



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 325 • 618 Tenth Street, Suite 103 • Huntington, WV 25708 • (304) 521-2648 • FAX (888) 900-1264

www.bhmcpagroup.com



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

Board of Commissioners
Wayne Metropolitan Housing Authority
345 N. Market Street
Wooster, OH 44691-3566

We have reviewed the *Independent Auditor's Report* of the Wayne Metropolitan Housing Authority, Wayne County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2023 through December 31, 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 Wayne Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 05, 2024

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Wayne Metropolitan Housing Authority
Wayne County
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INDEPENDENT AUDITOR'S REPORT

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Street
Wooster, Ohio 44691

To the Board of Commissioners

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Wayne Metropolitan Housing Authority, Wayne County, Ohio (Authority), as of and for the year ended December 31, 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 of the Wayne Metropolitan Housing Authority, Wayne County, Ohio as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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 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 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 and 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 June 18, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



BHM CPA Group, Inc.
Circleville, Ohio
June 18, 2024

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**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

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

Since the MD&A is designed to focus on the 2023 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by \$36,420 or 0.6% from what was reported at December 31, 2022. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position.
- Revenues increased by \$997,936 or 13.1% during 2023.
- Total expenses of all Authority programs increased by \$1,371,910, or 19.0% during 2023.

Authority Financial Statements

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

These Statements include a 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, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-Current".

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

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

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 that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted net position, 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 does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

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

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

Fund Financial Statements

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

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

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

THE AUTHORITY'S PROGRAMS

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

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an 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. The Authority earns administrative fees to cover the cost of administering the program.

State / Local – State / Local represents Authority owned housing properties that are not subsidized by HUD; management services that the Authority provides to a local non-profit entity under contract for management (Secrest Village Apartments); Community Housing Impact and Preservation programs that the Authority administers and implements under contract with both Wayne County and the City of Wooster; and a multi-family project that is subsidized by USDA Rural Development (Shreve Manor Apartments). Revenues and expenses for these services are identified and tracked separate from the HUD activities.

The Authority's properties not subsidized by HUD or USDA Rural Development are generally dedicated to clients of the local Board of Developmental Disabilities (DD) or the local Mental Health and Recovery Board (MHRB). Some of these properties have debt attached to them, however most received a portion of their acquisition costs from either client-family contributions, from the State of Ohio Community Capital Assistance Funds applied for through the Board of DD, or from a forgivable grant received through the Ohio Department of Mental Health.

The Authority's management contract is with a not-for-profit entity that depends on the Authority to handle all of its management concerns including day-to-day operations as well as corporate accounting and reporting.

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

AUTHORITY STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in business-type activities.

TABLE 1

STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>
Current Assets	\$ 1,076,133	\$ 1,298,465
Capital and Non-Current Assets	<u>8,363,885</u>	<u>8,304,387</u>
 Total Assets	 \$ 9,440,018	 \$ 9,602,852
 Deferred Outflows	 \$ 1,122,130	 \$ 511,179
 Total Assets & Deferred Outflows	 <u>\$ 10,562,148</u>	 <u>\$ 10,114,031</u>
 Current Liabilities	 \$ 643,750	 \$ 568,659
Long-Term Liabilities	<u>3,808,283</u>	<u>2,438,954</u>
 Total Liabilities	 \$ 4,452,033	 \$ 3,007,613
 Deferred Inflows	 \$ 111,160	 \$ 1,143,883
 Net Position:		
Net Investment in Capital Assets	\$ 6,767,592	\$ 6,215,968
Restricted Net Position	83,960	170,433
Unrestricted Net Position	<u>(852,597)</u>	<u>(423,866)</u>
 Total Net Position	 <u>\$ 5,998,955</u>	 <u>\$ 5,962,535</u>
 Total Liabilities, Deferred Inflows, and Net Position	 <u>\$ 10,562,148</u>	 <u>\$ 10,114,031</u>

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Major Factors Affecting the Statement Of Net Position

During 2023, current assets decreased by \$222,332, and current liabilities increased by \$75,091. The decrease in current assets is mostly due to a decrease in cash on hand at year-end, due to normal operations. The increase in current liabilities is due primarily to an increase in accrued expenses and liabilities from the previous year.

Net Investment in Capital Assets increased to \$6,767,592 from \$6,215,968. The \$551,624 increase can be attributed to a net result of several significant property additions and improvements, and debt repayment and depreciation from normal operations. For more detail see "Capital Assets" presented later in this report.

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

**TABLE 2
CHANGE OF UNRESTRICTED NET POSITION**

	Unrestricted	Restricted	Investment In Capital Assets
Beginning Balance - January 1, 2023	\$ (423,866)	\$ 170,433	\$ 6,215,968
Results of Operation	36,420		
Adjustments:			
Current Year Depreciation Expense (1)	498,699		(498,699)
Capital Expenditure, Net of Disposal (2)	(825,935)		825,935
Current Year Debt Proceeds, Net of Retirement	(224,388)		224,388
Transfer to (from) Restricted Net Position	86,473	(86,473)	
Ending Balance - December 31, 2023	\$ (852,597)	\$ 83,960	\$ 6,767,592

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

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

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

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

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

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Total Tenant Rent Revenues	\$ 1,141,653	\$ 1,152,664
Operating Subsidies	6,256,382	6,069,622
Capital Grants	774,339	175,680
Investment Income	2,606	1,263
Other Revenues	<u>461,178</u>	<u>238,993</u>
Total Revenues	8,636,158	7,638,222
<u>Expenses</u>		
Administrative	1,918,936	1,152,355
Utilities	408,262	399,910
Maintenance	1,153,986	701,172
General and Interest Expenses	240,250	260,438
Housing Assistance Payments	4,379,605	4,212,785
Depreciation	<u>498,699</u>	<u>501,168</u>
Total Expenses	<u>8,599,738</u>	<u>7,227,828</u>
Net Increases (Decreases)	<u>\$ 36,420</u>	<u>\$ 410,394</u>

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

Major Factors Affecting The Statement Of Revenue, Expenses And Changes In Net Position

Tenant revenue decreased by \$11,011 during 2023 compared to the prior year. The decrease was likely due to a lower tenant portion of rent, as occupancy was slightly higher. Capital Grants show an increase of \$598,659 from 2022 due to a major capital improvement at one of the projects during the period. Overall total revenue increased by \$997,936 from 2022, mostly due to the large capital grant, slightly higher operating subsidies, and some private donations for development and capital improvements.

Administrative expenses increased by \$766,581 from 2022. This was mostly due to significant wage and benefit increases during the period, as well as increased expense for proportionate share of pension and OPEB liabilities per GASB 68 and GASB 75 requirements. Maintenance expense increased by \$452,814 due to increased wages and benefits for maintenance employees, as well as higher contracts and materials expenses. All other expense categories varied by less than 10% from the previous year.

CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had \$8,061,285 invested in a variety of capital assets as reflected in the following schedule, which represents an increase of \$327,236 or about 4.2% from the end of 2022. This increase was a net result of several significant property improvements, additions to equipment and work in progress, payment of mortgage debts, and the accumulated depreciation of all properties and other fixed assets.

TABLE 4

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	<u>2023</u>	<u>2022</u>
Land and Land Rights	\$ 2,341,833	\$ 2,341,833
Buildings and Improvements/Additions	21,803,738	21,770,635
Furniture & Equipment	882,102	875,786
Construction in Progress	913,121	276,726
Accumulated Depreciation	<u>(17,879,509)</u>	<u>(17,530,931)</u>
Total	<u>\$ 8,061,285</u>	<u>\$ 7,734,049</u>

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

The following reconciliation identifies the change in Capital Assets.

TABLE 5

CHANGE IN CAPITAL ASSETS

Beginning Balance - January 1, 2023	\$ 7,734,049
Current Year Additions	840,591
Current Year Depreciation Expense	(498,699)
Adjustments to A/D to Properly State Assets	150,123
Disposal of Assets	<u>(164,779)</u>
Ending Balance - December 31, 2023	<u>\$ 8,061,285</u>
Current Year Additions are summarized as follows:	
Buildings Improvements & Additions	171,474
Equipment Additions	32,721
Change in Construction in Progress	<u>636,396</u>
Total Additions, 2023	<u>\$ 840,591</u>

Debt Outstanding

As of year-end, the Authority has \$1,293,693 in debt (mortgages and loans) outstanding compared to \$1,518,081 in the previous year. The \$224,388 decrease was the result of regular principal payments on existing loans.

TABLE 6

CONDENSED STATEMENT OF CHANGES IN DEBT OUTSTANDING

Beginning Balance - January 1, 2023	\$ 1,518,081
Current Year Loans	-
Current Year Loan Retirements	<u>(224,388)</u>
Ending Balance - December 31, 2023	<u>\$ 1,293,693</u>

**WAYNE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Debra A. Catlett, Executive Director of the Wayne Metropolitan Housing Authority, who can be reached by phone at (330) 264-2727.

Specific requests may be submitted to the Wayne Metropolitan Housing Authority at:
345 North Market Street, Wooster, Ohio 44691
Fax: (330) 263-1521
Email: dcattlett@waynemha.org

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 480,004
Cash and Cash Equivalents - Restricted	334,531
Receivables, Net of Allowance for Doubtful Accounts	76,070
Inventory, Net of Allowance for Obsolete	39,264
Prepaid Expenses	146,264
Total Current Assets	1,076,133

Noncurrent Assets

Other Non-Current Assets	302,600
Non-Depreciable Capital Assets	3,254,954
Depreciable Capital Assets, Net of Depreciation	4,806,331
Total Noncurrent Assets	8,363,885

Deferred Outflow of Resources	1,122,130
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TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 10,562,148
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LIABILITIES

Current Liabilities

Accounts Payable	\$ 349
Accrued Wages & Payroll Taxes	124,202
Tenant Security Deposits	70,402
Accrued Compensated Absences, Current Portion	12,990
Accrued Intergovernmental Payable	112,535
Unearned Revenue	31,210
Other Current Liabilities	60,379
Long-Term Debt, Current Portion	231,683
Total Current Liabilities	643,750

Noncurrent Liabilities

Other Non-Current Liabilities	308,756
Net Pension Liability	2,181,828
Net OPEB Liability	45,750
Accrued Compensated Absences, Net of Current Portion	49,939
Long-Term Debt, Net of Current Portion	1,222,010
Total Noncurrent Liabilities	3,808,283
TOTAL LIABILITIES	4,452,033

Deferred Inflow of Resources	111,160
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NET POSITION

Net Investment in Capital Assets	6,767,592
Restricted Net Position	83,960
Unrestricted Net Position	(852,597)
TOTAL NET POSITION	5,998,955

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION	\$ 10,562,148
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See accompanying notes to the financial statements.

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenue

Government Operating Subsidies and Grants	\$ 6,256,382
Tenant Revenue	1,141,653
Other Income	466,016
Total Operating Revenue	7,864,051

Operating Expenses

Administration	1,918,936
Utilities	408,262
Maintenance	1,153,986
General	198,867
Housing Assistance Payments	4,379,605
Depreciation	498,699
Total Operating Expenses	8,558,355
Net Operating Income (Loss)	(694,304)

Nonoperating Revenues/(Expenses)

Investment Income - Unrestricted	1,924
Interest Expense	(41,383)
Loss (Gain) on Sale of Assets	(4,156)
Total Nonoperating Revenues/(Expenses)	(43,615)

Excess of Revenue Over(Under) Expenses before Capital Grants	(737,919)
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Capital Grants	774,339
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Change in Net Position	36,420
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Total Net Position - Beginning of Year	5,962,535
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Total Net Position - Ending	\$ 5,998,955
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See accompanying notes to the financial statement.

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities

Receipts from Operating Grants	\$ 6,255,757
Receipts from Residents	1,143,907
Other Receipts	493,714
Payments for Housing Assistance	(4,379,605)
Payments for Administrative Expenses	(1,776,743)
Payments for General Expenses	(1,792,682)
Net Cash Provided (Used) by Operating Activities	(55,652)

Cash Flows from Capital and Related Financing Activities

Property and Equipment Additions	(825,935)
Gain (Loss) on Sale of Assets	(4,156)
Long-Term Debt Incurred	160,000
Payments on Long-Term Debt	(224,388)
Interest Paid on Long-Term Debt	(41,383)
Capital Grant Funds Received	774,340
Net Cash Provided (Used) by Capital and Related Financing Activities	(161,522)

Cash Flows from Investing Activities

Investment Income	2,606
Net Cash Provided from Investing Activities	2,606

Net Increase (Decrease) in Cash	(214,568)
Cash and Cash Equivalents at Beginning of Year	1,029,103
Cash and Cash Equivalents at End of Year	\$ 814,535

Reconciliation of Net Operating Income to Net

Cash Provided (Used) by Operating Activities

Net Operating Income (Loss)	\$ (694,304)
Adjustments to Reconcile Net Income to Net Cash:	
Provided by Operating Activities:	
Depreciation	498,699
(Increase) Decrease in:	
Accounts Receivable	33,091
Inventory	4,077
Other Non-Current Assets	267,738
Deferred Outflows	(610,951)
Prepaid Expenses	(29,405)
Increase (Decrease) in:	
Accounts Payable	262
Accrued Wages and Benefits Payable	28,085
Unearned Revenue	6,965
Compensated Absences	6,734
Other Liabilities	(43,548)
Intergovernmental Payable	257
Accrued Pension & OPEB Liabilities	1,506,314
Deferred Inflows	(1,032,723)
Tenant Security Deposits	(5,633)
Other Non-Current Liabilities	8,690
Net Cash provided (Used) by Operating Activities	\$ (55,652)

See accompanying notes to the financial statements.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Wayne Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability are the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

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

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

The Authority’s basic financial statements consist of a statement of net position, a statement of revenues and expenses, changes in net position, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. 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 assets, 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.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

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 the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, and certificate of deposits regardless of maturity, to be cash equivalents.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	30 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	5 years
Autos	5 years
Computers	5 years

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: **(1)** the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee; and **(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. Information regarding compensated absences is detailed in Note 8.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement 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) until then. For the Authority, deferred outflows of resources are reported on the Statement of Net Position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension/OPEB are explained in Notes 6 and 7.

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 as an inflow or resources (revenue) until that time. For the Authority, deferred inflows of resources include pension, OPEB and grants. Deferred inflows of resources related to pension, OPEB and grants are reported on the Statement of Net Position.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the defined benefit retirement plans discussed in Notes 6 and 7 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2: DEPOSITS AND INVESTMENTS

Cash on Hand

At December 31, 2023, the carrying amount of the Authority's deposits was \$814,535 (including \$334,531 of restricted funds, and \$100 of petty cash).

At December 31, 2023, the bank balance of the Authority's cash deposits was \$953,338. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2023, deposits totaling \$500,000 were covered by Federal Depository Insurance and deposits totaling \$453,338 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.

Custodial credit is the risk that, in the event of a 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. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at 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 holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2023, the Authority had no investments.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

Cash and investments at year-end were as follows:

<u>Cash and Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (≤ 1 Year)</u>
Carrying Amount of Deposits	\$ 814,435	\$ 814,435
Petty Cash	100	100
Totals	<u>\$ 814,535</u>	<u>\$ 814,535</u>

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WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3: RESTRICTED CASH

The restricted cash balance of \$334,531 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program	
by HUD for Housing Assistance Payments	\$ 13,167
Tenant Security Deposits	70,402
FSS Escrow Funds	180,169
Reserve for Replacement and Mortgage Sinking Funds	<u>70,793</u>
 Total Restricted Cash	 <u><u>\$ 334,531</u></u>

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2023 by class is as follows:

	Balance 12/31/2022	Reclasses	Additions	Deletions	Rounding	Balance 12/31/2023
<u>Capital Assets Not Being Depreciated</u>						
Land	\$ 2,341,833	\$ -	\$ -	\$ -	\$ -	\$ 2,341,833
Construction in Progress	<u>276,726</u>	<u>(109,776)</u>	<u>746,172</u>	<u>-</u>	<u>(1)</u>	<u>913,121</u>
Total Capital Assets						
Not Being Depreciated	<u>2,618,559</u>	<u>(109,776)</u>	<u>746,172</u>	<u>-</u>	<u>(1)</u>	<u>3,254,954</u>
 <u>Capital Assets Being Depreciated</u>						
Buildings and Improvements	21,770,635	94,784	76,690	(138,372)	1	21,803,738
Furniture, Equipment, and Machinery - Dwelling	197,315	-	7,229	(5,938)	1	198,607
Furniture, Equipment, and Machinery - Admin	<u>678,471</u>	<u>14,992</u>	<u>10,500</u>	<u>(20,469)</u>	<u>1</u>	<u>683,495</u>
Subtotal Capital Assets						
Being Depreciated	<u>22,646,421</u>	<u>109,776</u>	<u>94,419</u>	<u>(164,779)</u>	<u>3</u>	<u>22,685,840</u>
 <u>Accumulated Depreciation</u>						
Buildings and Improvements	(16,790,957)	-	(442,956)	138,372	(2)	(17,095,543)
Furniture and Equipment - Dwelling	(186,064)	-	(4,925)	3,563	-	(187,426)
Furniture and Equipment - Admin	<u>(553,910)</u>	<u>-</u>	<u>(50,818)</u>	<u>8,188</u>	<u>-</u>	<u>(596,540)</u>
Subtotal Accumulated Depreciation	<u>(17,530,931)</u>	<u>-</u>	<u>(498,699)</u>	<u>150,123</u>	<u>(2)</u>	<u>(17,879,509)</u>
 Capital Assets Being Depreciated, Net	<u>5,115,490</u>	<u>109,776</u>	<u>(404,280)</u>	<u>(14,656)</u>	<u>1</u>	<u>4,806,331</u>
 Total Capital Assets, Net	<u><u>\$ 7,734,049</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 341,892</u></u>	<u><u>\$ (14,656)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,061,285</u></u>

**WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5: RESTRICTED NET ASSETS

The Authority's restricted net assets are as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of the amounts used	\$ 13,167
Reserve for Replacement and Mortgage Sinking Funds	<u>70,793</u>
Total Restricted Net Assets	<u>\$ 83,960</u>

NOTE 6: DEFINED BENEFIT PENSION PLAN

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

Pensions and OPEB 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 net pension/OPEB liability (asset) represents the Authority's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/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 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/OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset).

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Asset)/Net OPEB Liability (Asset) (Continued)

Resulting adjustments to the net pension/OPEB liability (asset) 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 remainder of this note includes the pension disclosures. See Note 7 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. 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.

Pension Benefits

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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Benefits (Continued)

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 57 with 25 years of service credit or Age 62 with 5 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

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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). 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 of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Benefits (Continued)

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 member's contributions plus or minus the investment gains or losses resulting from the member's 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 the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal year ended December 31, 2023, the contribution rate for members in the state and local classification remained 10 percent. The Authority's contribution rate for members in state and local classifications for the fiscal year ended December 31, 2023 was 14.0 percent. State statute sets a maximum contribution rate for the Authority of 14.0 percent.

The Authority's contractually required contribution to OPERS was \$202,779 for the traditional plan and \$-0- for the combined plan for fiscal year 2023. The entire contribution has been made.

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

The net pension liability reported as of December 31, 2023 was measured as of December 31, 2022 for OPERS, 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 contribution of all participating entities. Following is information related to the proportionate share and pension expense:

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	OPERS <u>Traditional</u>	OPERS <u>Combined</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ 2,181,828	\$ -
Proportion of the Net Pension Liability (Asset) - Prior Year	0.008290%	0.003217%
Proportion of the Net Pension Liability (Asset) - Current Year	0.007386%	0.000000%
Change in Proportion	-0.000904%	-0.003217%
 Pension Expense (Gain)	 <u>\$ 391,357</u>	 <u>\$ 5,845</u>

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS <u>Traditional</u>	OPERS <u>Combined</u>
Deferred Outflows of Resources:		
Differences between expected and actual economic experience	\$ 72,742	\$ -
Differences between projected and actual investment earnings	\$ 621,889	\$ -
Changes of assumptions	\$ 23,049	\$ -
Changes in proportion	\$ 53,312	\$ 5,410
Contributions subsequent to the measurement date	<u>\$ 202,779</u>	<u>\$ -</u>
Total	<u>\$ 973,501</u>	<u>\$ 5,410</u>
 Deferred Inflows of Resources:		
Changes in proportion	<u>\$ 95,454</u>	<u>\$ -</u>
Total	<u>\$ 95,454</u>	<u>\$ -</u>

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

\$202,779 reported as deferred outflows of resources related to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

	<u>OPERS Traditional</u>	<u>OPERS Combined</u>
Fiscal Year Ending September 30:		
2024	\$ 73,114	\$ 863
2025	114,458	863
2026	183,052	863
2027	304,644	863
2028	-	863
Thereafter	-	1,095
	<u>\$ 675,268</u>	<u>\$ 5,410</u>

Actuarial Assumptions – OPERS

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods 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:

Measurement and Valuation Date	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Wage Inflation	2.75 percent
Projected Salary increase	2.75-10.75% (Traditional); 2.75%-8.25% (Combined)
Investment Rate of Return	6.90 percent
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3 percent simple Post-1/7/2013 Retirees: 3 percent simple through 2023, then 2.05% simple

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – OPERS (Continued)

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.

Discount Rate

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

<u>Asset Class</u>	<u>Target Allocation For 2022</u>	Weighted Average Long-Term Expected Real Rate of Return <u>(Arithmetic)</u>
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	<u>100.00%</u>	

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains 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 investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

Sensitivity of The Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability (asset) - Traditional	\$3,268,305	\$2,181,828	\$1,278,073
Authority's proportionate share of the net pension liability (asset) - Combined	\$0	\$0	\$0

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: DEFINED BENEFIT OPEB PLANS

Net Other Postemployment Benefits (OPEB) Liability (Asset)

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

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

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 assumes the liability/asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) 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 (asset) on the accrual basis of accounting.

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Ohio Public Employees Retirement System (Continued)

may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

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:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

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.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Ohio Public Employees Retirement System (Continued)

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care 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 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

The Authority's contractually required contribution for health care for the fiscal year ended December 31, 2023 was \$0.

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

The net OPEB liability (asset) 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 (asset) was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (Continued)

	<u>OPERS</u>
Proportionate Share of the	
Net OPEB Liability (Asset)	\$ 45,750
Proportion of the Net OPEB	
Liability (Asset) - Prior Year	0.008220%
Proportion of the Net OPEB	
Liability (Asset) - Current Year	<u>0.007256%</u>
Change in Proportionate Share	<u>-0.000964%</u>
OPEB Expense (Gain)	\$ (69,252)

At December 31, 2023, The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources:	
Differences between projected and actual	
investment earnings	\$ 90,863
Changes in assumptions	44,686
Changes in proportion	<u>7,670</u>
Total	<u>\$ 143,219</u>
Deferred Inflows of Resources:	
Differences between expected and actual	
economic experience	\$ 11,412
Differences between projected and actual	
investment earnings	3,677
Changes of assumptions	<u>617</u>
Total	<u>\$ 15,706</u>

There were no Authority contributions subsequent to the measurement date for OPEB.

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

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (Continued)

	<u>OPERS Traditional</u>
Fiscal Year Ending December 31:	
2024	\$ 22,288
2025	32,997
2026	28,334
2027	<u>43,894</u>
	<u>\$ 127,513</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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 (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System 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 applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation at 2.75%	2.75 to 10.75 percent including wage inflation
Single Discount Rate:		
Current measurement date	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	5.5 percent, initial 3.50 percent ultimate in 2036	5.5 percent, initial 3.50 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

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.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation As of December 31, 2022</u>	<u>Weighted Average Long-Term Expected Real Rate of Return</u>
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	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%	

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate

A single discount rate of 5.22% was used to measure the total 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%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed 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 (Asset) to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the OPEB liability calculated using the single discount rate of 5.22%, and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1.0% lower or 1.0% 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)	\$155,714	\$ 45,750	(\$44,987)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates
(Continued)

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	\$ 42,883	\$ 45,750	\$ 48,798

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. 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 care 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% in the most recent valuation.

NOTE 8: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2023, based on the vesting method, \$62,929 was accrued by the Authority for unused vacation and sick time. The current portion is \$12,990 and the long-term portion is \$49,939.

NOTE 9: INSURANCE

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 thirty-six (40) Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 9: INSURANCE (Continued)

<u>Type of Coverage</u>	<u>Coverage Deductible</u>	<u>Coverage Limits</u>
Property	\$1,500	\$250,000,000 (Per Occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	6,000,000
Automobile Liability	500/0	ACV/6,000,000
Law Enforcement	0	6,000,000
Public Officials	0	6,000,000
Crime	500	1,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 10: LONG-TERM DEBT

As of December 31, 2023 the Authority's long-term debt is as follows:

	<u>Balance at</u> <u>12/31/2023</u>
Loan payable to Commercial & Savings Bank to consolidate existing loans for the acquisition of 2 properties from the former Home Place Housing Corporation, and for the purchase and renovation of the property located at 224 East South Street, Shreve. The interest rate on this debt is at a fixed rate of 4.75% for 15 years. Total amount borrowed for the financing was \$209,409.	117,092
Mortgage Revenue Bond dated July 26, 2002 in the amount of \$50,000, due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1. Proceeds of the bond were used to purchase the property located at 1401 Moreland Road.	22,700
Mortgage Revenue Bond dated February 24, 2003 in the amount of \$55,000, due in February 2033; interest rate of 4.625% with an annual payment of principal and interest due February 1. Proceeds of the bond were used to purchase a property located at 1701 Westwood Circle.	26,900
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in April 2010, where the Authority received a grant for \$9,038 to be used for the purchase of property located at 1701 Westwood Circle. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	753

**WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10: **LONG-TERM DEBT** (Continued)

	Balance at <u>12/31/2023</u>
Mortgage Revenue Bond dated July 26, 2002 in the amount of \$50,000 due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1 of each year. Bond proceeds were used to purchase a property located at 617-619 Jefferson Avenue, Orrville.	22,700
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in February 2009 where the Authority received a grant for \$10,000 to be used for renovations to the property located at 617-619 Jefferson Avenue, Orrville. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	56
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in March 2010 where the Authority received a grant for \$5,725 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	445
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in July 2010 where the Authority received a grant for \$8,950 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	895
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in June 2011 where the Authority received a grant for \$9,250 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	1,490

**WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10: **LONG-TERM DEBT** (Continued)

	Balance at <u>12/31/2023</u>
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities on March 2010 where the Authority received a grant for \$6,043 to be used for renovation of property at 2610 Impala Street. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant less the prorated amount of number of months used by DD clients.	470
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in March 2010 where the Authority received a grant for \$8,176 to be used for renovations to the property located at 571 North Grant Street. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	636
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in January 2011, where the Authority received a grant for \$104,262 to be used for the purchase of property located at 1688 Barnes Drive. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	13,902
The PHA entered into a contractual agreement with Ohio Department of Mental Health in June 2012, where the Authority assumed the remaining forgivable loan balance from the former Home Place Housing Corporation. The original loan was dated April 1989 in the amount of \$634,000 at 0% interest. The loan has a restriction that the properties shall be used for approved mental health purposes for a period of 40 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used.	82,811

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10: LONG-TERM DEBT (Continued)

	<u>Balance at 12/31/2023</u>
Loan payable to USDA Rural Development to finance the purchase of property located at 208 East South Street, Shreve. The total amount borrowed for this financing was \$740,000 at a fixed rate of 3.25% over 50 years. USDA Rural Development subsidizes a portion of the interest for the first 30 years, and the Authority pays an effective interest rate of 1%.	655,968
Loan payable to Commercial & Savings Bank for the purchase of property located at 111 South Main Street, Rittman. The interest rate on this debt is at a fixed rate of 4.5% for 15 years. Total amount borrowed for the financing was \$64,811.	40,190
Loan payable to Commercial & Savings Bank for the consolidation of construction debt for property located at 346 East Bowman Street, Wooster. The interest rate on this debt is at a fixed rate of 4.0% for 20 years. Total amount borrowed for the financing was \$332,100.	306,685
Total Outstanding Debt	<u>\$1,293,693</u>
Less Current Portion	<u>(71,683)</u>
Total Long-Term Debt	<u>\$1,222,010</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

Description	Balance 12/31/2022	Issued	Retired	Balance 12/31/2023	Current Portion
Loans Payable	\$ 1,518,081	\$ -	\$ (224,388)	\$ 1,293,693	\$ 71,683
Line Of Credit*	\$ -	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Compensated Absences	\$ 56,195	\$ 219,448	\$ (212,714)	\$ 62,929	\$ 12,990
Net Pension Liability	\$ 721,264	\$ 1,460,564	\$ -	\$ 2,181,828	\$ -
Net OPEB Liability	-	45,750	-	45,750	-
Total	\$ 2,295,540	\$ 1,885,762	\$ (437,102)	\$ 3,744,200	\$ 244,673

*Unsecured line of credit was used at year-end for operating cash flow purposes. It is not included in the list of long-term debts above, as it is a current debt and will be fully repaid in the following period.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10: LONG-TERM DEBT (Continued)

Maturities of the debt over the next five years are as follows:

For the Year Ended December 31,	Principal	Interest	Total Payments
2024	231,683	33,597	265,280
2025	71,744	28,774	100,518
2026	66,009	26,778	92,787
2027	67,874	24,719	92,593
2028	70,074	22,922	92,996
2029-2033	231,051	83,810	314,861
2034-2038	163,380	52,159	215,539
2039-2043	139,533	39,974	179,507
2044-2048	89,894	73,710	163,604
2049-2053	105,732	44,183	149,915
2054-2058	124,361	25,554	149,915
2059-2063	92,358	5,088	97,446
TOTAL	<u>\$ 1,453,693</u>	<u>\$ 461,268</u>	<u>\$ 1,914,961</u>

NOTE 11: CONSTRUCTION AND OTHER COMMITMENTS

The Authority had no material construction commitments at December 31, 2023.

NOTE 12: INTERPROGRAM RECEIVABLES/PAYABLES

The Authority had the following inter-program receivable or payable balances at December 31, 2023:

<u>Program/Project</u>	<u>Due From</u>	<u>Due To</u>
Business Activities	101,317	-
10.427 Rural Rental Assistance Program	-	(101,317)
TOTAL	<u>\$ 101,317</u>	<u>\$ (101,317)</u>

These amounts represent funds that are owed from various programs to each other as a result of the movement of money between bank accounts, the timing of the payment of invoices, and other such purposes to support operations as permitted.

WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13: OPERATING TRANSFER

The Authority had the following operating transfers in 2023:

<u>Program/Project</u>	<u>Transfer From</u>	<u>Transfer To</u>
Capital Fund	\$ 269,382	\$ -
Public Housing	-	108,591
Central Office Cost Center	-	160,791
 TOTAL	 \$ 269,382	 \$ 269,382

This transfer represents the Capital Fund Grant allocation to support operations as permitted.

NOTE 14: CONTINGENCIES

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 15: SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial assistance programs of the Wayne Metropolitan Housing Authority (the Authority) For the Year Ended December 31, 2023. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 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.

**WAYNE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 15: **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** (Continued)

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 principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

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

Loan Programs With Continuing Compliance Requirements

The federal loan programs listed below are administered directly by the Authority, and balances and transactions relating to these programs are included in the Authority's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included amount presented in the Schedule of Federal Awards. The balances of loans outstanding at December 31, 2023 consist of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance at December 31, 2023</u>
10.415	Rural Rental Housing Loans	\$655,968

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WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Traditional Plan										
Authority's proportion of the net pension liability	0.007386%	0.008290%	0.006788%	0.006945%	0.006928%	0.006647%	0.006481%	0.006637%	0.006512%	0.006512%
Authority's proportionate share of the net pension liability	\$ 2,181,828	\$ 721,264	\$ 1,005,155	\$ 1,372,726	\$ 1,897,439	\$ 1,042,785	\$ 1,471,725	\$ 1,149,614	\$ 785,421	\$ 767,680
Authority's covered payroll	\$ 1,448,421	\$ 1,192,679	\$ 1,218,812	\$ 982,915	\$ 989,324	\$ 935,703	\$ 895,935	\$ 887,850	\$ 825,992	\$ 798,433
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	150.63%	60.47%	82.47%	139.66%	191.79%	111.33%	164.27%	139.18%	98.37%	88.93%
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%
Combined Plan										
Authority's proportion of the net pension liability (asset)	0.000000%	0.003217%	0.006626%	0.001358%	0.001417%	0.001367%	0.001105%	0.001427%	0.001488%	0.001488%
Authority's proportionate share of the net pension liability (asset)	\$ -	\$ (12,675)	\$ (19,127)	\$ (5,670)	\$ -	\$ (5,817)	\$ (3,451)	\$ (3,265)	\$ (1,347)	\$ (367)
Authority's covered payroll	\$ -	\$ 15,000	\$ 63,941	\$ 59,871	\$ 55,518	\$ 53,528	\$ 52,306	\$ 26,233	\$ 24,417	\$ 12,800
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	19.82%	29.91%	9.47%	0.00%	10.87%	6.60%	13.37%	10.52%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

See notes to accompanying required supplementary information.

WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution										
Traditional Plan	\$ 202,779	\$ 166,975	\$ 146,257	\$ 117,950	\$ 118,719	\$ 112,284	\$ 107,512	\$ 106,542	\$ 99,119	\$ 95,812
Combined Plan	\$ -	\$ 2,100	\$ 7,673	\$ 7,184	\$ 6,662	\$ 6,423	\$ 6,277	\$ 3,148	\$ 2,930	\$ 1,536
Total Required Contributions	\$ 202,779	\$ 169,075	\$ 153,930	\$ 125,134	\$ 125,381	\$ 118,707	\$ 113,789	\$ 109,690	\$ 102,049	\$ 97,348
Contributions in relation to the contractually required contribution	<u>(202,779)</u>	<u>(169,075)</u>	<u>(153,930)</u>	<u>(125,134)</u>	<u>(125,381)</u>	<u>(118,707)</u>	<u>(113,789)</u>	<u>(109,690)</u>	<u>(102,049)</u>	<u>(97,348)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority covered-employee payroll										
Traditional Plan	\$ 1,448,421	\$ 1,192,679	\$ 1,218,812	\$ 982,915	\$ 989,324	\$ 935,703	\$ 895,935	\$ 887,850	\$ 825,992	\$ 798,433
Combined Plan	\$ -	\$ 15,000	\$ 63,941	\$ 59,871	\$ 55,518	\$ 53,528	\$ 52,306	\$ 26,233	\$ 24,417	\$ 12,800
Contributions as a percentage of covered payroll:										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.75%	12.00%	12.00%	12.00%	12.00%
Combined Plan										
Pension	12.00%	13.00%	12.52%	12.52%	12.52%	12.52%	12.52%	12.00%	12.00%	13.00%
OPEB	2.00%	1.00%	1.49%	1.49%	1.49%	1.49%	1.49%	2.00%	2.00%	1.00%

See notes to accompanying required supplementary information.

WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN YEARS (1),(2)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net OPEB liability (asset)	0.00725600%	0.00822000%	0.00689500%	0.00560000%	0.00615000%	0.00669000%	0.00610000%
Authority's proportionate share of the net OPEB liability (asset)	\$ 45,750	\$ (257,463)	\$ (122,850)	\$ 773,505	\$ 801,815	\$ 726,485	\$ 61,612
Authority's covered-employee payroll	\$ 1,448,421	\$ 1,207,679	\$ 1,282,753	\$ 1,042,786	\$ 1,044,842	\$ 989,231	\$ 948,241
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	3.16%	-21.32%	-9.58%	74.18%	76.74%	73.44%	6.50%
Plan fiduciary net position as a percentage of the total OPEB liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

(1) Information prior to 2016 is not available.

(2) Amounts presented as of the Authority's measurement date, which is the prior fiscal year.

See notes to accompanying required supplementary information.

WAYNE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT YEARS (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ 150	\$ 2,053	\$ 15,538	\$ 15,568	\$ 14,740	\$ 14,129	\$ 18,282
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(150)</u>	<u>(2,053)</u>	<u>(15,538)</u>	<u>(15,568)</u>	<u>(14,740)</u>	<u>(14,129)</u>	<u>(18,282)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority covered-employee payroll	\$ 1,448,421	\$ 1,207,679	\$ 1,282,753	\$ 1,042,786	\$ 1,044,842	\$ 989,231	\$ 948,241	\$ 914,083
Contributions as a percentage of covered-employee payroll	0.00%	0.01%	0.16%	1.49%	1.49%	1.49%	1.49%	2.00%

(1) Information prior to 2016 is not available.

See notes to accompanying required supplementary information.

**WAYNE METROPOLITAN HOUSING AUTHORITY NOTES
TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions – OPERS Pension– Traditional Plan

There was a change in assumptions for 2023 and 2022. There were no changes in assumptions for 2021 and 2020. Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used beginning in 2017 and in 2016 are presented below:

	<u>2023</u>	<u>2022</u>	<u>2021, 2020 and 2019</u>
Wage Inflation	2.75 percent	2.75 percent	3.25 percent
Projected Salary Increases, including inflation COLA or Ad Hoc COLA:	2.75 percent to 10.75 percent including wage inflation	2.75 percent to 10.75 percent including wage inflation	3.25 percent to 10.75 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	6.9 percent	6.9 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

	<u>2018 and 2017</u>	<u>2016 and prior</u>
Wage Inflation	3.25 percent	3.75 percent
Projected Salary Increases, including inflation COLA or Ad Hoc COLA:	3.25 percent to 10.75 percent including wage inflation	4.25 percent to 10.75 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below
Investment Rate of Return	7.5 percent	8.0 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

**WAYNE METROPOLITAN HOUSING AUTHORITY NOTES
TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions – OPERS Pension– Traditional Plan (Continued)

Amounts reported beginning in 2022 use mortality rates 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.

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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**WAYNE METROPOLITAN HOUSING AUTHORITY NOTES
TO THE REQUIRED SUPPLEMENTAR INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:

2023-2019	6.0 percent
2018	6.5 percent

Municipal Bond Rate:

2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

Single Discount Rate:

2023	5.22 percent
2022-2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

Health Care Cost Trend Rate:

2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.0 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Wayne Metropolitan Housing Authority (OH036)

WOOSTER, OH

Entity Wide Balance Sheet Summary

Fiscal Year End December 31, 2023

	14.850 Low-Income Public Housing / 14.872 Capital Fund Program	1 WMHA Management Co	2 Home Place Housing	14.896 PIH Family Self- Sufficiency Program	14.195 Interfaith Properties	10.427 Shreve Manor Apartments (Operations)	10.415 Shreve Manor Apartments (Capital)	14.871 Housing Choice Vouchers	Central Office Cost Center	Subtotal	Interprogram Elimination	Total
111 Cash - Unrestricted	\$371,960	\$6,669	\$207		\$405			\$100,479	\$284	\$480,004		\$480,004
113 Cash - Other Restricted		\$21,233		\$180,169			\$49,560	\$13,167		\$264,129		\$264,129
114 Cash - Tenant Security Deposits	\$38,760	\$3,505	\$6,764		\$3,557	\$17,816				\$70,402		\$70,402
100 Total Cash	\$410,720	\$31,407	\$6,971	\$180,169	\$3,962	\$17,816	\$49,560	\$113,646	\$284	\$814,535	\$0	\$814,535
124 Accounts Receivable - Other Government		\$9,052								\$9,052		\$9,052
125 Accounts Receivable - Miscellaneous	\$0	\$12,012						\$1,255	\$26,641	\$39,908		\$39,908
126 Accounts Receivable - Tenants	\$9,105	\$2,951	\$6,653		\$3,715	\$1,651				\$24,075		\$24,075
126.1 Allowance for Doubtful Accounts - Tenants	-\$5,728	-\$1,546	-\$4,644		-\$2,599	-\$825				-\$15,342		-\$15,342
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0		\$0
128 Fraud Recovery	\$83,787		\$11,819		\$3,370	\$1,069		\$322,034		\$422,079		\$422,079
128.1 Allowance for Doubtful Accounts - Fraud	-\$75,933		-\$11,155		-\$1,685	-\$1,016		-\$313,913		-\$403,702		-\$403,702
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$11,231	\$22,469	\$2,673	\$0	\$2,801	\$879	\$0	\$9,376	\$26,641	\$76,070	\$0	\$76,070
142 Prepaid Expenses and Other Assets	\$73,963	\$14,906	\$12,098		\$9,243	\$13,767		\$9,592	\$12,695	\$146,264		\$146,264
143 Inventories		\$1,229							\$38,035	\$39,264		\$39,264
143.1 Allowance for Obsolete Inventories		\$0							\$0	\$0		\$0
144 Inter Program Due From		\$101,317								\$101,317	-\$101,317	\$0
150 Total Current Assets	\$495,914	\$171,328	\$21,742	\$180,169	\$16,006	\$32,462	\$49,560	\$132,614	\$77,655	\$1,177,450	-\$101,317	\$1,076,133
161 Land	\$1,394,687	\$328,394	\$255,170		\$160,422		\$65,690		\$137,470	\$2,341,833		\$2,341,833
162 Buildings	\$14,703,169	\$2,139,089	\$1,301,014		\$1,048,986		\$942,275		\$1,669,205	\$21,803,738		\$21,803,738
163 Furniture, Equipment & Machinery - Dwellings	\$160,855		\$14,160				\$23,592			\$198,607		\$198,607
164 Furniture, Equipment & Machinery - Administration	\$403,050	\$34,967					\$7,106	\$46,670	\$191,702	\$683,495		\$683,495
166 Accumulated Depreciation	-\$14,203,694	-\$916,772	-\$452,873		-\$487,914		-\$414,653	-\$38,566	-\$1,365,037	-\$17,879,509		-\$17,879,509
167 Construction in Progress	\$513,720	\$318,596	\$67,855		\$12,950					\$913,121		\$913,121
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,971,787	\$1,904,274	\$1,185,326	\$0	\$734,444	\$0	\$624,010	\$8,104	\$633,340	\$8,061,285	\$0	\$8,061,285
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$302,600							\$0	\$302,600		\$302,600
174 Other Assets	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0		\$0
180 Total Non-Current Assets	\$2,971,787	\$2,206,874	\$1,185,326	\$0	\$734,444	\$0	\$624,010	\$8,104	\$633,340	\$8,363,885	\$0	\$8,363,885
200 Deferred Outflow of Resources	\$106,603	\$148,495	\$11,595		\$8,603	\$56,481		\$228,540	\$561,813	\$1,122,130	\$0	\$1,122,130
290 Total Assets and Deferred Outflow of Resources	\$3,574,304	\$2,526,697	\$1,218,663	\$180,169	\$759,053	\$88,943	\$673,570	\$369,258	\$1,272,808	\$10,663,465	-\$101,317	\$10,562,148
312 Accounts Payable <= 90 Days	\$308				\$41					\$349		\$349
321 Accrued Wage/Payroll Taxes Payable									\$124,202	\$124,202		\$124,202
322 Accrued Compensated Absences - Current Portion								\$12,990	\$12,990	\$12,990		\$12,990
333 Accounts Payable - Other Government	\$35,411	\$41,531	\$24,853		\$3,346	\$7,394				\$112,535		\$112,535
341 Tenant Security Deposits	\$38,760	\$3,505	\$6,764		\$3,557	\$17,816				\$70,402		\$70,402
342 Unearned Revenue	\$11,822	\$10,878	\$3,962		\$611	\$3,937			\$0	\$31,210		\$31,210
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$47,039	\$15,850				\$8,794		\$0	\$71,683		\$71,683
344 Current Portion of Long-term Debt - Operating Borrowings									\$160,000	\$160,000		\$160,000
345 Other Current Liabilities	\$2,600									\$2,600		\$2,600
346 Accrued Liabilities - Other	\$27,868	\$11,897	\$3,441		\$494	\$6,290			\$7,789	\$57,779		\$57,779
347 Inter Program - Due To						\$101,317				\$101,317	-\$101,317	\$0
310 Total Current Liabilities	\$116,769	\$114,850	\$54,870	\$0	\$8,049	\$136,754	\$8,794	\$0	\$304,981	\$745,067	-\$101,317	\$643,750

Wayne Metropolitan Housing Authority (OH036)

WOOSTER, OH

Entity Wide Balance Sheet Summary

Fiscal Year End December 31, 2023

	14.850 Low-Income Public Housing / 14.872 Capital Fund Program	1 WMHA Management Co	2 Home Place Housing	14.896 PIH Family Self- Sufficiency Program	14.195 Interfaith Properties	10.427 Shreve Manor Apartments (Operations)	10.415 Shreve Manor Apartments (Capital)	14.871 Housing Choice Vouchers	Central Office Cost Center	Subtotal	Interprogram Elimination	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$507,875	\$66,961				\$647,174		\$0	\$1,222,010		\$1,222,010
353 Non-current Liabilities - Other		\$128,587		\$180,169						\$308,756		\$308,756
354 Accrued Compensated Absences - Non Current									\$49,939	\$49,939		\$49,939
357 Accrued Pension and OPEB Liabilities	\$211,620	\$294,783	\$23,019	\$0	\$17,078	\$112,122	\$0	\$453,684	\$1,115,272	\$2,227,578		\$2,227,578
350 Total Non-Current Liabilities	\$211,620	\$931,245	\$89,980	\$180,169	\$17,078	\$112,122	\$647,174	\$453,684	\$1,165,211	\$3,808,283	\$0	\$3,808,283
300 Total Liabilities	\$328,389	\$1,046,095	\$144,850	\$180,169	\$25,127	\$248,876	\$655,968	\$453,684	\$1,470,192	\$4,553,350	-\$101,317	\$4,452,033
400 Deferred Inflow of Resources	\$10,560	\$14,710	\$1,149		\$852	\$5,695		\$22,640	\$55,654	\$111,160	\$0	\$111,160
508.4 Net Investment in Capital Assets	\$2,971,787	\$1,349,360	\$1,102,515	\$0	\$734,444	\$0	-\$31,958	\$8,104	\$633,340	\$6,767,592		\$6,767,592
511.4 Restricted Net Position	\$0	\$21,233	\$0	\$0	\$0	\$0	\$49,560	\$13,167	\$0	\$83,960		\$83,960
512.4 Unrestricted Net Position	\$263,568	\$95,299	-\$29,851	\$0	-\$1,370	-\$165,528	\$0	-\$128,337	-\$886,378	-\$852,597		-\$852,597
513 Total Equity - Net Assets / Position	\$3,235,355	\$1,465,892	\$1,072,664	\$0	\$733,074	-\$165,528	\$17,602	-\$107,066	-\$253,038	\$5,998,955	\$0	\$5,998,955
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,574,304	\$2,526,697	\$1,218,663	\$180,169	\$759,053	\$88,943	\$673,570	\$369,258	\$1,272,808	\$10,663,465	-\$101,317	\$10,562,148

Wayne Metropolitan Housing Authority (OH036)

WOOSTER, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End December 31, 2023

	14.850 Low-Income Public Housing / 14.872 Capital Fund Program	1 WMHA Management Co	2 Home Place Housing	14.896 PIH Family Self- Sufficiency Program	14.195 Interfaith Properties	10.427 Shreve Manor Apartments (Operations)	10.415 Shreve Manor Apartments (Capital)	14.871 Housing Choice Vouchers	Central Office Cost Center	Subtotal	Interprogram Elimination	Total
70300 Net Tenant Rental Revenue	\$615,320	\$165,452	\$86,538		\$39,474	\$107,906				\$1,014,690		\$1,014,690
70400 Tenant Revenue - Other	\$1,245	\$28,123	\$63,092			\$34,503				\$126,963		\$126,963
70500 Total Tenant Revenue	\$616,565	\$193,575	\$149,630	\$0	\$39,474	\$142,409	\$0	\$0	\$0	\$1,141,653	\$0	\$1,141,653
70600 HUD PHA Operating Grants	\$982,254			\$61,240	\$94,291			\$4,883,580		\$6,021,365		\$6,021,365
70610 Capital Grants	\$774,339									\$774,339		\$774,339
70710 Management Fee									\$304,365	\$304,365	-\$304,365	\$0
70720 Asset Management Fee									\$28,800	\$28,800	-\$28,800	\$0
70730 Book Keeping Fee									\$96,084	\$96,084	-\$96,084	\$0
70740 Front Line Service Fee									\$466,062	\$466,062	-\$466,062	\$0
70750 Other Fees		\$89,403							\$88,881	\$178,284		\$178,284
70700 Total Fee Revenue		\$89,403							\$1,073,595	\$1,073,595	-\$895,311	\$178,284
70800 Other Government Grants		\$111,712	\$15,850			\$107,455				\$235,017		\$235,017
71100 Investment Income - Unrestricted	\$1,644	\$54			\$7	\$219		\$0		\$1,924		\$1,924
71400 Fraud Recovery								\$6,864		\$6,864		\$6,864
71500 Other Revenue	\$12,955	\$215,261	\$35,852		\$10,250	\$5,042			\$826	\$280,186		\$280,186
71600 Gain or Loss on Sale of Capital Assets	-\$1,781						-\$2,375			-\$4,156		-\$4,156
72000 Investment Income - Restricted		\$148					\$534	\$0		\$682		\$682
70000 Total Revenue	\$2,385,976	\$610,153	\$201,332	\$61,240	\$144,022	\$255,125	-\$1,841	\$4,890,444	\$985,018	\$9,531,469	-\$895,311	\$8,636,158
91100 Administrative Salaries	\$254,931	\$148,360	\$9,771	\$34,631	\$5,066	\$21,537		\$271,122	\$266,286	\$1,011,704		\$1,011,704
91200 Auditing Fees	\$2,857	\$857	\$857		\$857	\$857		\$2,857	\$1,104	\$10,246		\$10,246
91300 Management Fee	\$139,899	\$10,906	\$8,700	\$0	\$10,174	\$32,045	\$0	\$102,641		\$304,365	-\$304,365	\$0
91310 Book-keeping Fee	\$18,473	\$1,440	\$3,600		\$3,600	\$3,600		\$65,371		\$96,084	-\$96,084	\$0
91400 Advertising and Marketing	\$52		\$2,065						\$525	\$2,642		\$2,642
91500 Employee Benefit contributions - Administrative	\$56,745	\$105,991	\$10,346	\$26,609	\$8,010	\$23,030		\$152,925	\$377,640	\$760,796		\$760,796
91600 Office Expenses	\$36,664	\$7,390	\$1,376		\$640	\$5,084		\$20,584	\$22,407	\$94,145		\$94,145
91700 Legal Expense	\$1,484	\$986	\$528		\$1,038	\$1,493			\$967	\$6,496		\$6,496
91800 Travel	\$12,341	\$241	\$167		\$100	\$551		\$768	\$1,640	\$15,808		\$15,808
91900 Other	\$1,888	\$6,057	\$29		\$216	\$254		\$118	\$6,944	\$15,506		\$15,506
91000 Total Operating - Administrative	\$525,334	\$282,228	\$37,439	\$61,240	\$29,701	\$88,451	\$0	\$616,386	\$677,513	\$2,317,792	-\$400,449	\$1,917,343
92000 Asset Management Fee	\$26,880	\$1,920								\$28,800	-\$28,800	\$0
92400 Tenant Services - Other								\$1,593		\$1,593		\$1,593
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,593	\$0	\$1,593	\$0	\$1,593
93100 Water	\$118,950	\$15,356	\$12,176		\$774	\$52,832			\$3,933	\$204,021		\$204,021
93200 Electricity	\$77,424	\$28,519	\$14,255		\$344	\$11,562			\$15,635	\$147,739		\$147,739
93300 Gas	\$20,466	\$14,646	\$9,738		\$673	\$2,616			\$6,103	\$54,242		\$54,242
93600 Sewer	\$1,507	\$753								\$2,260		\$2,260
93000 Total Utilities	\$218,347	\$59,274	\$36,169	\$0	\$1,791	\$67,010	\$0	\$0	\$25,671	\$408,262	\$0	\$408,262
94100 Ordinary Maintenance and Operations - Labor									\$350,630	\$350,630		\$350,630

Wayne Metropolitan Housing Authority (OH036)

WOOSTER, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End December 31, 2023

	14.850 Low-Income Public Housing / 14.872 Capital Fund Program	1 WMHA Management Co	2 Home Place Housing	14.896 PIH Family Self- Sufficiency Program	14.195 Interfaith Properties	10.427 Shreve Manor Apartments (Operations)	10.415 Shreve Manor Apartments (Capital)	14.871 Housing Choice Vouchers	Central Office Cost Center	Subtotal	Interprogram Elimination	Total
94200 Ordinary Maintenance and Operations - Materials and Other	\$149,304	\$19,426	\$6,480		\$4,611	\$1,458			\$28,450	\$209,729		\$209,729
94300 Ordinary Maintenance and Operations Contracts	\$578,485	\$96,676	\$62,980		\$34,814	\$90,249		\$789	\$43,841	\$907,834	-\$466,062	\$441,772
94500 Employee Benefit Contributions - Ordinary Maintenance	\$32,331	\$28,143	\$981		\$545	\$2,035			\$87,820	\$151,855		\$151,855
94000 Total Maintenance	\$760,120	\$144,245	\$70,441	\$0	\$39,970	\$93,742	\$0	\$789	\$510,741	\$1,620,048	-\$466,062	\$1,153,986
96110 Property Insurance	\$67,723	\$8,818	\$8,020		\$6,430	\$9,728			\$8,159	\$108,878		\$108,878
96120 Liability Insurance								\$864		\$864		\$864
96130 Workmen's Compensation	\$2,104	\$1,625	\$59		\$33	\$508		\$2,476	\$5,770	\$12,575		\$12,575
96140 All Other Insurance	\$1,500	\$750				\$346			\$415	\$3,011		\$3,011
96100 Total insurance Premiums	\$71,327	\$11,193	\$8,079	\$0	\$6,463	\$10,582	\$0	\$3,340	\$14,344	\$125,328	\$0	\$125,328
96300 Payments in Lieu of Taxes	\$36,424	\$13,237	\$11,047		\$3,442	\$7,418			\$60	\$71,628		\$71,628
96400 Bad debt - Tenant Rents	\$263		\$1,334					\$314		\$1,911		\$1,911
96000 Total Other General Expenses	\$36,687	\$13,237	\$12,381	\$0	\$3,442	\$7,418	\$0	\$314	\$60	\$73,539	\$0	\$73,539
96710 Interest of Mortgage (or Bonds) Payable		\$24,308					\$10,324		\$6,751	\$41,383		\$41,383
96700 Total Interest Expense and Amortization Cost	\$0	\$24,308	\$0	\$0	\$0	\$0	\$10,324	\$0	\$6,751	\$41,383	\$0	\$41,383
96900 Total Operating Expenses	\$1,638,195	\$536,405	\$164,509	\$61,240	\$81,367	\$267,203	\$10,324	\$622,422	\$1,235,080	\$4,616,745	-\$895,311	\$3,721,434
97000 Excess of Operating Revenue over Operating Expenses	\$747,781	\$73,748	\$36,823	\$0	\$62,655	-\$12,078	-\$12,165	\$4,268,022	-\$250,062	\$4,914,724	\$0	\$4,914,724
97300 Housing Assistance Payments								\$4,379,605		\$4,379,605		\$4,379,605
97400 Depreciation Expense	\$215,055	\$76,676	\$47,473		\$47,296		\$42,160	\$7,477	\$62,562	\$498,699		\$498,699
90000 Total Expenses	\$1,853,250	\$613,081	\$211,982	\$61,240	\$128,663	\$267,203	\$52,484	\$5,009,504	\$1,297,642	\$9,495,049	-\$895,311	\$8,599,738
10010 Operating Transfer In	\$108,591								\$0	\$108,591	-\$108,591	\$0
10020 Operating transfer Out	-\$108,591									-\$108,591	\$108,591	\$0
10091 Inter Project Excess Cash Transfer In	\$22,640									\$22,640	-\$22,640	\$0
10092 Inter Project Excess Cash Transfer Out	-\$22,640									-\$22,640	\$22,640	\$0
10093 Transfers between Program and Project - In									\$160,791	\$160,791	-\$160,791	\$0
10094 Transfers between Project and Program - Out	-\$160,791									-\$160,791	\$160,791	\$0
10100 Total Other financing Sources (Uses)	-\$160,791	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$160,791	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$371,935	-\$2,928	-\$10,650	\$0	\$15,359	-\$12,078	-\$54,325	-\$119,060	-\$151,833	\$36,420	\$0	\$36,420
11020 Required Annual Debt Principal Payments	\$160,791	\$46,009	\$15,850	\$0	\$0	\$0	\$8,513	\$0	\$154,015	\$385,178		\$385,178
11030 Beginning Equity	\$2,898,456	\$1,585,820	\$1,129,314	\$0	\$759,715	-\$114,327	\$32,804	\$11,994	-\$341,241	\$5,962,535		\$5,962,535
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$35,036	-\$117,000	-\$46,000	\$0	-\$42,000	-\$39,123	\$39,123	\$0	\$240,036	\$0		\$0
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity								-\$120,233		-\$120,233		-\$120,233
11180 Housing Assistance Payments Equity								\$13,167		\$13,167		\$13,167

Wayne Metropolitan Housing Authority (OH036)

WOOSTER, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End December 31, 2023

	14.850 Low-Income Public Housing / 14.872 Capital Fund Program	1 WMHA Management Co	2 Home Place Housing	14.896 PIH Family Self- Sufficiency Program	14.195 Interfaith Properties	10.427 Shreve Manor Apartments (Operations)	10.415 Shreve Manor Apartments (Capital)	14.871 Housing Choice Vouchers	Central Office Cost Center	Subtotal	Interprogram Elimination	Total
11190 Unit Months Available	2688	192	348	0	192	540	0	11532	0	15492		15492
11210 Number of Unit Months Leased	2463	192	257	0	175	493	0	9367	0	12947		12947
11270 Excess Cash	\$173,094									\$173,094		\$173,094
11610 Land Purchases	\$0								\$0	\$0		\$0
11620 Building Purchases	\$592,491								\$0	\$592,491		\$592,491
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$14,992								\$0	\$14,992		\$14,992
11650 Leasehold Improvements Purchases	\$0								\$0	\$0		\$0
11660 Infrastructure Purchases	\$6,065								\$0	\$6,065		\$6,065
13510 CFFP Debt Service Payments	\$0								\$0	\$160,791		\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0		\$0

**WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	Federal AL Number	Total Federal Expenditures	Loan Balance
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Public and Indian Housing	14.850	\$ 772,843	\$ -
Public Housing Capital Fund	14.872	983,750	-
Section 8 Project Based Cluster; Section 8 Housing Assistance Payment Program	14.195	94,291	-
Total Section 8 Project Based Cluster		94,291	-
Housing Choice Voucher Cluster Section 8 Housing Choice Vouchers	14.871	4,883,580	-
Total Housing Choice Voucher Cluster		4,883,580	-
Family Self-Sufficiency Program	14.896	61,240	-
Total U.S. Department of Housing and Urban Development		\$ 6,795,704	\$ -
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Rural Rental Assistance Payments	10.427	\$ 107,455	\$ -
Rural Rental Housing Loan	10.415	-	664,481
Total U.S. Department of Agriculture		107,455	664,481
Total Federal Expenditures		\$ 6,903,159	\$ 664,481

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**WAYNE METROPOLITAN HOUSING AUTHORITY
WAYNE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Wayne Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of the 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 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

NOTE 4: LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The federal loan programs listed on the Schedule of Expenditures of Federal Awards are administered directly by the Authority, and balances and transactions related to these programs are included in the Authority's basic financial statements. Loans balances outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule.



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

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Street
Wooster, Ohio 44691

To the Board of Commissioners

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Wayne Metropolitan Housing Authority, Wayne County, (the Authority) as of and for the year ended December 31, 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 June 18, 2024.

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 purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.
Circleville, Ohio
June 18, 2024



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

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

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Street
Wooster, Ohio 44691

To the Board of Commissioners:

Report on Compliance for each Major Federal Program

Opinion on each Major Federal Program

We have audited Wayne Metropolitan Housing Authority's, Wayne County, (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 each of Wayne Metropolitan Housing Authority's major federal programs for the year ended December 31, 2023. Wayne Metropolitan Housing Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Wayne Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on each 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 each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Wayne Metropolitan Housing Authority

Wayne County

Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Page 3

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

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

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.

Circleville, Ohio

June 18, 2024

Wayne Metropolitan Housing Authority
Wayne County
Schedule of Findings
2 CFR § 200.515
December 31, 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 weakness 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 Choice Voucher Cluster: Section 8 Housing Choice Vouchers - ALN 14.871, Public Housing Capital Fund – ALN 14.872
(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



WAYNE METROPOLITAN HOUSING AUTHORITY

WAYNE 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 8/15/2024

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

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