	8,304,991
Expenses		
Administrative	1,159,916	1,140,353
Tenant Services	49,322	90,689
Utilities	350,815	336,593
Maintenance and Casualty Loss	1,067,963	711,331
General Expenses and Insurance	392,964	255,686
Housing Assistance Payments	6,042,599	5,240,090
Pension and OPEB	46,589	(326,189)
Depreciation	314,521	311,757
Total Expenses	9,424,689	7,760,310
Change in Net Position, before Extraordinary Item	124,531	544,681
Extraordinary Item	0	850,000
Change in Net Position	124,531	1,394,681
Total Net Position - Beginning of Year	7,400,556	6,005,875
Total Net Position - End of Year	$ 7,525,087	$ 7,400,556

Housing Units Managed

The following table shows housing units managed by the Authority for fiscal years ended June 30, 2023 and 2022:

	2023	2022
Owned by Authority	245	245
Units Under Vouchers	1,041	1,041
Units Under NC SR	63	63
Total Housing Units Managed	1,349	1,349

Changes in Capital Assets

Net capital assets decreased from the previous fiscal year by $93,636. The decrease is a result of capital additions being less than depreciation on assets. The following table summarizes changes in capital asset balances for fiscal years ending June 30, 2023 and 2022:

	2023	2022
Land and Land Rights	$ 924,233	$ 924,233
Buildings	21,921,324	21,700,439
Equipment	775,073	782,868
Accumulated Depreciation	(19,558,943)	(19,252,217)
Total Capital Assets	$ 4,061,687	$ 4,155,323

Beginning Balance - June 30, 2022	$ 4,155,323
Current Year Additions	220,885
Current Year Depreciation Expense	(314,521)
Ending Balance - June 30, 2023	$ 4,061,687

Current Year Additions are summarized as follows:	
735 W. O'Conner Bathroom	$ 8,300
1607 S. Union Basement and Sewer Line	22,950
746/748 S. Main Foundation	8,300
728 Albert Sidewalks/Driveway	9,800
FW Community Room/Laundry	21,200
1149 Bahama Remodel	23,310
610 E. Elm Remodel	13,350
524 Rosedale Remodel	12,500
336 S. Cole Animal Infestation and Repair	12,400
3030 N. McDonel Remodel	39,800
131 Rosedale Remodel	11,655
856 N. Elizabeth Remodel	17,720
735 O'Conner Mold/Water Damage Repair	19,600
Total 2023 Additions	$ 220,885

Capital assets are presented in detail in Note 5 of the notes to the basic financial statements.

Debt

The Authority has no outstanding debt at June 30, 2023. However, the Authority has an equipment lease liability at June 30, 2023. The following summarizes the change in the lease liability from last fiscal year-end.

Equipment Lease Liability, June 30, 2022	$ 50,327
Additions in Period	0
Deletions in period	(13,179)
Equipment Lease Liability, June 30, 2023	$ 37,148

Long-term liabilities are presented in detail in Note 6.

Financial Position

The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year. The Statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Authority, as well as net position. Net position is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, deferred outflows, deferred inflows of resources, and net position at June 30, 2023 and 2022:

	2023	2022
Assets and Deferred Outflows of Resources Assets		
Current Assets	$ 4,812,222	$ 4,559,225
Capital Assets	4,061,687	4,155,323
Notes Receivable	33,100	37,900
Net OPEB Asset	0	154,259
Total Assets	8,907,009	8,906,707
Deferred Outflows of Resources	631,458	141,719
Total Assets and Deferred Outflows of Resources	$ 9,538,467	$ 9,048,426
Liabilities, Deferred Inflows of Resources, and Net Position Liabilities		
Current Liabilities	$ 312,550	$ 309,009
Non-Current Liabilities	1,678,510	632,579
Total Liabilities	1,991,060	941,588
Deferred Inflows of Resources	22,320	706,282
Net Position		
Net Investment in Capital Assets	4,024,539	4,104,996
Restricted	60,175	49,859
Unrestricted	3,440,373	3,245,701
Total Net Position	7,525,087	7,400,556
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 9,538,467	$ 9,048,426

Major Fluctuations Comments

On the Statement of Net Position, current assets increased $252,997 over last fiscal year (a 6% increase). Unrestricted net position similarly increased 6%, increasing $194,672. The other notable changes, to net OPEB asset, deferred outflows of resources, noncurrent liabilities, and deferred inflows of resources, were due to changes in balances reported in accordance with GASB 68 and GASB 75. Changes in these balances reflect changes in the funding of future pension and other post-employment benefits (OPEB) commitments by the retirement system, Ohio Public Employees Retirement System (OPERS), and not changes in operations of the Authority.

On the Statement of Revenues, Expenses, and Change in Net Position, revenues increased $1,244,229 (or 15%). Tenant revenues increased $183,726 (or 28%), with the majority being the increase in rental income. Since tenant rents are based on family income and composition, this indicates increases in tenant family incomes on average. The larger increase was to operating subsidies which increased $1,081,833. That increase closely corresponds to the increase in funding from HUD for the Authority to make HAP (rental assistance) payments for the Housing Choice Voucher program. HUD provides funding for authorities to make Housing Assistance Payments (HAP) based on what authorities are spending. So it is no coincidence that the Housing Assistance Payments expense also increased.

Expenses overall increased $1,664,379 (or 21%). More than a few expense lines increased notably, with the largest increase being in Housing Assistance Payments expense which increased $802,509. Increases in Fair Market Rents means rents paid by families assisted by the Section 8 Housing Choice Voucher program increased meaning more rental assistance being provided by the Authority contributed to this increase. Maintenance expense was another with a larger increase over the prior fiscal year-end, increasing by $356,632. Reductions in maintenance staffing and increased unit turnovers lead to increased maintenance contracting expense for the Authority. An increase in collection loss, or bad debt expense greatly contributed to increase of $137,278 in general and insurance expense. The other expense increasing notably was pension and OPEB expense. Pension and OPEB expense is what is realized when balances reported in accordance with GASB 68 & GASB 75 change, so this increase reflects changes at the retirement system and not the Authority.

To explain references above to changes in balances reported in accordance with GASB 68 and GASB 75, GASB 68 is an accounting standard that essentially requires the Authority to report financial balances for what is estimated to be its share of the unfunded pension liability, the net pension liability, and balances caused by changes in the pension liability of the of the pension system, the OPERS. And GASB 75 is an accounting standard that essentially requires Allen MHA to report financial balances for what is estimated to be its share of the other postemployment benefits (OPEB) liability/asset and balances caused by changes in the OPEB liability/asset of the of the pension system. OPEB refers to the healthcare plan of the pension system. Some changes in the NPL and OPEB liability/asset are amortized over a 5 year period, and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. The large changes to noncurrent assets, deferred outflows of resources, noncurrent liabilities and deferred inflows of resources are primarily related to changes in balances reported in accordance with GASB 68 and GASB 75.

Employees of Allen MHA are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to OPERS for all of its employees. The net pension liability and OPEB liability are unlike other liabilities the Authority has in that these liabilities do not represent invoices to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future obligations. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like the Authority. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. Similarly, there is no way for an employer like the Authority to access a net pension or OPEB asset, when there is one. The reporting of the balances in accordance with GASB 68 and GASB 75 has a significant effect on unrestricted net position. Unrestricted net position as of June 30, 2023 is $3,440,373 and is $899,048 less than what it would be without balances reported in accordance with GASB 68 and GASB 75.

Economic Factors

According to the 2022 West Ohio Community Action Partnership (WOCAP) Community Assessment, compiled with the assistance of the Lima Allen County Regional Planning Commission and Allen County Public Health, the median annual household income for families in Allen County (where the Authority is based) is $51,892, which is significantly lower than that same statistic statewide and nationally.

Significant Economic Factors Affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development (HUD).
- Local labor supply and demand, which can affect salary and wage rates.
- Severely understaffed in maintenance, which increased contract labor costs significantly.
- Increase in wages to keep up with new employment trends.
- Inflationary pressure on utility rates, supplies, and other related costs.
- Higher insurance costs.
- Aging housing portfolio with major capital needs.
- Elevated tenant account receivables due to unpaid rent.

The Authority's major programs, Housing Choice Voucher/Section 8 (HCV/S8) and Public Housing finished the fiscal year with 98% lease up. However, the Lima area continues to have a shortage of affordable housing, which creates a challenge for our tenants. The Authority's housing stock is aging and requiring major costly renovations. We are exploring repositioning options offered by HUD to address this issue.

Overall, the Authority has managed to maneuver these unprecedented times by continuing by make sound financial decisions. We are diligent about monitoring our resources and serving our community the best we can with what we have.

Requests for Information

The annual financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Tiffany Wright, Executive Director, Allen Metropolitan Housing Authority, 600 S Main, Lima, Ohio 45804.

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ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	
Cash and Cash Equivalents	$ 4,323,465
Restricted Cash	366,554
Receivables, Net	29,146
Prepaid Items	55,767
Inventories, Net	37,290
Total Current Assets	4,812,222
Non-Current Assets	
Capital Assets:	
Non-Depreciable Capital Assets	924,233
Depreciable Capital Assets, Net	22,696,397
Accumulated Depreciation	(19,558,943)
Total Capital Assets	4,061,687
Notes Receivable, Net of Current	33,100
Total Non-Current Assets	4,094,787
Total Assets	8,907,009
Deferred Outflows of Resources	
Pension	540,119
OPEB	91,339
Total Deferred Outflows of Resources	631,458
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 9,538,467
LIABLIITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	$ 8,752
Accrued Wages and Payroll Taxes	21,251
Intergovernmental Payables	162,298
Accrued Liabilities - Other	48,010
Tenant Security Deposits	72,239
Total Current Liabilities	312,550
Non-Current Liabilities	
Accrued Compensated Absences	54,699
Other Noncurrent Liabilities	115,625
Net Pension Liability	1,477,593
Net OPEB Liability	30,593
Total Non-Current Liabilities	1,678,510
Total Liabilities	1,991,060
Deferred Inflows of Resources	
Pension	10,770
OPEB	11,550
Total Deferred Inflows of Resources	22,320
Net Position	
Net Investment in Capital Assets	4,024,539
Restricted	60,175
Unrestricted	3,440,373
Total Net Position	7,525,087
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 9,538,467

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

ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OPERATING REVENUES		
Tenant Revenue		$ 836,626
Government Operating Grants		8,380,792
Other Revenue		99,931
Total Operating Revenues		9,317,349
OPERATING EXPENSES		
Administrative	1,159,916	
Tenant Services	49,322	
Utilities	350,815	
Maintenance	893,090	
Insurance	137,336	
General	255,628	
Extraordinary Maintenance and Casualty Loss	174,873	
Housing Assistance Payments	6,042,599	
Pension and OPEB Expense	46,589	
Depreciation	314,521	
Total Operating Expenses		9,424,689
Operating Loss		(107,340)
NONOPERATING REVENUES		
Capital Grants		220,885
Interest		10,986
Total Nonoperating Revenues		231,871
Change in Net Position		124,531
Total Net Position at July 1, 2022		7,400,556
Total Net Position at June 30, 2023		$ 7,525,087

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

ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Operating Grants	$ 8,452,195
Cash Received from Tenants	842,482
Cash Received from Other Sources	99,931
Cash Payments for HAP	(6,060,765)
Cash Payments for Operating Expenses	(3,005,639)
Net Cash Provided by Operating Activities	328,204
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	10,986
Net Cash Provided by Investing Activities	10,986
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES	
Capital Grant Funds Received	220,885
Acquisition of Capital Assets	(220,885)
Payments on Lease Liabilities	(13,179)
Interest Payments on Lease Liabilities	(1,799)
Net Cash Used by Capital and Related Activities	(14,978)
Net Change in Cash and Cash Equivalents	324,212
Cash and Cash Equivalents at July 1, 2022	4,365,807
Cash and Cash Equivalents at June 30, 2023	$ 4,690,019
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (107,340)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	314,521
Lease Interest	1,799
Changes in Assets and Liabilities:	
Accounts Receivable	63,618
Prepaid Items	(4,267)
Inventory	11,864
Notes Receivable	4,800
Accounts Payable	17,934
Accrued Wages and Payroll Taxes	3,352
Tenant Security Deposits	2,087
Net Pension/OPEB Liability/Asset	1,220,290
Other Liabilities	(26,753)
Change in Deferred Outflows of Resources	(489,739)
Change in Deferred Inflows of Resources	(683,962)
Net Cash Provided by Operating Activities	$ 328,204

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus,* in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources: (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation
The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Change in Fund Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Fund Accounting
The Authority uses the proprietary fund to report on its financial position and the results of its operations for its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary, and fiduciary. The Authority uses the proprietary category for its programs.

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

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

Measurement Focus/Basis of Accounting
Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents
For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Investments
Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at fair market value.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Receivables – Net of Allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the fiscal year. At June 30, 2023, the allowance for uncollectable tenant receivables was $5,000, and the allowance for doubtful fraud receipts was $21,453.

Inventories
Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was $6,580 at June 30, 2023.

Capital Assets
Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold is $7,500. The following are the useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – non- residential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15
Land improvements	15

Inter-program payables/receivables
On the basic financial statements, intercompany receivables and payables reported on the FDS are eliminated.

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. The Authority considers the entire liability to be non-current based on historical trends and employees using leave earned during the current fiscal year.

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

Budgetary Accounting
The authority annually prepares its budget as prescribed by HUD. Budgets are submitted to HUD when applicable. Budgets are adopted by the Board of the Authority.

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

Accounting and Reporting for Non-exchange Transactions
The Authority previously adopted GASB 33. Non-exchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).

- Imposed non-exchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).

- Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Accounting and Reporting for Non-exchange Transactions (Continued)

- Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as a government-mandated or voluntary non-exchange transaction.

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

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.

- Purpose restrictions specify the purpose for which resources are required to be used (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.

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

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

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

Accrued Liabilities

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

Prepaid Items

Payments made to vendor for services that will benefit beyond fiscal year-end are recorded as prepaid items via the consumption method. A current asset for prepaid amounts is recorded at the time of purchase and the expense is reported in the fiscal year the services are consumed.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Pensions – Deferred inflow/outflow of Resources

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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 systems. 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 systems report investments at fair value.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets net of the lease liability and accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority reported restricted net position for modernization and development of public housing projects of $49,859 and unspent funding to make rental assistance payments of $10,316 at June 30, 2023.

Change in Accounting Principle

GASB Statement No. 96, *Subscription-Based Information Technology Agreements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governmental 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; however, there was no effect on the beginning net position.

NOTE 2: **DEPOSITS AND INVESTMENTS**

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

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

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

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

At fiscal year end June 30, 2023, the carrying amount of the Authority's deposits totaled $4,690,019 (including petty cash of $200 and change fund of $100), and its bank balance was $4,788,204. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2023, $250,000 was protected by FDIC and $4,538,204 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it hold or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

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 fund, super NOW accounts, and sweep accounts. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the 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 the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority had no investments at June 30, 2023.

NOTE 3: RISK MANAGEMENT

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 disaster. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of forty (40) housing authorities in Ohio, of which the Authority is a member. Settled claims have not exceeded the Authority's insurance in any of the past three fiscal years.

NOTE 4: RESTRICTED CASH

Restricted cash balance as of June 30, 2023 consists of cash on hand for the following:

HAP Payable	$ 10,109
FSS Escrow Funds Held for Tenants	93,415
Funds Advanced by HUD to pay HAP	10,316
Tenant Security Deposits	72,239
Accounts Payable HUD	130,616
Development Funds on Hand	49,859
Total Restricted Cash	$ 366,554

NOTE 5: CAPITAL ASSETS

The following is a summary of changes in capital assets:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital Assets Not Being Depreciated				
Land	$ 924,233	$ 0	$ 0	$ 924,233
Total Capital Assets Not Being Depreciated	924,233	0	0	924,233
Capital Assets Being Depreciated				
Buildings and Improvements	21,700,439	220,885	0	21,921,324
Furniture and Equipment	709,781	0	0	709,781
Intangible right-to-Use Lease Equipment	73,087	0	(7,795)	65,292
Total Capital Assets Being Depreciated	22,483,307	220,885	(7,795)	22,696,397
Accumulated Depreciation				
Buildings and Improvements	(18,518,073)	(301,522)	0	(18,819,595)
Furniture and Equipment	(709,781)	0	0	(709,781)
Intangible Right-to-Use Lease Equipment	(24,363)	(12,999)	7,795	(29,567)
Total Accumulated Depreciation	(19,252,217)	(314,521)	7,795	(19,558,943)
Capital Assets Being Depreciated, Net	3,231,090	(93,636)	0	3,137,454
Total Capital Assets, Net	$ 4,155,323	$ (93,636)	$ 0	$ 4,061,687

NOTE 6: LONG-TERM LIABILITIES

The Authority entered into a sixty-month lease for copier equipment calling for monthly payments of $1,346 beginning November 1, 2020. The equipment is being amortized over the life of the lease. The annual interest rate charged on the lease is 4 percent.

Lease commitments for fiscal years ending June 30 are as follows:

	Principal	Interest	Total
2024	$ 14,938	$ 1,214	$ 16,152
2025	15,547	605	16,152
2026	6,663	67	6,730
Total	$ 37,148	$ 1,886	$ 39,034

The following is a summary of long-term liabilities:

Description	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023	Due Within One Year
Compensated Absences	$ 63,286	$ 61,005	$ (69,592)	$ 54,699	$ 0
FSS Escrow Liability	108,039	48,849	(63,473)	93,415	0
Net Pension Liability	442,155	1,035,438	0	1,477,593	0
Net OPEB Liability	0	30,593	0	30,593	0
Lease Liability	50,327	0	(13,179)	37,148	14,938
Total Long-Term Liabilities	$ 663,807	$ 1,175,885	$ (146,244)	$ 1,693,448	$ 14,938

NOTE 7: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension/OPEB. The deferred inflows of resources related to pension are explained in Note 8, and deferred inflow of resources related to OPEB are explained in Note 9.

NOTE 8: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the 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 *accrued wages and payroll taxes*.

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

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. 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 plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 and combined plans 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 and combined plans 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):

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

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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 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.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

	State and Local
2022-2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022-2023 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

** These pension and employer health care rates are for the traditional plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

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

For fiscal year ending June 30, 2023, the Authority’s contractually required contributions used to fund pension benefits was $109,491 for the traditional plan.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.005082%
Current Measurement Date	0.005002%
Change in Proportionate Share	-0.000080%
Proportionate Share of the Net Pension Liability:	$ 1,477,593
Pension Expense	$ 210,953

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 421,160
Differences between expected and actual experience	49,080
Changes of assumptions	15,609
Authority contributions subsequent to the measurement date	54,270
Total Deferred Outflows of Resources	$ 540,119
Deferred Inflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	$ 10,770
Total Deferred Inflows of Resources	$ 10,770

$54,270 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 in the year ending June 30, 2024. 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
Year Ending June 30:	
2024	$ 49,177
2025	95,620
2026	123,969
2027	206,313
Total	$ 475,079

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

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, 2022, 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:

	Traditional Pension Plan	Combined Plan
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:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, 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.

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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 loss of 12.1 percent for 2022.

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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

NOTE 8: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 2,213,385	$ 1,477,593	$ 865,546

NOTE 9: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

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

Ohio Revised Code limits the Authority's obligation 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.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Liability (Continued)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans.

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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. **Medicare Retirees** – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. **Non-Medicare Retirees** – Non-Medicare retirees qualify based on the following age-and-service criteria:
   a. Group A – 30 years of qualifying service credit at any age;
   b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
   c. Group C – 32 years of qualifying service credit and minimum age 55; or,
   d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

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

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2022 and 2023, 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 2022 and 2023, OPERS did not allocate any employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 and 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution allocated to health care was $1,363 for the fiscal year ending June 30, 2023.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

	OPERS
Proportion of the Net OPEB (Asset):	
Prior Measurement Date	0.004925%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.004852%
Change in Proportionate Share	-0.000073%
Proportionate Share of the Net OPEB Liability	$ 30,593
OPEB Expense	$ (53,631)

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 60,759
Changes of assumptions	29,880
Authority contributions subsequent to the measurement date	700
Total Deferred Outflows of Resources	$ 91,339
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 7,632
Changes of assumptions	2,458
Changes in proportion and differences between Authority contributions and proportionate share of contributions	1,460
Total Deferred Inflows of Resources	$ 11,550

$700 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending June 30:	
2024	$ 8,646
2025	22,143
2026	18,947
2027	29,353
Total	$ 79,089

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

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, 2021, rolled forward to the measurement date of December 31, 2022. 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:

	December 31, 2022	December 31, 2021
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	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2036	5.50 percent initial, 3.50 percent ultimate in 2034
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.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

During 2022, 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 loss of 15.6 percent for 2022.

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 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00 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 4.05 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 2054. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 5.22 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:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB liability/(asset)	$ 104,124	$ 30,593	$ (30,082)

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

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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 2023 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.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$ 28,675	$ 30,593	$ 32,751

NOTE 10: **MORTGAGES RECEIVABLE**

When the Authority sells a Public Housing home under the 4(h) Homeownership program, the difference between the appraised value of the home and the price actually paid for the home is secured by a promissory note and a subordinate second mortgage. This amount dissipates 20% each year after the fifth year the family maintains residency. Therefore, after a period of 10 years, the mortgage amount is ZERO. If the family leaves the residence or fails to make its mortgage payment within the first 5 years of residency, the family would owe the entire amount of the note to the Authority. If, however, the family decides to leave the residence or fails to make its mortgage payment after the 10th year of residency, the family owes nothing to the Authority. If the family wants to leave in its eighth year, the amount the family owes to the Authority would be calculated to reflect a 60% reduction, etc.

On December 12, 2016, the Authority sold a house to an eligible family in which the second mortgage amount was $24,000. If the family remains in the unit until December 2026, they will owe the Authority nothing. The balance at June 30, 2023 is $14,400. The current portion is $4,800.

On April 10, 2020, the Authority sold a house to an eligible family in which the second mortgage amount was $23,500. If the family remains in the unit until April 2030, they will owe the Authority nothing. The balance at June 30, 2023 is $23,500.

NOTE 11: **CONTINGENCIES/LITIGATIONS AND CLAIMS**

In the normal course of operations, the Authority may be subject to litigation and claims. At June 30, 2023, the Authority was not involved in such matters.

ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.005002%	0.005082%	0.005143%	0.004980%	0.005287%	0.005810%	0.005825%	0.005395%	0.006221%	0.006221%
Authority's Proportionate Share of the Net Pension Liability	$ 1,477,593	$ 442,155	$ 761,566	$ 984,331	$ 1,448,002	$ 911,476	$ 1,322,758	$ 933,482	$ 750,322	$ 733,375
Authority's Covered Payroll	$ 775,312	$ 737,541	$ 724,295	$ 700,691	$ 713,800	$ 767,825	$ 753,017	$ 671,426	$ 762,762	$ 810,896
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.58%	59.95%	105.15%	140.48%	202.86%	118.71%	175.66%	139.03%	98.37%	90.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

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

See accompanying notes to the required supplementary information

ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY’S CONTRIBUTIONS – PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	$ 109,491	$ 106,219	$ 101,547	$ 98,903	$ 103,438	$ 98,771	$ 96,287	$ 89,663	$ 89,055	$ 107,639
Contributions in Relation to the Contractually Required Contribution	(109,491)	(106,219)	(101,547)	(98,903)	(103,438)	(98,771)	(96,287)	(89,663)	(89,055)	(107,639)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority’s Covered Payroll	$ 782,079	$ 758,707	$ 725,336	$ 706,450	$ 738,843	$ 733,112	$ 770,563	$ 747,192	$ 742,125	$ 861,112
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.47%	12.50%	12.00%	12.00%	12.50%

See accompanying notes to the required supplementary information

ALLEN METROPOLITAN HOUSING AUTHORITY ALLEN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.004852%	0.004925%	0.005138%	0.005070%	0.005405%	0.005690%	0.005710%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ 30,593	$ (154,259)	$ (91,538)	$ 700,299	$ 704,684	$ 617,892	$ 576,729
Authority's Covered Payroll	$ 807,486	$ 768,013	$ 777,046	$ 766,024	$ 783,993	$ 805,408	$ 788,591
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.79%	20.09%	11.78%	91.42%	89.88%	76.72%	73.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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

ALLEN METROPOLITAN HOUSING AUTHORITY
ALLEN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,363	$ 1,246	$ 1,375	$ 2,665	$ 2,659	$ 5,317	$ 13,043	$ 14,720	$ 15,125
Contributions in Relation to the Contractually Required Contribution	(1,363)	(1,246)	(1,375)	(2,665)	(2,659)	(5,317)	(13,043)	(14,720)	(15,125)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 816,153	$ 789,855	$ 759,698	$ 773,070	$ 805,314	$ 768,997	$ 806,966	$ 747,192 0	$ 780,505
Contributions as a Percentage of Covered Payroll	0.17%	0.16%	0.18%	0.34%	0.33%	0.69%	1.62%	1.97%	1.94%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

See accompanying notes to the required supplementary information

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 2014-2023.

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.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2023.

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.

Allen Metropolitan Housing Authority
Entity-Wide Balance Sheet Summary - FDS Schedule Sumbitted to HUD
June 30, 2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Total
111 Cash - Unrestricted	$2,592,926			$4,355	$955,449	$770,735		$4,323,465
112 Cash - Restricted - Modernization and Development	$49,859							$49,859
113 Cash - Other Restricted		$34,090				$69,641		$103,731
114 Cash - Tenant Security Deposits	$72,239							$72,239
115 Cash - Restricted for Payment of Current Liabilities				$130,616		$10,109		$140,725
100 Total Cash	$2,715,024	$34,090	$0	$134,971	$955,449	$850,485	$0	$4,690,019
126 Accounts Receivable - Tenants	$19,740							$19,740
126.1 Allowance for Doubtful Accounts -Tenants	-$5,000							-$5,000
126.2 Allowance for Doubtful Accounts - Other	$0							$0
127 Notes, Loans, & Mortgages Receivable - Current	$12,236							$12,236
128 Fraud Recovery	$2,170					$21,453		$23,623
128.1 Allowance for Doubtful Accounts - Fraud	$0					-$21,453		-$21,453
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	$29,146	$0	$0	$0	$0	$0	$0	$29,146
142 Prepaid Expenses and Other Assets	$55,767							$55,767
143 Inventories	$43,870							$43,870
143.1 Allowance for Obsolete Inventories	-$6,580							-$6,580
150 Total Current Assets	$2,837,227	$34,090	$0	$134,971	$955,449	$850,485	$0	$4,812,222
161 Land	$924,233							$924,233
162 Buildings	$21,716,347				$168,353	$36,624		$21,921,324
163 Furniture, Equipment & Machinery - Dwellings	$56,271							$56,271
164 Furniture, Equipment & Machinery - Administration	$571,886					$146,916		$718,802
166 Accumulated Depreciation	-$19,287,822				-101,010	-$170,111		-19,558,943
160 Total Capital Assets, Net of Accumulated Depreciation	$3,980,915	$0	$0	$0	$67,343	$13,429	$0	$4,061,687
171 Notes, Loans and Mortgages Receivable - Non-Current	$33,100							$33,100
180 Total Non-Current Assets	$4,014,015	$0	$0	$0	$67,343	$13,429	$0	$4,094,787
200 Deferred Outflow of Resources	$277,841					$353,617		$631,458
290 Total Assets and Deferred Outflow of Resources	$7,129,083	$34,090	$0	$134,971	$1,022,792	$1,217,531	$0	$9,538,467
312 Accounts Payable <= 90 Days	$6,743					$2,009		$8,752
321 Accrued Wage/Payroll Taxes Payable	$8,791					$12,460		$21,251
331 Accounts Payable - HUD PHA Programs				$130,616				$130,616
333 Accounts Payable - Other Government	$31,682							$31,682
341 Tenant Security Deposits	$72,239							$72,239
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$9,710					$5,228		$14,938
345 Other Current Liabilities						$10,109		$10,109
346 Accrued Liabilities - Other	$22,963							$22,963
310 Total Current Liabilities	$152,128	$0	$0	$130,616	$0	$29,806	$0	$312,550
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$14,436					$7,774		$22,210
353 Non-current Liabilities - Other		$34,090				$59,325		$93,415
354 Accrued Compensated Absences - Non Current	$20,982					$33,717		$54,699
357 Accrued Pension and OPEB Liabilities	$663,602					$844,584		$1,508,186
350 Total Non-Current Liabilities	$699,020	$34,090	$0	$0	$0	$945,400	$0	$1,678,510
300 Total Liabilities	$851,148	$34,090	$0	$130,616	$0	$975,206	$0	$1,991,060
400 Deferred Inflow of Resources	$9,821					$12,499		$22,320
508.4 Net Investment in Capital Assets	$3,956,769	$0	$0	$0	$67,343	$427	$0	$4,024,539
511.4 Restricted Net Position	$49,859	$0	$0	$0		$10,316	$0	$60,175
512.4 Unrestricted Net Position	$2,261,486	$0	$0	$4,355	$955,449	$219,083	$0	$3,440,373
513 Total Equity - Net Assets / Position	$6,268,114	$0	$0	$4,355	$1,022,792	$229,826	$0	$7,525,087
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$7,129,083	$34,090	$0	$134,971	$1,022,792	$1,217,531	$0	$9,538,467

Allen Metropolitan Housing Authority

Entity-Wide Revenue and Expense Summary - FDS Schedule Sumbitted to HUD

For the Fiscal Year Ended June 30, 2023

	Project Total	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$661,560							$661,560		$661,560
70400 Tenant Revenue - Other	$175,066							$175,066		$175,066
70500 Total Tenant Revenue	$836,626	$0	$0	$0	$0	$0	$0	$836,626	$0	$836,626
70600 HUD PHA Operating Grants	$1,519,827		$35,235	$198,364		$6,497,729	$129,637	$8,380,792		$8,380,792
70610 Capital Grants	$220,885							$220,885		$220,885
71100 Investment Income - Unrestricted	$6,835				$4,151			$10,986		$10,986
71400 Fraud Recovery						$29,328		$29,328		$29,328
71500 Other Revenue	$36,439	$34,090				$74		$70,603		$70,603
70000 Total Revenue	$2,620,612	$34,090	$35,235	$198,364	$4,151	$6,527,131	$129,637	$9,549,220	$0	$9,549,220
91100 Administrative Salaries	$220,634			$31,721		$459,140	$8,697	$720,192		$720,192
91200 Auditing Fees	$3,343			$340		$5,996		$9,679		$9,679
91400 Advertising and Marketing						$227		$227		$227
91500 Employee Benefit contributions - Administrative	$120,166			$17,940		$79,367	$2,453	$219,926		$219,926
91600 Office Expenses	$36,282					$113,722		$150,004		$150,004
91700 Legal Expense	$30,770				$810			$31,580		$31,580
91800 Travel	$9,528					$15,534		$25,062		$25,062
91900 Other	$2,371					$13,566		$15,937		$15,937
91000 Total Operating - Administrative	$423,094	$0	$0	$50,001	$810	$687,552	$11,150	$1,172,607	$0	$1,172,607
92100 Tenant Services - Salaries			$28,188					$28,188		$28,188
92300 Employee Benefit Contributions - Tenant Services			$7,047					$7,047		$7,047
92400 Tenant Services - Other	$14,087							$14,087		$14,087
92500 Total Tenant Services	$14,087	$0	$35,235	$0	$0	$0	$0	$49,322	$0	$49,322
93100 Water	$256,466							$256,466		$256,466
93200 Electricity	$60,961							$60,961		$60,961
93300 Gas	$23,290							$23,290		$23,290
93600 Sewer	$10,098							$10,098		$10,098
93000 Total Utilities	$350,815	$0	$0	$0	$0	$0	$0	$350,815	$0	$350,815
94100 Ordinary Maintenance and Operations - Labor	$118,107							$118,107		$118,107
94200 Ordinary Maintenance and Operations - Materials and Other	$251,052							$251,052		$251,052
94300 Ordinary Maintenance and Operations Contracts	$493,503							$493,503		$493,503
94500 Employee Benefit Contributions - Ordinary Maintenance	$64,326							$64,326		$64,326
94000 Total Maintenance	$926,988	$0	$0	$0	$0	$0	$0	$926,988	$0	$926,988
96110 Property Insurance	$132,805							$132,805		$132,805
96120 Liability Insurance						$4,531		$4,531		$4,531
96100 Total insurance Premiums	$132,805	$0	$0	$0	$0	$4,531	$0	$137,336	$0	$137,336
96200 Other General Expenses	$2,777	$34,090			$35,465	$3,205		$75,537		$75,537
96210 Compensated Absences	$1,389							$1,389		$1,389
96300 Payments in Lieu of Taxes	$31,682							$31,682		$31,682
96400 Bad debt - Tenant Rents	$142,220							$142,220		$142,220
96500 Bad debt - Mortgages	$4,800							$4,800		$4,800
96000 Total Other General Expenses	$182,868	$34,090	$0	$0	$35,465	$3,205	$0	$255,628	$0	$255,628
96900 Total Operating Expenses	$2,030,657	$34,090	$35,235	$50,001	$36,275	$695,288	$11,150	$2,892,696	$0	$2,892,696
97000 Excess of Operating Revenue over Operating Expenses	$589,955	$0	$0	$148,363	-32,124	$5,831,843	$118,487	$6,656,524	$0	$6,656,524
97100 Extraordinary Maintenance	$156,298							$156,298		$156,298
97200 Casualty Losses - Non-capitalized	$18,575							$18,575		$18,575
97300 Housing Assistance Payments				$144,529		$5,779,583	$118,487	$6,042,599		$6,042,599
97400 Depreciation Expense	$302,000				$6,122	$6,399		$314,521		$314,521
90000 Total Expenses	$2,507,530	$34,090	$35,235	$194,530	$42,397	$6,481,270	$129,637	$9,424,689	$0	$9,424,689
10010 Operating Transfer In	$121,052							$121,052	-$121,052	$0
10020 Operating transfer Out	-$121,052							-$121,052	$121,052	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$113,082	$0	$0	$3,834	-38,246	$45,861	$0	$124,531	$0	$124,531
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$6,155,032	$0	$0	$521	$1,061,038	$183,965	$0	$7,400,556		$7,400,556
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0							$0		$0
11170 Administrative Fee Equity						$219,510		$219,510		$219,510
11180 Housing Assistance Payments Equity						$10,316		$10,316		$10,316
11190 Unit Months Available	2923			756		12492	350	16521		16521
11210 Number of Unit Months Leased	2812			438		12076	350	15676		15676

ALLEN METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program/Cluster Title	Pass-Through Number	Assistance Listing Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Section 8 Project Based Cluster:			
Section 8 - New Construction and Substantial Rehab	N/A	14.182	$ 198,364
Total Section 8 Project Based Cluster			198,364
Shelter Plus Care	N/A	14.238	129,637
Public and Indian Housing	N/A	14.850	1,242,477
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	6,497,729
Total Housing Voucher Cluster			6,497,729
Public Housing Capital Fund	N/A	14.872	498,235
Family Self-Sufficiency Program	N/A	14.896	35,235
Total Expenditures of Federal Awards			$ 8,601,677

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Allen Metropolitan Housing Authority (the Authority) under programs of the federal government for the fiscal year ended June 30, 2023. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior fiscal years.

NOTE C – INDIRECT COST RATE

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

ALLEN METROPOLITAN HOUSING AUTHORITY
COST CERTIFICATION
JUNE 30, 2023

Capital Fund Program Number:	501-19
1. The Program Costs are as follows:	
Funds Approved	$515,748
Funds Expended	515,748
Excess (Deficiency) of Funds Approved	$ -
Funds Advanced	$515,748
Funds Expended	515,748
Excess (Deficiency) of Funds Advanced	$ -

2. All costs have been paid and there are no outstanding obligations.

3. The Final Financial Status Report was signed and filed on: 4/17/23

4. The Final Costs on the Certification agrees with the Authority's records.

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

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

Allen Metropolitan Housing Authority
Allen County
600 South Main Street
Lima, Ohio 45804

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 Allen Metropolitan Housing Authority, Allen County, (the Authority) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 8, 2023.

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.

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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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 8, 2023

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

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

Allen Metropolitan Housing Authority
Allen County
600 South Main Street
Lima, Ohio 45804

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Allen 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 June 30, 2023. 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 Allen Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2023.

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.

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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.

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 & Snow, Inc.

Newark, Ohio
December 8, 2023

ALLEN METROPOLITAN HOUSING AUTHROITY
ALLEN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE
KEITH FABER

ALLEN COUNTY METROPOLITAN HOUSING AUTHORITY

ALLEN 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 1/30/2024

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