



**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY
JUNE 30, 2023**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report	1
Prepared by Management:	
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Revenues, Expenses, and Change in Net Position.....	14
Statement of Cash Flows	15
Notes to the Basic Financial Statements.....	16
Required Supplementary Information:	
Schedule of the Authority’s Proportionate Share of the Net Pension Liability Ohio Public Employees Retirement System Last Ten Fiscal Years	41
Schedule of the Authority’s Contributions Ohio Public Employees Retirement System Last Ten Fiscal Years.....	42
Schedule of the Authority’s Proportionate Share of the Net OPEB Liability/(Asset) Ohio Public Employees Retirement System Last Seven Fiscal Years	43
Schedule of the Authority’s Contributions - OPEB Ohio Public Employees Retirement System Last Nine Fiscal Years	44
Notes to the Required Supplementary Information	45
Supplemental Information:	
Financial Date Schedule.....	47
Schedule of Expenditures of Federal Awards	52
Notes to the Schedule of Expenditures of Federal Awards.....	53
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	55
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	57

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY
JUNE 30, 2023**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Findings.....	61

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Erie Metropolitan Housing Authority
Erie County
322 Warren Street
Sandusky, Ohio 44870-2265

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Erie Metropolitan Housing Authority, Erie County, Ohio (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Erie Metropolitan Housing Authority, Erie County, Ohio as of June 30, 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 Opinion

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

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 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 opinion. 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule 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 February 15, 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.



Keith Faber
Auditor of State
Columbus, Ohio

February 15, 2024

This page intentionally left blank.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The Erie Metropolitan Housing Authority’s (the Authority) Management 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 of concern.

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 total net position decreased by \$162,657 (or 3.57 percent) during fiscal year ended 2023. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was \$4,394,538 and \$4,557,195 at fiscal year end 2023 and 2022, respectively.
- The business-type activities revenue increased by \$547,882 (or 5.56 percent) during fiscal year ended 2023. Revenues were \$10,402,782 and \$9,854,900 for 2023 and 2022, respectively.
- The total expenses of all Authority programs increased by \$1,549,683 (or 17.19 percent). Total expenses were \$10,565,439 and \$9,015,756 for fiscal years ended 2023 and 2022, respectively.

Authority-Wide Financial Statements

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

These statements include a Statement of Net Position, which is like a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflow of resources minus liabilities and deferred inflow of resources, equal “Net Position.” 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 is reported in three broad categories (as applicable):

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

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

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

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The basic financial statements also include a Statement of Revenues, Expenses and Change in Net Position (like an Income Statement). This Statement includes Operating Revenues, such as operating grant revenue and rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, interest income, and interest expense.

The focus of the Statement of Revenues, Expenses and Change in Net Position is the “Change in Net Position,” which is like Net Income or Loss.

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

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on entity-wide balances rather than on individual program balances. The Authority consists exclusively of Enterprise Fund. Enterprise Fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

The U.S. Department of Housing and Urban Development (HUD) requires the funds maintained by the Authority.

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 PHA 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.

The Authority converted to asset management starting July 1, 2007 and has separated its properties into two asset management projects-AMP # 1 consists of all scattered sites and AMP # 2 consists of all units at the Bayshore Towers. The Authority tracks income and expenses at the AMP level for better management and control.

Housing Voucher Cluster Programs – Under the Housing Voucher Cluster Programs, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

PIH Family Self-Sufficiency Program – The PIH Family Self-Sufficiency Program funding is provided by HUD and used by the Authority to have coordinators on staff who assess the self-sufficiency needs and goals of residents of the Public Housing and Section 8 Voucher programs, and who will work to coordinate available resources in the community to meet those needs and assist the Authority’s clients reach their respective self-sufficiency goals.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Central Office Cost Center – with conversion to asset management, the Authority established a central office cost center (COCC) fund. Management, bookkeeping and asset management fees are paid to the COCC by the AMPs. Otherwise, salaries and benefits of administrative personnel and charged to the COCC as are other administrative-related expenses. The profit remaining in the COCC is deprogrammed and is available for any housing use. Management fees received from the Erie Community Plaza, Inc. (a 202 PRAC project), the Sandusky Metropolitan Housing Authority and Erie County Housing Opportunity (ECHO, an 811 PRAC project) are reported as revenue to the Central Office Cost Center.

Special Programs for the Aging – Title III-C – Under the Title III-C Program, the Authority oversees the administration of the nutrition program by the Erie County Senior Center. Funding is received from the Area Office on Aging of Northwest Ohio, Inc. through the Department of Health and Human Services to provide nutritionally balanced meals to residents of Erie County age 60 and older. Meals are provided for a donation only.

Special Programs for the Aging – Title III-B - represents resources derived from the administration of the Title III-B program by the Erie County Senior Center. The program provides services for the elderly of Erie County for transportation, escort, education, information & referral, volunteer placement, health assessment and socialization. Funding is received through the Area Office on Aging of Northwest Ohio, Inc. from the U.S. Department of Health and Human Services.

State and Local Grants – represents resources derived from local grants for training and protective services at both the Bayshore Towers and the Erie County Senior Center. The Authority oversees the administration of Erie County Senior Center Gift Store and the local fund-raising activities of the Erie County Center to provide the local cash match needed for the Title III-B and Title III-C programs

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 - Condensed Statement of Net Position

	2023	2022
<u>Assets and Deferred Outflows of Resources</u>		
Current Assets	\$ 4,075,065	\$ 3,861,580
Capital Assets	4,269,075	4,492,936
Other Non-Current Assets	6,049	228,397
Deferred Outflows	866,282	202,210
Total Assets and Deferred Outflows of Resources	9,216,471	8,785,123
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Liabilities and Deferred Inflows of Resources		
Current Liabilities	441,582	421,225
Long-Term Liabilities	4,346,871	2,926,816
Deferred Inflows of Resources	33,480	879,887
Total Liabilities and Deferred Inflows of Resources	4,821,933	4,227,928
<u>Net Position</u>		
Net Investment in Capital Assets	2,100,829	2,167,424
Restricted	14,604	292,681
Unrestricted	2,279,105	2,097,090
Total Net Position	4,394,538	4,557,195
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,216,471	\$ 8,785,123

For more detailed information, see Statement of Net Position presented elsewhere in this report.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Major Factors Affecting the Statement of Net Position

Current assets increased modestly, by \$213,485 (or 5.53%). The increase was primarily to cash. Favorable results from operations in the period contributed to a corresponding change in unrestricted net position which increased \$182,015 (or 8.86%).

The balances with notable changes all changed primarily due to reported of balances in accordance with GASB 68 and GASB 75. GASB 68 is an accounting standard that essentially requires the Authority to report financial balances for what is estimated to be its share of the pension liability/asset, the net pension liability (NPL) or net pension asset, and balances caused by changes in the pension liability of the of the pension system, the Ohio Public Employees Retirement System (OPERS). And GASB 75 is an accounting standard that essentially requires the Authority to report financial balances for what is estimated to be its share of the other postemployment benefits (OPEB) liability/asset and balances caused by changes in the OPEB liability/asset of the of the pension system, the Ohio Public Employees Retirement System (OPERS). OPEB refers to the healthcare plan of the pension system. Deferred outflows of resources and deferred inflows of resources are caused by changes in the NPL/asset and OPEB liability/asset. Some changes in the NPL and OPEB balances are amortized over a five-year period and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. The larger changes to other noncurrent assets, deferred outflows of resources, long term liabilities and deferred inflows of resources are primarily related to changes in balances reported in accordance with GASB 68 and GASB 75.

Employees of the Authority are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to OPERS for all of its employees. The Net Pension Liability and OPEB Liability are unlike other liabilities the Authority has in that these liabilities do not represent invoices to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future obligations. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like the Authority, and contribution rates for employees and employers are set by state law. Similarly, there is no way for an employer like the Authority to access a net pension or net OPEB asset, when there is one because the actuaries estimate the future commitments of the pension system are more than fully funded. The reporting of the balances in accordance with GASB 68 and GASB 75 has a significant effect on unrestricted net position. Unrestricted net position as of June 30, 2023 is \$2,279,105 and is \$1,111,377 less than what it would be without balances reported in accordance with GASB 68 and GASB 75.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Table 2 - Change of Net Position

	Unrestricted	Net Investment	
		Assets	Restricted (3)
Beginning Balance	\$ 2,097,090	\$ 2,167,424	\$ 292,681
Results From Operation	115,420	0	(278,077)
Adjustment:			
Current Year Depreciation Expense (1)	542,001	(542,001)	0
Capital Expenditure (2)	(318,140)	318,140	0
Retirement of Debt (2)	(173,184)	173,184	0
Change in Unspent Debt Funds Held in Trust (2)	(1,589)	1,589	0
Change in GASB 87 Lease Liability (2)	17,501	(17,501)	0
Rounding Adjustment	6	(6)	0
Ending Balance	<u><u>\$ 2,279,105</u></u>	<u><u>\$ 2,100,829</u></u>	<u><u>\$ 14,604</u></u>

- (1) Depreciation is treated as an expense and reduced the results of operations but does not have an impact on unrestricted net position.
- (2) Capital and related expenditures of debt represent flows of unrestricted net position but are not treated as an expense against Results of Operations and, therefore, are adjusted against Net Investment in Capital Assets.
- (3) The restricted position is the amount of equity restricted for Housing Assistance Payments.

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 Authority's unrestricted net position increased \$182,015.

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged on in business-type activities.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Table 3 - Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2023	2022
Revenue		
Total Tenant Revenue	\$ 717,365	\$ 603,585
Operating Grants	8,581,499	8,230,758
Capital Grants	201,975	165,102
Investment Income	12,215	3,063
Other Revenue	889,728	852,392
Total Revenue	10,402,782	9,854,900
Expenses		
Administrative	2,027,132	1,370,617
Tenant Services	101,429	91,505
Utilities	223,534	211,700
Maintenance	939,328	851,999
Protective Services	57,212	52,938
General and Interest	394,034	313,320
Housing Assistance Payments	6,280,769	5,730,439
Depreciation	542,001	393,238
Total Expenses	10,565,439	9,015,756
Change in Net Position	(162,657)	839,144
Beginning Net Position	4,557,195	3,718,051
Ending Net Position	\$ 4,394,538	\$ 4,557,195

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

In total revenues increased \$547,882 (or 5.56%). Operating grants and tenant revenues is where the largest increases were. The change in operating grants closely corresponded to the increase in funding from HUD for the Authority to use to make rental assistance payments (HAP payments) on behalf of families assisted by the Authority's Housing Choice Voucher program. HUD provides that funding based on what the Authority spends for the purpose, so an increase in HAP expense is also to be noted. Tenant revenues increased nearly 19%. Rents are based on tenant family ability to pay, so this increase reflects Public Housing program residents' household income on average have increased.

Expenses overall increased \$1,549,683 (or 17.19%). The larger increase in HAP expense was mentioned in the previous paragraph. Contributing to that increase was an increase in rents in the local market. The higher rental rates for units rented by families being assisted by the Housing Choice Voucher program means higher HAPs need to be paid by the Authority to keep the rents affordable to the renter families. Administrative expenses is where the largest increase was. Contributing that increase was an increase in salaries expense as the Authority implemented a new bargaining agreement, and an increase in benefits expense. Higher salaries typically mean an increase in benefits expense, but the main driving force behind the increase in benefits expense was the increase in pension and OPEB expense. Pension and OPEB expense is the expense recognized when changes in balances reported in accordance with GASB 68 and GASB 75 (discussed in the section following Table 1 of this MD&A). The large changes in those balances from last fiscal year resulted in pension and OPEB expense of \$138,860. But last fiscal year, the pension and OPEB expense was a negative \$371,565, so the change in the expense was an increase of \$510,425. And another larger increase in an expense was to depreciation expense. Capital additions in recent years results in more assets to be depreciated and the increase in depreciation expense.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CAPITAL ASSETS

As of year-end, the Authority had \$4,269,075 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$223,861 (or 4.98 percent) from the end of 2022. Additions in the period were exceeded by depreciation expense.

Table 4 - Capital Assets at Year-end (Net of Depreciation)

	2023	2022
Land	\$ 674,630	\$ 674,630
Buildings and Improvements	18,665,349	18,363,391
Equipment	600,488	627,601
Construction in Progress	0	80,427
Accumulated Depreciation	(15,671,392)	(15,253,113)
Total	\$ 4,269,075	\$ 4,492,936

The following reconciliations identifies the change in capital assets.

Table 5 - Change in Capital Assets

Beginning Balance	\$ 4,492,936
Current Year Additions	318,140
Current Year Depreciation Expense	(542,001)
Total	\$ 4,269,075

DEBT OUTSTANDING

As of year-end, the change in the Authority's outstanding debt is as follows:

Beginning Balance	\$ 2,341,409
Current Year Debt Retired	(173,184)
New Debt	0
Ending Balance	\$ 2,168,225

The following summarizes the change in the right-to-use equipment lease liability from last fiscal year-end.

Equipment Lease Liability - June 30, 2022	\$ 28,603
Additions in Period	26,810
Retirements in Period	(9,303)
Equipment Lease Liability - June 30, 2023	\$ 46,110

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of 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 Ralph Chamberlain, Executive Director, Erie Metropolitan Housing Authority, (419) 625-0262.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2023

Assets and Deferred Outflow of Resources

Assets

Current Assets

Cash and Cash Equivalents	\$ 3,591,460
Restricted Cash and Cash Equivalents	308,404
Receivables, Net	88,413
Prepaid Expenses and Other Assets	79,204
Inventory, Net	7,584
Total Current Assets	<u>4,075,065</u>

Non-Current Assets

Capital Assets:	
Non-Depreciable Capital Assets	674,630
Depreciable Capital Assets, Net	3,594,445
Total Capital Assets	<u>4,269,075</u>
Lease Receivable, Net of Current	6,049
Total Non-Current Assets	<u>4,275,124</u>

Deferred Outflow of Resources

Pension	753,020
OPEB	113,262
Total Deferred Outflow of Resources	<u>866,282</u>

TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES

\$ 9,216,471

Liabilities, Deferred Outflow of Resources, and Net Position

Liabilities

Current Liabilities

Accounts Payable	\$ 178,837
Accrued Liabilities	22,137
Tenant Security Deposits	23,800
Interest Payable	14,517
Unearned Revenue	2,357
Other Current Liabilities	3,419
Lease Payable	13,212
Long-Term Debt - Current Portion	183,303
Total Current Liabilities	<u>441,582</u>

Non-Current Liabilities

Long-Term Debt - Non-Current Portion	1,984,922
Lease Payable - Net of Current Portion	32,898
Accrued Compensated Absences	146,974
Non-Current Liabilities - Other	220,792
Net Pension Liability	1,923,057
Net OPEB Liability	38,228
Total Non-Current Liabilities	<u>4,346,871</u>

Total Liabilities

4,788,453

Deferred Inflow of Resources

Lease	17,106
OPEB	16,374
Total Deferred Inflow of Resources	<u>33,480</u>

Net Position

Net Investment in Capital Assets	2,100,829
Restricted Net Position	14,604
Unrestricted Net Position	2,279,105
Total Net Position	<u>4,394,538</u>

TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION

\$ 9,216,471

See accompanying notes to the financial statements.

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

<u>Operating Revenues</u>	
Tenant Revenue	\$ 717,365
Government Operating Grants	8,581,499
Other Revenue	796,616
Total Operating Revenues	<u>10,095,480</u>
<u>Operating Expenses</u>	
Administrative	2,027,132
Tenant Services	101,429
Utilities	223,534
Maintenance	870,805
Protective Services	57,212
General and Insurance	291,698
Housing Assistance Payment	6,280,769
Depreciation	542,001
Total Operating Expenses	<u>10,394,580</u>
Operating Loss	<u>(299,100)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Capital Grant Revenue	201,975
Interest Income	12,215
Interest Expense	(102,336)
Casualty Loss Proceeds	75,711
Casualty Loss Noncapitalized	(68,523)
Gain on Disposal	17,401
Total Nonoperating Revenues	<u>136,443</u>
Net Change in Net Position	<u>(162,657)</u>
Beginning Net Position	<u>4,557,195</u>
Ending Net Position	<u>\$ 4,394,538</u>

See accompanying notes to the financial statements.

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

Cash Flows from Operating Activities

Operating Grants Received	\$ 8,559,506
Receipts from Tenants	708,623
Other Revenue Received	796,748
Cash Payments for Administrative and Operating Costs	(3,361,615)
Cash Payments for HAP	(6,182,378)
Net Cash Provided by Operating Activities	<u>520,884</u>

Cash Flows from Investing Activities

Interest Earned	12,215
-----------------	--------

Cash Flows from Capital and Related Activities

Capital Grant Received	201,975
Capital Asset Purchases	(318,140)
Proceeds from Disposal of Capital Assets	17,401
Interest Payment	(102,509)
Debt Payment	(173,184)
Lease Liability Incurred	26,810
Payments on Lease Liability	(9,303)
Interest Paid on Leases	(1,265)
Casualty Loss Receipts	75,711
Casualty Loss Expended - Noncapital	(68,523)
Net Cash Used by Capital and Related Activities	<u>(351,027)</u>
Net Increase in Cash and Cash Equivalents	182,072

Cash and Cash Equivalents - Beginning of Year	<u>3,717,792</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,899,864</u>

Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities

Net Operating Loss	\$ (299,100)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	542,001
Lease Interest Expense	1,265
(Increases) Decreases in:	
Accounts Receivable	(22,723)
Prepaid Assets	(8,363)
Inventory	11,415
Net OPEB Asset	185,204
Pension Assets	25,402
Deferred Outflows	(664,072)
Increases (Decreases) in:	
Accounts Payable	52,981
Accrued Liabilities	16,060
Unearned Revenue	530
Other Current Liabilities	800
Pension/OPEB Liability	1,426,123
Deferred Inflow of Resources	(846,407)
Non-Current Liabilities	99,768
Net Cash Provided by Operating Activities	<u>\$ 520,884</u>

See accompanying notes to the financial statements.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Organization and Reporting Entity

The Erie Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, located in Erie County, Ohio, created under Section 3735.27 of the Ohio Revised Code, to engage in the acquisition, development, leasing and administration of low-rent housing program. An Annual Contributions Contract was signed by the Authority and the United States 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, maintenance, 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 is the ability of the primary government to impose its will upon the potential component unit. This criterion was considered in determining the reporting entity. The Authority is a political subdivision with no component units.

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.

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

The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and change 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 changes in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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 Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. 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.

Property and Equipment

Property and equipment are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized, while maintenance repair costs are expensed as incurred.

Useful life of property and equipment is as follows:

Buildings	40 years
Land and Building Improvements	15 years
Equipment	7 years
Autos	5 years

Depreciation is recorded on the straight-line method. Total depreciation expense for the 2023 fiscal year was \$542,001.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

Net Position

Net position represents the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used, or other liabilities incurred, for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position includes the HAP equity for the Housing Choice Voucher and Mainstream Voucher Programs. That is funding provided to the Authority by HUD for the purpose of making rental assistance payments on behalf of program participants that has yet to be expended and was \$14,604 at June 30, 2023.

Pensions/Other Postemployment 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 pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Deferred inflow/outflow of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 7 and 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. Deferred inflows of resources are reported on the government-wide statement of net position for leases, pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Note 7 and 8.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

Budgetary Accounting

The Authority annually prepares funding requests as prescribed by HUD. Budgets are adopted by the Board of Commissioners.

Financial Statement Format and Content

The format and content of the financial statements included in this report conforms to the format and content submitted to U.S. Department of Housing and Urban Development, via the Real Estate Assessment Center.

NOTE 2: **DEPOSITS AND INVESTMENTS**

The Authority follows the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This standard revised the existing requirement regarding disclosure of custodial credit risk and establishes requirements for disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Deposits

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

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

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

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

On June 30, 2023, the carrying amount of the Authority's cash deposits was \$3,899,864, including \$260 of petty cash, and \$46,089 of debt service funds held by the paying agent. Bank deposits totaled \$3,858,362, of which \$750,000 were covered by Federal Depository Insurance, while \$3,108,362 was collateralized by securities pledged in the name of the Authority.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

Deposits (Continued)

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 held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 102 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

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

The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and records all its investments at fair value. At June 30, 2023, the Authority has no investments.

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 those funds which are not operating reserve funds to be invested in investments with a maximum term of one year or the Authority's operating cycle. For investments of the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

Credit Risk

HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority depository agreements specifically requires compliance with the HUD requirement.

Concentration of Credit Risk

The Authority's investment policy limits investments in a single security type or with a single financial institution to 50% of the total investment portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of year-end, the Authority had no exposure to foreign currency rate risk, as regulated by HUD.

Restricted Cash

Restricted cash is composed of the following restricted:

Restricted HAP Equity	\$ 14,604
FSS Escrow Funds	220,792
Tenant Security Deposit	23,800
CFFP Debt Escrows	46,089
HAP Payable	2,657
Uncashed Checks due to Tenants	462
Total	<u><u>\$ 308,404</u></u>

NOTE 3: **CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 4: CAPITAL ASSETS

A summary of capital assets at June 30, 2023 by class is as follows:

Land	\$ 674,630
Building and Building Improvements	18,665,349
Furniture and Equipment - Dwelling	2,590
Furniture and Equipment - Administration	535,778
Intangible Right-to-Use Equipment	62,120
Total	<u>19,940,467</u>
Less Accumulated Depreciation	<u>(15,671,392)</u>
Total Property and Equipment, Net of Depreciation	<u><u>\$ 4,269,075</u></u>

A summary of changes in capital assets during the year is as follows:

	Balance June 30, 2022	Additions	Reclass	Deletions	Balance June 30, 2023
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 674,630	\$ 0	\$ 0	\$ 0	\$ 674,630
Construction in Progress	80,427	0	(80,427)	0	0
Total Capital Assets Not Being Depreciated	<u>755,057</u>	<u>0</u>	<u>(80,427)</u>	<u>0</u>	<u>674,630</u>
<u>Capital Assets Being Depreciated</u>					
Buildings and Improvements	18,363,391	221,531	80,427	0	18,665,349
Furniture, Machinery, and Equipment	592,932	69,158	0	(123,722)	538,368
Intangible Right-to-use Lease - Equipment	34,669	27,451	0	0	62,120
Subtotal Capital Assets Being Depreciated	<u>18,990,992</u>	<u>318,140</u>	<u>80,427</u>	<u>(123,722)</u>	<u>19,265,837</u>
<u>Accumulated Depreciation</u>					
Buildings and Improvements	(14,738,674)	(516,821)	0	0	(15,255,495)
Furniture, Machinery, and Equipment	(507,599)	(15,763)	0	123,722	(399,640)
Intangible Right-to-use Lease - Equipment	(6,840)	(9,417)	0	0	(16,257)
Total Accumulated Depreciation	<u>(15,253,113)</u>	<u>(542,001)</u>	<u>0</u>	<u>123,722</u>	<u>(15,671,392)</u>
Depreciable Assets, Net	<u>3,737,879</u>	<u>(223,861)</u>	<u>80,427</u>	<u>0</u>	<u>3,594,445</u>
Total Capital Assets, Net	<u><u>\$ 4,492,936</u></u>	<u><u>\$ (223,861)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,269,075</u></u>

NOTE 5: LONG-TERM OBLIGATIONS

Direct Borrowings and Direct Placements

The long-term debt consists of bond payable dated July 17, 2007, due June 2027, and was funded by a bond issue in the principal amount of \$40,532,000, of which the Authority's share is \$1,130,000. Repayment of the loan is funded through contributions from HUD under the Capital Fund Program and investment earnings. Payments are made by reducing the Capital Fund Program subsidy due to the Authority. Payments are due semi-annually beginning October 1, 2007, totaling approximately \$90,000 annually. Serial bonds were issued with fixed interest rates between 3.90 percent and 4.67 percent. The bonds were issued to provide major renovations at Bayshore Towers. The outstanding balance as of June 30, 2023 is \$295,000.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 5: **LONG-TERM OBLIGATIONS** (Continued)

Direct Borrowings and Direct Placements (Continued)

In January 2021, the Authority entered into an Energy Performance Equipment Lease/Purchase Agreement which provided funding of \$2,109,520 that the Authority used to fully retire the Energy Performance Agreement from December 2014, with the remainder to be used to make energy improvements to its Public Housing program rental units. Rental payments required under the Agreement will be quarterly for a total of 60 payments of \$49,613 with a term maturing October 31, 2035, with the initial payment due January 30, 2021 and amortized at a 4.65% interest rate. The Agreement shall terminate upon payment in full of all rental payments due, or upon payment by the Authority of the rental payment due on such date and payment in full of the then-applicable purchase price as set forth in the Schedule of Payments. In the event of default, Lessor shall have the right to declare an amount equal to the Purchase Price immediately due and payable; or may peaceably retake possession of the equipment. The outstanding balance on the Agreement at June 30, 2023 is \$1,873,225 and the purchase price is \$2,157,082.

Debt maturities are estimated in the amortization schedule as follows:

Year Ended June 30	U.S. Department of HUD		Energy Performance Equipment Lease	
	Principal	Interest	Principal	Interest
2024	\$ 70,000	\$ 10,030	\$ 113,303	\$ 85,148
2025	75,000	7,650	118,664	79,787
2026	75,000	5,100	124,279	74,172
2027	75,000	2,550	130,160	68,291
2028	0	0	136,318	62,133
2029-2033	0	0	784,671	207,584
2034-2036	0	0	465,830	30,300
Total	\$ 295,000	\$ 25,330	\$ 1,873,225	\$ 607,415

Equipment Leases

The Authority entered into a sixty-month lease for a postage machine calling for quarterly payments of \$467.28 beginning May 2022. The equipment is being amortized over the life of the lease. The annual interest rate charged on the lease is 4.00 percent.

The Authority entered into a sixty three-month lease for copier equipment calling for monthly payments of \$606.88 beginning April 2020. The equipment is being amortized over the life of the lease. The annual interest rate charged on the lease is 4.00 percent.

The Authority entered into a sixty three-month lease for printer equipment calling for monthly payments of \$472.50 beginning April 2023. The equipment is being amortized over the life of the lease. The annual interest rate charged on the lease is 4.00 percent.

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

	Principal	Interest	Total
2024	\$ 13,212	\$ 1,609	\$ 14,821
2025	13,751	1,070	14,821
2026	6,893	646	7,539
2027	6,705	366	7,071
2028	5,549	121	5,670
	\$ 46,110	\$ 3,812	\$ 49,922

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 5: LONG-TERM OBLIGATIONS (Continued)

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023.

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
U.S. Department of HUD	\$ 360,000	\$ 0	\$ (65,000)	\$ 295,000	\$ 70,000
Energy Performance Equipment Lease	1,981,409	0	(108,184)	1,873,225	113,303
Net Pension Liability	535,162	1,387,895	0	1,923,057	0
OPEB Liability	0	38,228	0	38,228	0
Compensated Absence Liability	109,004	37,970	0	146,974	0
FSS Escrow Liability	121,024	142,300	(42,532)	220,792	0
Lease Liability	28,603	26,810	(9,303)	46,110	13,212
Total Long-Term Obligations	\$ 3,135,202	\$ 1,633,203	\$ (225,019)	\$ 4,543,386	\$ 196,515

The FSS escrow liability of \$220,792 represents escrow money held in escrow for residents participating in the family self-sufficiency program. Each month contributions are deposited into the Authority's savings account on behalf of the program participants. Participants enter into an initial five year contract (with an option for a two year extension upon Authority's approval). At the end of the contract, the participant either meet their program goals and may withdraw their money earned from the savings account, or they fail to meet their goals and forfeit their money. If a forfeiture occurs in the program, the money earned is used by the Authority to reinvest into the program. method of allocation.

NOTE 6: ALLOCATION OF COSTS

The Authority allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program or estimated actual usage. Management considers this to be an equitable method of allocation.

NOTE 7: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (Continued)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (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 62 with 60 months of service credit or Age 57 with 25 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

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

**ERIE METROPOLITAN HOUSING AUTHORITY
 ERIE COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (CONTINUED)**

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

For fiscal year ending June 30, 2023, the Authority's contractually required contributions used to fund pension benefits was \$149,528 for the traditional plan.

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

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

	<u>OPERS Traditional Pension Plan</u>	<u>OPERS Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Prior Measurement Date	0.006151%	0.006447%	
Current Measurement Date	0.006510%	0.000000%	
Change in Proportionate Share	<u>0.000359%</u>	<u>-0.006447%</u>	
Proportionate Share of the:			
Net Pension Liability	\$ 1,923,057	\$ 0	\$ 1,923,057
Net Pension Asset	\$ 0	\$ 0	\$ 0
Pension Expense	\$ 319,133	\$ 0	\$ 319,133

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

	<u>OPERS Traditional Pension Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 548,135
Differences between expected and actual experience	63,876
Changes of assumptions	20,315
Changes in proportion and differences between Authority contributions and proportionate share of contributions	42,389
Authority contributions subsequent to the measurement date	78,305
Total Deferred Outflows of Resources	<u>\$ 753,020</u>

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

\$78,305 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan
Year Ending June 30:	
2024	\$ 104,620
2025	140,240
2026	161,341
2027	268,514
Total	\$ 674,715

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

	Traditional Pension Plan	Combined Plan
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 7: **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.

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

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

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority’s 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 percent lower or one percent higher than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	\$ 2,880,675	\$ 1,923,057	\$ 1,126,490

NOTE 8: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

Net OPEB Liability (Continued)

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

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

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

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

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

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

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

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

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2022 and 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution allocated to health care was \$0 for the fiscal year ending June 30, 2023.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

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

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

	OPERS
Proportion of the Net OPEB (Asset):	
Prior Measurement Date	0.005913%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.006063%
Change in Proportionate Share	0.000150%
Proportionate Share of the Net OPEB Liability	\$ 38,228
OPEB Expense	\$ (68,642)

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

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 75,924
Changes of assumptions	37,338
Total Deferred Outflows of Resources	\$ 113,262
 Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 0
Differences between expected and actual experience	9,536
Changes of assumptions	3,073
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,765
Total Deferred Inflows of Resources	\$ 16,374

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

	OPERS Traditional Pension Plan
Year Ending June 30:	
2024	\$ 9,721
2025	26,814
2026	23,676
2027	36,677
Total	\$ 96,888

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2022	December 31, 2021
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2036	5.50 percent initial, 3.50 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

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

Actuarial Assumptions – OPERS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

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

**ERIE METROPOLITAN HOUSING AUTHORITY
 ERIE COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (CONTINUED)**

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

Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Authority’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB liability	\$ 130,112	\$ 38,228	\$ (37,591)

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

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

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

Actuarial Assumptions – OPERS (Continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	\$ 35,832	\$ 38,228	\$ 40,925

NOTE 9: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Authority based on local and state laws. All permanent employees will earn 3.69 hours of sick leave per eighty (80) hours of service. Unused sick leave may accumulate without limit. At the time of retirement, employees shall be paid the value of twenty-five percent of unused sick leave subject to a maximum payment equal to 120 days of sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Employees will be paid for all unused vacation time upon their separation from service.

NOTE 10: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of forty (40) housing authorities in Ohio, of which the Authority is a member. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 11: **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.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

NOTE 11: **CONTINGENCIES** (Continued)

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.

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

Traditional Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.006151%	0.006151%	0.006019%	0.005962%	0.006092%	0.006269%	0.007123%	0.008293%	0.008495%	0.008495%
Authority's Proportionate Share of the Net Pension Liability	\$ 1,923,057	\$ 535,162	\$ 891,283	\$ 1,178,430	\$ 1,668,475	\$ 983,487	\$ 1,617,512	\$ 1,430,634	\$ 1,024,595	\$ 1,001,450
Authority's Covered Payroll	\$ 1,009,067	\$ 892,662	\$ 847,699	\$ 838,915	\$ 822,793	\$ 828,500	\$ 920,848	\$ 1,032,204	\$ 1,041,492	\$ 1,052,809
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.58%	59.95%	105.14%	140.47%	202.78%	118.71%	175.65%	138.60%	98.38%	95.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.79%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.000000%	0.006447%	0.014634%	0.013804%	0.014502%	0.014995%	0.015921%	0.016490%	0.016901%	0.016901%
Authority's Proportionate Share of the Net Pension (Asset)	\$ 0	\$ (25,402)	\$ (42,243)	\$ (28,785)	\$ (16,216)	\$ (20,413)	\$ (8,861)	\$ (6,835)	\$ (6,509)	\$ (7,470)
Authority's Covered Payroll	\$ 0	\$ 29,393	\$ 64,490	\$ 61,451	\$ 62,025	\$ 61,412	\$ 61,975	\$ 60,026	\$ 59,146	\$ 59,789
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	0.00%	86.42%	65.50%	46.84%	26.14%	33.24%	14.30%	11.39%	11.00%	12.49%
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 calendar year end.

See accompanying notes to the required supplementary information.

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Contractually Required Contributions</u>										
Traditional Plan	\$ 149,528	\$ 134,837	\$ 119,810	\$ 118,346	\$ 115,978	\$ 115,292	\$ 104,056	\$ 118,772	\$ 123,077	\$ 126,985
Combined Plan	0	64	8,630	8,857	8,548	8,637	7,613	7,117	7,151	7,045
Total Required Contributions	149,528	134,901	128,440	127,203	124,526	123,929	111,669	125,889	130,228	134,030
Contributions in Relation to the Contractually Required Contribution	(149,528)	(134,901)	(128,440)	(127,203)	(124,526)	(123,929)	(111,669)	(125,889)	(130,228)	(134,030)
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Authority's Covered Payroll</u>										
Traditional Plan	\$ 1,068,057	\$ 963,121	\$ 855,786	\$ 845,329	\$ 828,412	\$ 855,335	\$ 835,219	\$ 989,769	\$ 1,025,639	\$ 1,058,208
Combined Plan	0	457	61,643	63,264	61,054	64,064	61,089	59,310	59,592	58,708
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.48%	12.46%	12.00%	12.00%	12.00%
Combined Plan	0.00%	14.00%	14.00%	14.00%	14.00%	13.48%	12.46%	12.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

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

	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.006063%	0.005913%	0.006032%	0.005960%	0.006100%	0.006280%	0.006280%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 38,228	\$ (185,204)	\$ (107,465)	\$ 823,231	\$ 795,296	\$ 681,962	\$ 634,301
Authority's Covered Payroll	\$ 1,009,067	\$ 922,055	\$ 912,189	\$ 900,366	\$ 884,818	\$ 889,912	\$ 982,823
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	3.79%	20.09%	11.78%	91.43%	89.88%	76.63%	64.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,787	\$ 13,814	\$ 20,982	\$ 21,705
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	(4,787)	(13,814)	(20,982)	(21,705)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Authority Covered Payroll	\$ 1,068,057	\$ 963,578	\$ 917,429	\$ 908,593	\$ 889,466	\$ 919,399	\$ 896,308	\$ 1,049,079	\$ 1,085,231
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%	1.54%	2.00%	2.00%

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

See accompanying notes to the required supplementary information.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2023.

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

ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

Net OPEB Liability

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

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

Erie Metropolitan Housing Authority
Financial Data Schedule
For the Year Ended June 30, 2023

	Project Total	14.EFA FSS Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	93.778 Medical Assistance Program	2 State/Local	93.044 Special Programs for the Aging_ Title III, Part B_ Grants for Supportive	93.045 Special Programs for the Aging_ Title III, Part C_ Nutrition Services	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	1,699,197				491,590			28,343	814,222	558,108	3,591,460		3,591,460
112 Cash - Restricted - Modernization and Development	46,089										46,089		46,089
113 Cash - Other Restricted	462	23,870						14,604	196,922		235,858		235,858
114 Cash - Tenant Security Deposits	23,800										23,800		23,800
115 Cash - Restricted for Payment of Current Liabilities									2,657		2,657		2,657
100 Total Cash	1,769,548	23,870	0	0	491,590	0	0	42,947	1,013,801	558,108	3,899,864		3,899,864
121 Accounts Receivable - PHA Projects									563		563		563
122 Accounts Receivable - HUD Other Projects									21,993		21,993		21,993
124 Accounts Receivable - Other Government											0		0
125 Accounts Receivable - Miscellaneous	710				11,742				14,529	2,145	29,126		29,126
126 Accounts Receivable - Tenants	8,294										8,294		8,294
126.1 Allowance for Doubtful Accounts - Tenants	(1,700)										(1,700)		(1,700)
126.2 Allowance for Doubtful Accounts - Other	(7,500)								0	0	(7,500)		(7,500)
127 Notes, Loans, & Mortgages Receivable - Current	37,637										37,637		37,637
128 Fraud Recovery											0		0
128.1 Allowance for Doubtful Accounts - Fraud											0		0
129 Accrued Interest Receivable											0		0
120 Total Receivables, Net of Allowances for Doubtful Accounts	37,441	0	0	0	11,742	0	0	0	37,085	2,145	88,413		88,413
131 Investments - Unrestricted											0		0
132 Investments - Restricted											0		0
135 Investments - Restricted for Payment of Current Liability											0		0
142 Prepaid Expenses and Other Assets	51,337				3,050				3,726	21,091	79,204		79,204
143 Inventories	7,584										7,584		7,584
143.1 Allowance for Obsolete Inventories					0						0		0
144 Inter Program Due From											0		0
145 Assets Held for Sale											0		0
150 Total Current Assets	1,865,910	23,870	0	0	506,385	0	0	42,947	1,054,612	581,344	4,075,065		4,075,065
161 Land	638,695									35,935	674,630		674,630
162 Buildings	18,004,199								72,305	588,845	18,665,349		18,665,349
163 Furniture, Equipment & Machinery - Dwellings	2,590										2,590		2,590
164 Furniture, Equipment & Machinery - Administration	182,560				236,346				28,249	150,743	597,898		597,898
165 Leasehold Improvements											0		0
166 Accumulated Depreciation	-14,823,776				-112,637				-60,566	-674,413	-15,671,392		-15,671,392
167 Construction in Progress											0		0
168 Infrastructure											0		0
160 Total Capital Assets, Net of Accumulated Depreciation	4,004,268	0	0	0	123,709	0	0	0	39,988	101,110	4,269,075		4,269,075
171 Notes, Loans and Mortgages Receivable - Non-Current											0		0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due											0		0
173 Grants Receivable - Non Current											0		0
174 Other Assets					6,049						6,049		6,049
176 Investments in Joint Ventures											0		0
180 Total Non-Current Assets	4,004,268	0	0	0	129,758	0	0	0	39,988	101,110	4,275,124		4,275,124
200 Deferred Outflow of Resources	220,656	0	0	0	219,963	0	0	0	223,743	201,920	866,282		866,282
290 Total Assets and Deferred Outflow of Resources	6,090,834	23,870	0	0	856,103	0	0	42,947	1,318,343	884,374	9,216,471		9,216,471

Erie Metropolitan Housing Authority
Financial Data Schedule
For the Year Ended June 30, 2023

	Project Total		14.896 PIH Family Self-Sufficiency Program	93.778 Medical Assistance Program	2 State/Local	93.044 Special Programs for the Aging_ Title III, Part B_ Grants for Supportive	93.045 Special Programs for the Aging_ Title III, Part C_ Nutrition Services	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
311 Bank Overdraft											0		0
312 Accounts Payable <= 90 Days	49,381				43,463					34,592	127,436		127,436
313 Accounts Payable >90 Days Past Due											0		0
321 Accrued Wage/Payroll Taxes Payable	4,885									17,252	22,137		22,137
322 Accrued Compensated Absences - Current Portion											0		0
324 Accrued Contingency Liability											0		0
325 Accrued Interest Payable	14,517										14,517		14,517
331 Accounts Payable - HUD PHA Programs											0		0
332 Account Payable - PHA Projects											0		0
333 Accounts Payable - Other Government	36,401				15,000						51,401		51,401
341 Tenant Security Deposits	23,800										23,800		23,800
342 Unearned Revenue	2,357										2,357		2,357
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	183,303										183,303		183,303
344 Current Portion of Long-term Debt - Operating Borrowings											0		0
345 Other Current Liabilities	462								2,657	300	3,419		3,419
346 Accrued Liabilities - Other	2,532				2,129				4,958	3,593	13,212		13,212
347 Inter Program - Due To											0		0
348 Loan Liability - Current											0		0
310 Total Current Liabilities	317,638	0	0	0	60,592	0	0	0	7,615	55,737	441,582		441,582
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,984,922										1,984,922		1,984,922
352 Long-term Debt, Net of Current - Operating Borrowings											0		0
353 Non-current Liabilities - Other	4,678	23,870			2,943				211,328	10,871	253,690		253,690
354 Accrued Compensated Absences - Non Current	22,114				28,281				47,744	47,835	146,974		146,974
355 Loan Liability - Non Current											0		0
356 FASB 5 Liabilities											0		0
357 Accrued Pension and OPEB Liabilities	499,573				498,003				506,556	457,153	1,961,285		1,961,285
350 Total Non-Current Liabilities	2,511,287	23,870	0	0	530,227	0	0	0	765,628	515,859	4,346,871		4,346,871
300 Total Liabilities	2,828,925	23,870	0	0	590,819	0	0	0	773,243	571,596	4,788,453		4,788,453
400 Deferred Inflow of Resources	4,170	0	0	0	21,264	0	0	0	4,229	3,817	33,480		33,480
508.4 Net Investment in Capital Assets	1,874,922	0	0	0	118,637	0	0	0	20,624	86,646	2,100,829		2,100,829
511.4 Restricted Net Position	0	0	0	0		0	0	14,604	0	0	14,604		14,604
512.4 Unrestricted Net Position	1,382,817	0	0	0	125,383	0	0	28,343	520,247	222,315	2,279,105		2,279,105
513 Total Equity - Net Assets / Position	3,257,739	0	0	0	244,020	0	0	42,947	540,871	308,961	4,394,538		4,394,538
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	6,090,834	23,870	0	0	856,103	0	0	42,947	1,318,343	884,374	9,216,471		9,216,471

Erie Metropolitan Housing Authority
Financial Data Schedule
For the Year Ended June30, 2023

	Project Total	14.EFA FSS Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	93.778 Medical Assistance Program	2 State/Local	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	93.045 Special Programs for the Aging_Title III, Part C_Nutrition Services	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	571,398										571,398		571,398
70400 Tenant Revenue - Other	145,967										145,967		145,967
70500 Total Tenant Revenue	717,365	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	717,365	\$0	717,365
70600 HUD PHA Operating Grants	1,401,499		70,639		46,000			354,434	6,337,148		8,209,720		8,209,720
70610 Capital Grants	201,975										201,975		201,975
70710 Management Fee										151,939	151,939	-151,939	\$0
70720 Asset Management Fee										27,240	27,240	-27,240	\$0
70730 Book Keeping Fee										20,198	20,198	-20,198	\$0
70740 Front Line Service Fee										0	0		0
70750 Other Fees										168,991	168,991		168,991
70700 Total Fee Revenue	1,603,474	0	70,639	0	46,000			354,434	6,337,148	368,368	8,780,063	-199,377	8,580,686
70800 Other Government Grants				44,323		41,091	286,365				371,779		371,779
71100 Investment Income - Unrestricted	5,911				958				2,464	1,473	10,806		10,806
71200 Mortgage Interest Income											0		0
71300 Proceeds from Disposition of Assets Held for Sale											0		0
71310 Cost of Sale of Assets											0		0
71400 Fraud Recovery									39,144		39,144		39,144
71500 Other Revenue	118,523	23,870			504,720				17,079		664,192		664,192
71600 Gain or Loss on Sale of Capital Assets	17,001				400						17,401		17,401
72000 Investment Income - Restricted	1,409										1,409		1,409
70000 Total Revenue	2,463,683	23,870	70,639	44,323	552,078	41,091	286,365	354,434	6,395,835	369,841	10,602,159	-199,377	10,402,782
91100 Administrative Salaries	79,945				260,417			16,962	247,927	239,056	844,307		844,307
91200 Auditing Fees	4,588				1,712			744	10,882	2,512	20,438		20,438
91300 Management Fee	151,939										151,939	-151,939	0
91310 Book-keeping Fee	20,198										20,198	-20,198	0
91400 Advertising and Marketing	2,508							56	824	1,059	4,447		4,447
91500 Employee Benefit contributions - Administrative	35,395				115,737			10,795	142,108	111,450	415,485		415,485
91600 Office Expenses	61,043				10,651			8,735	127,672	24,485	232,596		232,596
91700 Legal Expense	26,565				305			22	326	122	27,340		27,340
91800 Travel	20,399				7,575			672	9,821	4,929	43,396		43,396
91810 Allocated Overhead											0		0
91900 Other	750				431,478			310	4,534	2,051	439,123		439,123
91000 Total Operating - Administrative	103,330		\$0	\$0	827,875	\$0	\$0	38,296	5,440,944	385,674	2,199,269	-172,137	2,027,132
92000 Asset Management Fee	27,240										27,240	-27,240	0
92100 Tenant Services - Salaries	15,434		47,060								62,494		62,494
92200 Relocation Costs											0		0
92300 Employee Benefit Contributions - Tenant Services	7,356		17,947								25,303		25,303
92400 Tenant Services - Other	8,000		5,632								13,632		13,632
92500 Total Tenant Services	58,030		70,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0	128,669	-27,240	101,429

Erie Metropolitan Housing Authority
Financial Data Schedule
For the Year Ended June 30, 2023

	Project Total	14.EFA FSS Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	93.778 Medical Assistance Program	2 State/Local	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	93.045 Special Programs for the Aging_Title III, Part C_Nutrition Services	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
93100 Water	12,254				15			7	104	115	12,495		12,495
93200 Electricity	112,705				447			232	3,395	1,286	118,065		118,065
93300 Gas	58,619				187			98	1,437	538	60,879		60,879
93400 Fuel											0		0
93500 Labor											0		0
93600 Sewer	31,795				22			11	156	111	32,095		32,095
93700 Employee Benefit Contributions - Utilities											0		0
93800 Other Utilities Expense											0		0
93000 Total Utilities	215,373	0	\$0	\$0	672	\$0	\$0	348	5,092	2,050	223,534	0	223,534
94100 Ordinary Maintenance and Operations - Labor	165,860										165,860		165,860
94200 Ordinary Maintenance and Operations - Materials and Other	122,952				15,776			640	9,358	464	149,190		149,190
94300 Ordinary Maintenance and Operations Contracts	419,085				33,123			862	12,591	6,201	471,862		471,862
94500 Employee Benefit Contributions - Ordinary Maintenance	83,893										83,893		83,893
94000 Total Maintenance	791,790	0	\$0	\$0	48,899	\$0	\$0	1,502	21,949	6,665	870,805	0	870,805
95100 Protective Services - Labor											0		0
95200 Protective Services - Other Contract Costs	55,762							93	1,357		57,212		57,212
95300 Protective Services - Other											0		0
95500 Employee Benefit Contributions - Protective Services											0		0
95000 Total Protective Services	55,762	0	0	0	0	0	0	93	1,357	0	57,212	0	57,212
96110 Property Insurance	90,459				1,880				8,093	698	101,130		101,130
96120 Liability Insurance	2,368							554		696	3,618		3,618
96130 Workmen's Compensation	861				1,252			90	1,315	963	4,481		4,481
96140 All Other Insurance	4,320				4,999					582	9,901		9,901
96100 Total insurance Premiums	98,008	0	0	0	8,131	0	0	644	9,408	2,939	119,130	0	119,130
96200 Other General Expenses	232	23,870			209			4,157	2,038	444	30,950		30,950
96210 Compensated Absences	9,869				5,059				15,666	6,180	36,774		36,774
96300 Payments in Lieu of Taxes	36,401										36,401		36,401
96400 Bad debt - Tenant Rents	66,893										66,893		66,893
96500 Bad debt - Mortgages											0		0
96600 Bad debt - Other											0		0
96800 Severance Expense					329			17	244	960	1,550		1,550
96000 Total Other General Expenses	113,395	23,870	0	0	5,597	0	0	4,174	17,948	7,584	172,568	0	172,568
96710 Interest of Mortgage (or Bonds) Payable	102,336										102,336		102,336
96720 Interest on Notes Payable (Short and Long Term)											0		0
96730 Amortization of Bond Issue Costs											0		0
96700 Total Interest Expense and Amortization Cost	102,336	0	0	0	0	0	0	0	0	0	102,336	0	102,336
96900 Total Operating Expenses	1,838,024	23,870	70,639	\$0	891,173	0	0	45,057	599,848	404,912	3,873,523	-199,377	3,674,146
97000 Excess of Operating Revenue over Operating Expenses	625,659	0	0	44,323	-339,095	41,091	286,365	309,377	5,795,987	-35,071	6,728,636	0	6,728,636

Erie Metropolitan Housing Authority
Financial Data Schedule
For the Year Ended June30, 2023

	Project Total	14.EFA FSS Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	93.778 Medical Assistance Program	2 State/Local	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	93.045 Special Programs for the Aging_Title III, Part C_Nutrition Services	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance											0		0
97200 Casualty Losses - Non-capitalized	68,523										68,523		68,523
97300 Housing Assistance Payments								312,765	5,956,132		6,268,897		6,268,897
97350 HAP Portability-In									11,872		11,872		11,872
97400 Depreciation Expense	501,050				23,894				4,329	12,728	542,001		542,001
97500 Fraud Losses											0		0
97600 Capital Outlays - Governmental Funds											0		0
97700 Debt Principal Payment - Governmental Funds											0		0
97800 Dwelling Units Rent Expense											0		0
90000 Total Expenses	2,407,597	23,870	70,639	0	915,067	0	0	357,822	6,572,181	417,640	10,764,816	-199,377	10,565,439
10010 Operating Transfer In	321,817				371,779						693,596	-693,596	0
10020 Operating transfer Out	-321,817			-44,323		-41,091	-286,365				-693,596	693,596	0
10030 Operating Transfers from/to Primary Government											0		0
10040 Operating Transfers from/to Component Unit											0		0
10050 Proceeds from Notes, Loans and Bonds											0		0
10060 Proceeds from Property Sales											0		0
10070 Extraordinary Items, Net Gain/Loss											0		0
10080 Special Items (Net Gain/Loss)											0		0
10091 Inter Project Excess Cash Transfer In	310,000										310,000	-310,000	0
10092 Inter Project Excess Cash Transfer Out	-310,000										-310,000	310,000	0
10093 Transfers between Program and Project - In											0		0
10094 Transfers between Project and Program - Out											0		0
10100 Total Other financing Sources (Uses)	0	0	0	-44,323	371,779	-41,091	-286,365	0	0	0	0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	56,086	0	0	0	8,790	0	0	-3,388	-176,346	-47,799	-162,657	0	-162,657
11020 Required Annual Debt Principal Payments	173,184	0	0	0	0	0	0	0	0	0	173,184		173,184
11030 Beginning Equity	3,201,653	0	0	0	235,230	0	0	46,335	717,217	356,760	4,557,195		4,557,195
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	0										0		0
11050 Changes in Compensated Absence Balance											0		0
11060 Changes in Contingent Liability Balance											0		0
11070 Changes in Unrecognized Pension Transition Liability											0		0
11080 Changes in Special Term/Severance Benefits Liability											0		0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents											0		0
11100 Changes in Allowance for Doubtful Accounts - Other											0		0
11170 Administrative Fee Equity									540,871		0		540,871
11180 Housing Assistance Payments Equity									0		0		0
11190 Unit Months Available	2,712							780	12,900		15,612		15,612
11210 Number of Unit Months Leased	2,693							636	10,279		13,608		13,680
11270 Excess Cash	1,373,019										1,373,019		1,373,019
11610 Land Purchases	0									0	0		0
11620 Building Purchases	136,986									0	136,986		136,986
11630 Furniture & Equipment - Dwelling Purchases	0									0	0		0
11640 Furniture & Equipment - Administrative Purchases	0									0	0		0
11650 Leasehold Improvements Purchases	0									0	0		0
11660 Infrastructure Purchases	0									0	0		0
13510 CFFP Debt Service Payments	65,000									0	65,000		65,000
13901 Replacement Housing Factor Funds	0									0	0		0

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR	Federal	
<i>Pass Through Grantor</i>	AL	Total Federal
Program / Cluster Title	Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Direct Programs</i>		
Public and Indian Housing	14.850	\$ 1,067,442
Public Housing Capital Fund	14.872	536,032
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	6,337,148
Mainstream Vouchers	14.879	354,434
Total Housing Voucher Cluster		<u>6,691,582</u>
Family Self-Sufficiency Program	14.896	70,639
<i>Pass-Through City of Sandusky</i>		
Community Development Block Grants/Entitlement Grants	14.218	<u>46,000</u>
Total U.S. Department of Housing and Urban Development		<u>8,411,695</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed Through Area Office on Aging of Northwest Ohio Inc.</i>		
Aging Cluster:		
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	41,091
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	<u>286,365</u>
Total Aging Cluster		<u>327,456</u>
Medicaid Cluster:		
Medical Assistance Program	93.778	<u>44,323</u>
Total Medicaid Cluster		<u>44,323</u>
Total U.S. Department of Health and Human Services		<u>371,779</u>
Total Expenditures of Federal Awards		<u>\$ 8,783,474</u>

The accompanying notes are an integral part of this schedule.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Erie Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual 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 C – INDIRECT COST RATE

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

This page intentionally left blank.



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

Erie Metropolitan Housing Authority
Erie County
322 Warren Street
Sandusky, Ohio 44870-2265

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 Erie Metropolitan Housing Authority, Erie County, Ohio (the Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 15, 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.



Keith Faber
Auditor of State
Columbus, Ohio

February 15, 2024



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Erie Metropolitan Housing Authority
Erie County
322 Warren Street
Sandusky, Ohio 44870-2265

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Erie Metropolitan Housing Authority, Erie County, Ohio’s, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Erie Metropolitan Housing Authority’s major federal program for the year ended June 30, 2023. Erie Metropolitan Housing Authority’s major federal program is identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

February 15, 2024

This page intentionally left blank.

**ERIE METROPOLITAN HOUSING AUTHORITY
ERIE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



ERIE METROPOLITAN HOUSING AUTHORITY

ERIE 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 3/5/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov