

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**LUCAS COUNTY**  
**REGULAR AND SINGLE AUDIT**  
**YEAR ENDED DECEMBER 31, 2023**



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OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Commissioners  
Lucas Metropolitan Housing Authority  
424 Jackson Street  
Toledo, Ohio 43604

We have reviewed the *Independent Auditors' Report* of Lucas Metropolitan Housing Authority, Lucas County, prepared by CliftonLarsonAllen LLP, for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

October 18, 2024

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**LUCAS METROPOLITAN HOUSING AUTHORITY  
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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Lucas Metropolitan Housing Authority  
Toledo, Ohio

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Lucas Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Lucas Metropolitan Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements Collingwood Green Phase I LP, Collingwood Green Phase II LP, Collingwood Green Phase III LP, Parqwood Apartments LP which represent 100% of assets, net position and of revenues of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to conform the presentation of the financial statements of the discretely presented components units, which conform those financial statements to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors.

### ***Basis for Opinions***

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an



opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the schedule of the Authority's proportionate share of the net pension liability, the schedule of the Authority's pension contributions, the schedule of the Authority's proportionate share of the net OPEB liability, and the schedule of the Authority's OPEB contributions on pages 60 through 64 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 GAAS, 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 Lucas Metropolitan Housing Authority's basic financial statements. The financial data schedules on pages 62 through 67 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award on page 74* 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 GAAS. In our opinion, the financial data and the schedule 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 September 6, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Lucas Metropolitan Housing Authority's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Maumee, Ohio  
September 6, 2024

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Introduction**

This Management’s Discussion and Analysis (MD&A) of the Lucas Metropolitan Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lucas Metropolitan Housing Authority for the year ended December 31, 2023. The Lucas Metropolitan Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2023, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority’s financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Lucas Metropolitan Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority’s financial statements and related notes to the financial statements.

**Overview of the Financial Statements**

This overview of the financial statement is intended to inform and introduce the reader to the Authority’s financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- The unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the number of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the year ended December 31, 2023, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2023.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Program Information**

**Low Income Public Housing:** The Authority owns 2,643 units in Lucas County, Ohio. Under the low-income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on a percentage of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority's properties.

**Section 8 Housing Choice Vouchers:** The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing. The Authority currently administers 4,657 vouchers among the various Section 8 Programs, including Housing Choice Voucher, Mainstream 5, Mod Rehab and other programs.

**Capital Funds Grants:** The Authority receives additional funding from HUD for physical and management improvements to its units within the Low-Income Public Housing Program, under the same Annual Contributions Contract. This program provides funding for large-scale improvements or unplanned emergencies that are not covered by the operating subsidy amount previously mentioned.

**Resident Service Grants:** The Authority administers this program through funding awarded by HUD to provide additional assistance to residents with special needs. The Authority also provides community outreach connections that provide such assistance, for improved quality of life within the Low-Income Public Housing community.

**Home Improvement Partnership Program:** The Authority administers this program through funding awarded by the City of Toledo that passed through funding from HUD. The grant from the City of Toledo provided a portion of the mixed financing agreement related to the Collingwood Green Phase I construction project. The objective of the Home Improvement Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low and very low-income Americans.

**Non-HUD/Business Activities Programs:** This area includes programs such as: contract administration, a consortium with other housing authorities in Ohio to manage site-based properties for HUD; the Veterans Fund, a discretionary pool of funding from a variety of activities; the Homeownership Funds, proceeds from the old Turnkey III program, utilized to provide opportunities for low-income families to become homeowners; and the Central Office Cost Center, the management entity related to the operation of the Housing Authority created through the implementation of the asset management program.

**Blended Component Units:** *Lucas Housing Services Corporation:* Through the Lucas Housing Services Corporation, a wholly owned non-profit corporation, the Authority acquired 53 parcels in 2013, from the Lucas County Land Reutilization company for the purpose of rehabilitating the single-family dwellings to be resold to buyers who are unable to obtain conventional mortgages.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Discretely Presented Component Units**

*Collingwood Green Phase I:* Through the Collingwood Green Phase I, LP, a 65-unit mixed finance and mixed income apartment community was constructed in 2013. The development includes 65 units of housing owned by Collingwood Green Phase I, LP, of which 33 units are public housing units developed using Capital Funds received by the Authority from HUD, and a mixed-finance amendment to the Annual Contributions Contract.

*Collingwood Green Phase II:* Through the Collingwood Green Phase II, LP, another mixed-finance and mixed income townhome community was constructed in 2015. This development consists of 66 housing units, owned by Collingwood Green Phase II, LP, of which 33 units are public housing and were developed using Capital Funds received by the Authority from HUD, and mixed-finance amendment to the Annual Contributions Contract.

*Collingwood Green Phase III, LP,* was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

*Parqwood Apartments LP:* In October 2014, the Authority was awarded a new Rental Assistance Demonstration (RAD) project from HUD. This was the first award made with this new funding source, which allowed the Authority to renovate a former public housing development and lease it under the PBRA Section 8 housing assistance program. The Parqwood Apartments LP was created to manage this newly renovated 136-unit apartment building.

**Financial Highlights**

- The Lucas Metropolitan Housing Authority’s net position increased from \$54,071,910 to \$56,917,007, an increase of \$2,845,097 or 5%. Total assets decreased by \$3,507,367 or 4%.
- The unrestricted net position balance is listed as \$31,732,548 on December 31, 2023. This represents an increase of \$3,117,811 or 11% from the previous year.
- Total revenue increased from \$56,267,645 to \$65,913,260, an increase of \$9,645,615 or 17%.
- Total expenses increased by \$7,993,175 or 14%, from \$55,843,557 to \$63,836,732 for the current year.

**Housing Authority Activities & Highlights**

The Authority’s overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended December 31, 2023, and December 31, 2022.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*Summary Statement of Net Position  
As of December 31, 2023, and 2022*

<u>Category</u>	12/31/2023	12/31/2022	Change \$	Change %
Current Assets	\$ 19,179,428	\$ 23,211,248	\$ (4,031,820)	-17%
Non Current Assets	\$ 64,629,109	\$ 64,104,656	\$ 524,453	1%
Total Assets	\$ 83,808,537	\$ 87,315,904	\$ (3,507,367)	-4%
Deferred Outflow of Resources	\$ 7,544,031	\$ 3,167,206	\$ 4,376,825	138%
Current Liabilities	\$ 3,638,663	\$ 4,380,266	\$ (741,603)	-17%
Non Current Liabilities	\$ 30,473,363	\$ 24,722,769	\$ 5,750,594	23%
Total Liabilities	\$ 34,112,026	\$ 29,103,035	\$ 5,008,991	17%
Deferred Inflow of Resources	\$ 323,535	\$ 7,308,165	\$ (6,984,630)	-96%
Unrestricted	\$ 31,732,548	\$ 28,614,737	\$ 3,117,811	11%
Restricted	\$ 1,011,212	\$ 3,395,489	\$ (2,384,277)	-70%
Net Investment in Capital Assets	\$ 24,173,247	\$ 22,061,684	\$ 2,111,563	10%
Total Net Position	\$ 56,917,007	\$ 54,071,910	\$ 2,845,097	5%

### **Current Assets**

Current assets decreased by \$4,031,820 during the current year. The primary reason for the decrease is operating expenses exceeding revenue. Significant changes in current assets from the previous year included the following:

- Unrestricted cash increased by \$2,551,928.
- Accounts receivable from HUD increased from the previous year balance of \$1,680,063 to \$2,015,906, an increase of \$335,843.

### **Noncurrent Assets**

Noncurrent assets increased from \$64,104,656 to \$64,629,109, an increase of \$524,453 during the current year. The increase was due primarily to the increase in capital projects. Capital asset activity will be discussed in further sections.

### **Current Liabilities**

Current liabilities decreased by \$741,603 from the previous year. This decrease is primarily due to the lower accounts payable balance which decreased by \$396,125 from the previous year.

### **Noncurrent Liabilities**

Noncurrent liabilities increased from a 2022 balance of \$24,722,769 to a 2023 balance of \$30,473,363, a net increase of \$5,750,594. Notable variances from the previous year included the following items:

- The OPEB liability managed by the Ohio Public Employees Retirement System decreased from a 2021 balance of \$6,083,464 to a 2022 balance of \$6,033,095, a decrease of \$50,369.
- The Authority incurred additional debt in the current fiscal year. See the following long-term debt activity section.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Net Position**

The net position of the Authority increased by \$2,845,097, or 5%, from the previous fiscal year.

The Authority's unrestricted component of net position changed from \$28,614,737 to \$31,732,548, a net increase of \$3,117,811 due to an excess of operating revenues over operating expenses. The unrestricted component of net position represents the amount available for future appropriations.

**Summary Statement of Revenues & Expenses and Changes in Net Position  
Years Ended December 31, 2023 and 2022**

<b>Category</b>	<b>12/31/2023</b>	<b>12/31/2022</b>	<b>Change \$</b>	<b>Change %</b>
<b>Program Revenues:</b>				
Tenant Revenue	\$ 6,042,444	\$ 5,867,038	\$ 175,406	3%
Government Operating Grants	\$ 51,100,742	\$ 46,895,810	\$ 4,204,932	9%
Capital Grants	\$ 7,201,256	\$ 1,936,159	\$ 5,265,097	272%
Other Revenue	\$ 1,426,674	\$ 1,379,478	\$ 47,196	3%
Interest Income	\$ 142,144	\$ 189,160	\$ (47,016)	-25%
Total Revenue	\$ 65,913,260	\$ 56,267,645	\$ 9,645,615	17%
<b>Expenses:</b>				
Administration	\$ 10,952,536	\$ 6,730,753	\$ 4,221,783	63%
Tenant Services	\$ 1,560,139	\$ 1,458,244	\$ 101,895	7%
Utilities	\$ 4,009,495	\$ 3,553,448	\$ 456,047	13%
Ordinary Maintenance	\$ 9,274,909	\$ 9,199,236	\$ 75,673	1%
Protective Services	\$ 980,140	\$ 959,865	\$ 20,275	2%
General/Insurance Expense	\$ 3,750,447	\$ 3,523,695	\$ 226,752	6%
Depreciation	\$ 3,063,633	\$ 3,555,395	\$ (491,762)	-14%
Housing Assistance Payments	\$ 29,365,758	\$ 25,982,131	\$ 3,383,627	13%
Interest Expense	\$ 879,675	\$ 880,790	\$ (1,115)	0%
Total Expenses	\$ 63,836,732	\$ 55,843,557	\$ 7,993,175	14%
Excess (Deficiency) Before Special Item	\$ 2,076,528	\$ 424,088	\$ 1,652,440	390%
Special Item/Casualty Losses	\$ -	\$ 232,876	\$ (232,876)	-100%
Change in Net Position	\$ 2,076,528	\$ 191,212	\$ 1,885,316	986%
Net Position, Beginning of Year	\$ 54,071,910	\$ 52,183,872	\$ 1,888,038	4%
Prior Period Adjustment	\$ 768,569	\$ 1,696,826	\$ (928,257)	-55%
Net Position, End of Year	\$ 56,917,007	\$ 54,071,910	\$ 2,845,097	5%

**Results of Operations**

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue increased by \$9,645,615 or 17% compared to the previous fiscal year. Significant changes in revenue accounts consist of the following items:

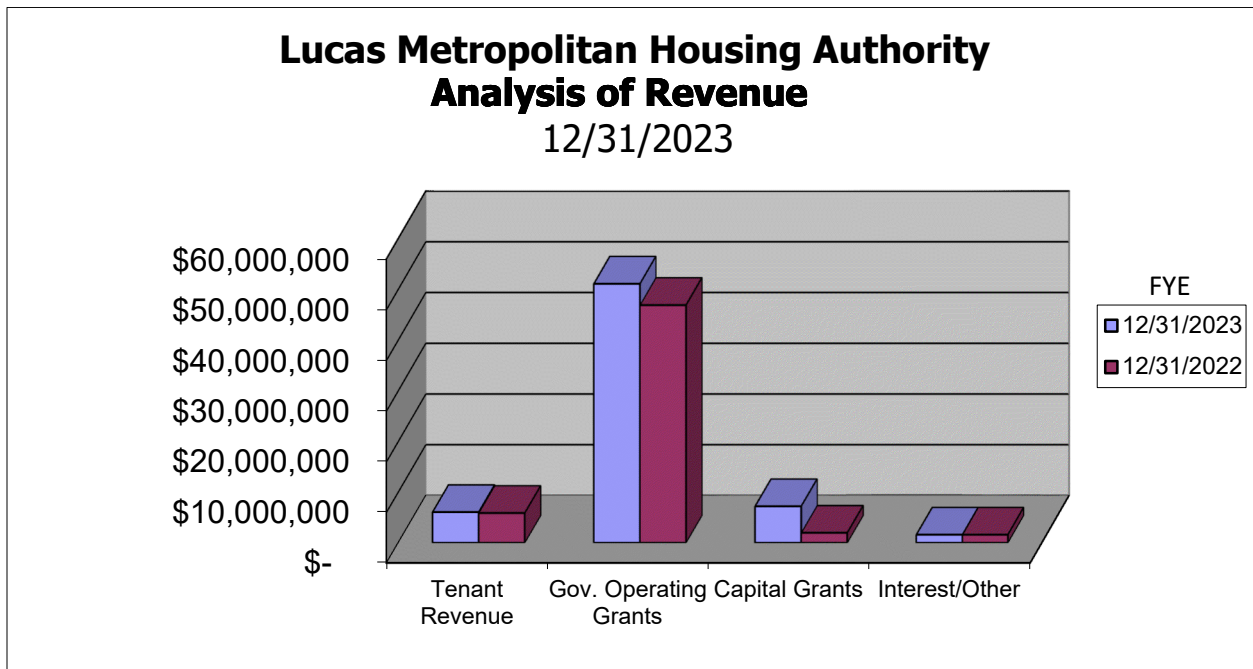
- The majority of the revenue increase was related to capital grants. Capital grants increased from \$1,936,159 in the prior year to \$7,201,256 in the current year.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Total expenses increased by \$7,993,175. Significant variances between the years include the following:

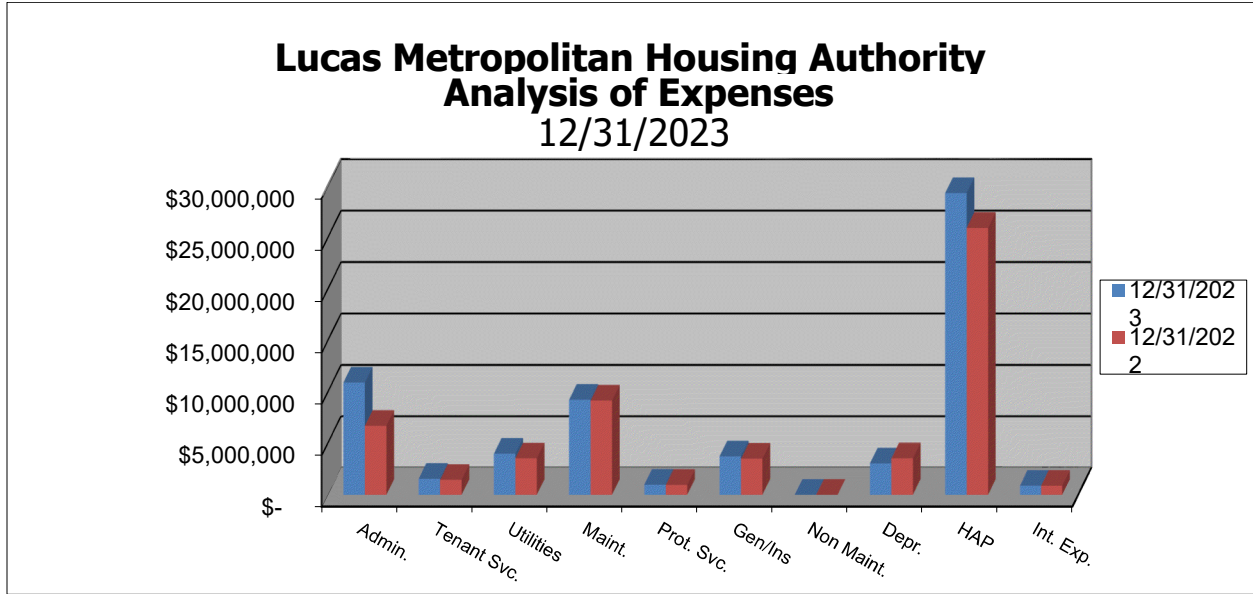
- Administrative expenses increased by \$4,221,783 or 63% from the previous year. Tenant Services increased by \$101,895 and utilities increased by 456,047.
- Ordinary maintenance expenses increased by \$75,673. This is due primarily to miscellaneous contracts increasing, and inflation on materials.
- Depreciation expense decreased by \$491,762 due to capital assets becoming fully depreciated.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:





**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**



**Capital Assets**

As of December 31, 2023, the Authority’s net investment in capital assets was \$38,157,685. This investment includes land, building improvements, equipment, and construction in progress, net of accumulated depreciation and related debt.

<b>Category</b>	<b>12/31/2023</b>	<b>12/31/2022</b>	<b>Change \$</b>	<b>Change %</b>
Land	\$ 7,687,609	\$ 7,096,850	\$ 590,759	8%
Buildings	\$ 178,346,813	\$ 178,178,315	\$ 168,498	0%
Equipment	\$ 2,038,214	\$ 1,993,614	\$ 44,600	2%
Construction in Progress	\$ 8,891,244	\$ 4,895,641	\$ 3,995,603	82%
Accumulated Depreciation	\$ (158,806,195)	\$ (155,949,999)	\$ (2,856,196)	2%
<b>Total Net Fixed Assets</b>	<b>\$ 38,157,685</b>	<b>\$ 36,214,421</b>	<b>\$ 1,943,264</b>	<b>5%</b>

The construction in progress account increased due to Capital Fund projects associated with Low Rent projects and work on the office headquarters.

**Long-Term Debt Activity**

The Authority has incurred additional debt related to the funding of the homeownership program in the LHSC program.

**Economic Factors**

Due to the 2024 Congressional Appropriations, the Authority’s operating subsidy provided by HUD for the Low Rent Housing Program is estimated to be 87.44% for the calendar year 2024.

The estimated amount of funding for the 2024 calendar year for the Housing Choice Voucher Program will include the proration of administrative fees at 89% and HAP funding at 99.5%.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Lucas Metropolitan Housing Authority  
Attn: Philip Senghor Mann, CEO/President  
424 Jackson Ave  
Toledo, OH 43604

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

	<i>Housing Authority</i>	<i>Component Units</i>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents:		
Unrestricted	\$ 10,503,381	\$ 143,606
Restricted	914,949	2,333,278
Investments - Restricted	1,298,474	-
Accounts Receivable (Net of Allowance, \$953,423)	3,692,919	100,053
Prepaid Items	2,769,705	187,246
<b>Total Current Assets</b>	<b>19,179,428</b>	<b>2,764,183</b>
<b>Noncurrent Assets:</b>		
Capital Assets		
Land & Construction in Progress	16,578,852	230,047
Other Capital Assets, Net of Depreciation	21,578,833	42,516,970
Total Capital Assets	38,157,685	42,747,017
Other Non-Current Assets		
Notes, Loans, and Mortgages Receivable	26,116,565	-
Right to Use Leased Assets	268,017	-
Pension Asset	86,842	-
Other Assets	-	1,004,416
Total Other Non-Current Assets	26,471,424	1,004,416
<b>Total Noncurrent Assets</b>	<b>64,629,109</b>	<b>43,751,433</b>
<b>Total Assets</b>	<b>83,808,537</b>	<b>46,515,616</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred Outflow of Resources - Pension Plan/OPEB	7,544,031	-

See accompanying notes to the basic financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION –CONT.**  
**DECEMBER 31, 2023**

***LIABILITIES***

**Current Liabilities:**

Accounts Payable	427,265	633,091
Accounts Payable - Other Government	153,754	31,336
Wages/Payroll Payable	667,533	-
Unearned Revenue	365,110	45,353
Accrued Employee Leave (current)	113,150	-
Interest Payable	130,785	98,051
Tenant Security Deposits	286,328	58,529
Bonds and Notes Payble (current)	710,461	1,121,557
Other	784,277	-
<b>Total Current Liabilities</b>	<b>3,638,663</b>	<b>1,987,917</b>

**Noncurrent Liabilities:**

Accrued Employee Leave (net of current)	1,105,261	-
Bonds and Notes Payable (net of current)	13,623,977	26,528,408
Pension Liability	14,941,649	-
OPEB Liability	314,484	-
Other	487,992	3,013,205
<b>Total Noncurrent Liabilities</b>	<b>30,473,363</b>	<b>29,541,613</b>

<b>Total Liabilities</b>	<b>34,112,026</b>	<b>31,529,530</b>
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***DEFERRED INFLOW OF RESOURCES***

Deferred Inflow of Resources - Pension Plan	323,535	-
<b>Total Deferred Inflow of Resources</b>	<b>323,535</b>	<b>-</b>

***NET POSITION***

Net Investment in Capital Assets	24,173,247	15,097,052
Restricted for:		
Other	1,011,212	2,274,749
Unrestricted	31,732,548	(2,385,715)
<b>Total Net Position</b>	<b>\$ 56,917,007</b>	<b>\$ 14,986,086</b>

See accompanying notes to the basic financial statements.

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

	<u><i>Housing Authority</i></u>	<u><i>Component Units</i></u>
<b><i>OPERATING REVENUES</i></b>		
Tenant Revenue	\$ 6,042,444	2,224,452
Operating Grants	51,100,742	-
Other Revenue	1,426,674	675,217
<b>Total Operating Revenues</b>	<u>58,569,860</u>	<u>2,899,669</u>
<b><i>OPERATING EXPENSES</i></b>		
Administrative	10,952,536	736,033
Tenant Services	1,560,139	-
Utilities	4,009,495	321,399
Maintenance	8,738,326	871,229
Protective Services	980,140	29,587
Insurance/General	3,750,447	269,501
Non-Routine Maintenance	536,583	-
Housing Assistance Payments	29,365,758	-
Depreciation/Amortization	3,063,633	1,787,196
<b>Total Operating Expenses</b>	<u>62,957,057</u>	<u>4,014,945</u>
<b>Net Operating Loss</b>	<u>(4,387,197)</u>	<u>(1,115,276)</u>
<b><i>NONOPERATING REVENUES (EXPENSES)</i></b>		
Interest Income	142,144	10,903
Interest Expense	(879,675)	(357,786)
<b>Net Nonoperating Revenues (Expenses)</b>	<u>(737,531)</u>	<u>(346,883)</u>
<b>Net Loss Before Contributions</b>	<u>(5,124,728)</u>	<u>(1,462,159)</u>
Capital Contributions	7,201,256	-
<b>Change in Net Position</b>	<u>2,076,528</u>	<u>(1,462,159)</u>
Net Position-Beginning of Year	54,071,910	16,448,245
Prior Period Adjustments (Net)	768,569	-
<b>Net Position-End of Year</b>	<u>\$ 56,917,007</u>	<u>\$ 14,986,086</u>

See accompanying notes to the basic financial statements.

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

***CASH FLOWS FROM OPERATING ACTIVITIES:***

Cash Received from Grantor	\$ 51,170,047
Cash Received from Tenants	6,271,750
Cash Received from Misc. Sources	1,593,447
Cash Payments to Employees	(8,699,060)
Cash Payments to Vendors	(19,342,850)
Cash Payments for Rental Assistance	(31,791,039)
<b>Net Cash Used in Operating Activities</b>	<b><u>(797,705)</u></b>

***CASH FLOWS FROM INVESTING ACTIVITIES***

Interest Received	373,042
Redemption/(Purchase) of Investments	6,564
<b>Net Cash Provided by Investing Activities</b>	<b><u>379,606</u></b>

***CASH FLOW FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES***

Capital Grant Funding	6,705,019
Interest Paid on Long Term Debt	(950,042)
Principal Addition/(Retirement) on Long-Term Debt	(4,106,817)
Property and Equipment Purchased	(5,871,132)
<b>Net Cash Used in Financing Activities</b>	<b><u>(4,222,972)</u></b>

**Net Decrease in Cash** **(4,641,071)**

Cash and Cash Equivalents-Beginning of Year 16,059,401

**Cash and Cash Equivalents-End of Year** **11,418,330**

Reconciliation to Cash Accounts:

Cash Equivalents-Unrestricted	10,503,381
Cash Equivalents-Restricted	914,949

**Total Cash Equivalents** **\$ 11,418,330**

See accompanying notes to the basic financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS – CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

***RECONCILIATION OF NET OPERATING LOSS TO CASH  
USED IN OPERATING ACTIVITIES:***

Net Operating Loss	\$ (4,387,197)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:	
Depreciation	3,167,324
Capitalized Costs Charged to Costs of Assets Sold	377,826
Increase/Decrease in Accounts Receivable (Operations)	303,737
Increase/Decrease in Prepaid Expenses	(514,404)
Increase/Decrease in Mortgage Receivable	(356,513)
Increase/Decrease in Other Assets	1,873,471
Increase/Decrease in Pension Asset	(86,842)
Increase/Decrease in Accounts Payable (Operations)	(813,456)
Increase/Decrease in Accounts Payable - Other Governments	53,802
Increase in Wages/Payroll Payable	26,680
Decrease in Compensated Absences	125,346
Decrease in Tenant Security Deposits	(3,863)
Increase in Other Current Liabilities	167,948
Decrease in Unearned Revenue	143,664
Increase in Pension Liabilities	10,379,940
Increase in Deferred Outflows	(4,376,825)
Increase in OPEB Liabilities	314,484
Decrease in Noncurrent Liabilities	(208,197)
Increase in Deferred Inflows	(6,984,630)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (797,705)</b>

See accompanying notes to the basic financial statements.

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

NOTE 1 – REPORTING ENTITY

The financial statements of the Lucas Metropolitan Housing Authority (the “Authority”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for governmental entities. The Governmental Accounting Standards Board (“GASB”) is the governing standard-setting body for establishing governmental accounting and financial reporting standards. The most significant accounting policies of the Authority are described below.

Reporting Entity

The Authority was established under the Ohio Revised Code, Section 3735.27 and applicable federal laws established by the Department of Housing and Urban Development. The Mayor of the City of Toledo appoints the Chairman and the Vice Chairman of the five-member board of commissioners who have governance responsibility over all activities related to the Authority. Lucas County Probate Court appoints the Resident Commissioner. The other two Commissioners are appointed by the Lucas County Board and the Lucas County Court of Common Pleas. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The Authority’s basic financial statements include all organizations, activities, and functions that comprise the Housing Authority. Component units are legally separate entities for which the Housing Authority is financially accountable. The decision to include a component unit in the reporting entity is defined by applying the criteria identified by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 61, *The Financial Reporting Entity: Omnibus*.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Board of Commissioners of the Housing Authority or the component unit provides services entirely to the Housing Authority. These component units are blended into those of the Housing Authority by appropriate activity type to compose the primary government presentation. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Authority. Each component unit has a fiscal year end of December 31.

These financial statements present the Authority and its blended component units; entities for which the Authority is considered to be financially accountable and which serve as the Authority’s instruments to enhance its purpose to build and maintain affordable housing to low- and moderate-income families. All inter-entity balances and transactions are eliminated in the blending of financial statements.



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – REPORTING ENTITY – Continued

Blended Component Units

The *Westridge Apartments Development Corporation* (WADC), was formed in 2006 for the purpose of owning and operating a mixed-income apartment complex. WADC maintains a separate office and staff. The fiscal year end of WADC is December 31, 2023.

*Lucas Housing Services Corporation* was established as a wholly owned non-profit corporation of the Authority in 2013 primarily for the purpose of purchasing and rehabilitating 53 single family dwelling units for subsequent resale to buyers who are unable to obtain conventional mortgages.

Discretely Presented Component Units

*Collingwood Green Phase I, LP*, was established as a wholly owned for-profit corporation which began operations in 2012 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Senior Complex, a 65 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA. Collingwood Green Phase I, LP, is managed by a third party agent and has fiscal year end of December 31, 2023.

*Collingwood Green Phase II, LP*, was established as a wholly owned for-profit corporation which began operations in 2014 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Townhouse Complex, a 66 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA.

*Collingwood Green Phase III, LP*, was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

*Parqwood Apartments, LP*, was established in 2014. This development is the product of the Rental Assistance Demonstration program (RAD) transferring the public housing project to a Project Based Rental Assistance (PBRA) funding stream. Parqwood Apartments, LP, consists of 134 units and is managed by a third party managing agent. The component unit has a fiscal year end of December 31, 2023.

Separate financial statements have been issued for Parqwood Apartments, LP, Collingwood Green Phase I, LP, and Collingwood Green Phase II, LP, and may be requested in writing at the Lucas Metropolitan Housing Authority, P.O. Box 477, Toledo, Ohio, 43697-0477, to the attention of the Chief Financial Officer.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – REPORTING ENTITY – Continued

Government-Wide Financial Statements

The Government-wide financial statements (the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows) report on the Authority as a whole. The statement of revenues, expenses, and the changes in net position demonstrates the degree to which the direct expenses of the Authority’s function are offset by program revenues. Direct expenses are those that are clearly identifiable with the Authority’s function. Program revenues include: 1) tenant revenue, 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of the Authority’s programs, and 3) asset management fees. The statement of cash flows presents changes in cash resulting from operating, financing and investing activities.

This report includes the financial statements of the funds required to be accounted for and those activities and functions that are related to the Authority and are controlled by or depend upon the Authority’s governing body, the Board of Commissioners. The Authority is not included in any other governmental “reporting entity” as defined by GASB Statement No. 14, *The Financial Reporting Entity*.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization’s resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

All of the activities of the Authority are reported as business-type activities as a proprietary fund. These funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority reports its various programs and activities as a single enterprise fund and

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – REPORTING ENTITY – Continued

its primary operations comprised a number of housing and grant programs. A summary of the significant programs administered by the Authority is provided below:

The properties are owned, maintained, and managed by the Authority. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals.

*Public Housing Program* – operates under HUD’s Annual Contributions Contract and consists of the operations of low-rent public housing properties totaling 2,643 units. The purpose of the program is to provide decent, safe, and affordable housing to low-income families at reduced rents.

*Section 8 Program* – consists of different Section 8 housing programs including the Housing Choice Voucher (HCV) Program, Moderate Rehabilitation Program, and Mainstream. The HCV Program provides rental assistance payments on behalf of low-income families to units owned and managed by private landlords. Eligible units total 4,663 units.

*Central Office Cost Center* – consists of a business activity used to account for a fee-for-service model with the charging of management and bookkeeping fees based on rates established by HUD. Fees are charged to the various programs as a fee per unit leased or as a percentage of revenue.

*Grant Programs* - consists of various grants awarded to the Authority used to supplement services provided to residents related to self-sufficiency, resident services, and improvements of neighborhoods.

*Blended Component Units* - The following component units have been blended into the Authority’s overall financial statements:

- *Westridge Apartments Development Corporation (WADC) &*
- *Lucas Housing Services Corporation.*

*Lucas Housing Services Corporation* is a IRS Section 501 (c) (3) corporation formed to provide relief for a community located with a low-income census tract by rehabilitating and improving properties subject to blight and foreclosure.

*Westridge Apartments Development Corporation* is an IRS Section 501 (c) (3) corporation formed for the ownership of Westridge apartments. This project was sold in a previous year. There are very limited assets and activity related to this component unit.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pronouncements that will be effective in fiscal year 2023 include GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 93, Replacement of Interbank Offered Rates, paragraph 11b, and GASB Statement No. 94. GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”, GASB Statement No. 99 “Omnibus 2022”.

GASB Statement No. 100 “Accounting Changes and Error Corrections - an amendment of GASB No. 62”, GASB Statement No. 101, “Compensated Absences” will be implemented after during the fiscal years 2024 and 2025. Management is reviewing these statements to determine the impact they may have on LMHA’s financial statements.

A. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met and qualifying expenditures have occurred. Capital grant funds used to acquire or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met. The principal operating revenues of the Authority’s proprietary funds are tenant rental revenue, government operating grants such as HUD operating grants, and Housing Assistance Payments, since they are used to subsidize rents at Authority-owned properties.

B. Cash and Cash Equivalent

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less at the time of purchase are reported as cash equivalents on the financial statements.

C. Restricted Assets

Restricted cash and investments include assets to be used for debt servicing related to the Capital Fund Financing Program and the Energy Performance Contract, tenant security deposits, excess HAP funding, and Family Self Sufficiency (“FSS”) funds held in escrow for families who successfully fulfill the program requirements.

D. Budget

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes. Budgetary data is not required for financial statement presentation.

E. Investments

Investments are reported at fair value which is based on quoted market prices. For investments in open-end money market mutual funds, fair value is determined by the fund’s current share price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends are included in the statement of revenues, expenses, and changes in net position.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Tenant Receivables and Recognition of Bad Debts

Tenant receivables are stated at net rent amounts. Tenant accounts are generally collectible as long as the tenant is occupying the unit. Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

G. Capital Assets

Capital assets are recorded at cost. Costs in excess of \$5,000 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Donated capital assets are valued at acquisition cost. Capital assets are depreciated using the straight-line method over the following useful lives:

- Buildings and improvements 15-40 years
- Land improvements 10-20 years
- Furniture and fixtures, equipment, and moving vehicles 5-7 years

H. Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, and
- 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Compensated absences are expensed when earned with the amount reported as a liability.

I. Deferred Inflow/Outflow of Resources

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

inflows of resources include pension. Deferred inflows of resources related to pension are reported on the statement of net position.

J. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that have been used 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 Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

K. Operating Revenues and Expenses

An enterprise fund distinguishes 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 an enterprise 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.

L. Capital Contributions

Capital contributions arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

M. Pensions/OPEB Liability

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

N. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Inter-Program Receivables and Payables

During the normal course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “inter-program due from” or “inter-program due to” on the balance sheet. Reimbursements between funds are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund being reimbursed.

Deposits and Investments

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

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

*Inactive deposits* are public deposits that the Authority has identified as not required for use within the current five-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 for immediate use, but which will be needed before the end of the current period of designation of depositories.

NOTE 3 – CASH AND INVESTMENTS

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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 – CASH AND INVESTMENTS - Continued

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days.
4. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution or the Ohio Pooled Collateral System (OPCS).

Deposits

At December 31, 2023, the carrying amount of the Authority's deposits was \$11,418,330 (including \$4,490 of petty cash). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2023, \$16,867,065 of the Authority's bank balance of \$16,867,065 was covered by Federal Depository Insurance and OPCS.

Custodial credit risk 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. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. 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.

Investments

HUD, state statute and board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through 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's investments at December 31, 2023 were as follows:



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 – CASH AND INVESTMENTS - Continued

<u>Investment Type</u>	<u>Fair Value</u>	Investment Maturities (in Years) <u>Less than 1 Year</u>
Government Securities	<u>\$ 1,298,474</u>	<u>\$ 1,298,474</u>

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority’s investment policy has no requirements beyond what the Ohio Revised Code requires.

*Credit Risk* – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has \$1,298,474 of government agency securities that are invested in Federal Treasury Obligations, which are government-sponsored agencies, and of which the principal and interest are implicitly guaranteed by the United States government. The Standard and Poor's credit rating for the Federal Treasury Obligations securities held is AAA.

*Concentration of Credit Risk* – The Authority places no limit on the amount the Authority may invest with one issuer.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable balance consists of the following items as of December 31, 2023. All receivables are considered collectible in full.

<u>Accounts Receivable Item</u>	<u>Amount</u>
Tenants (Net of Allowance, \$458,167)	\$ 614,734
HUD (Operating Grants)	161,366
HUD (Capital Fund)	405,148
HUD (Other Programs)	1,449,392
Other Government Grants Rec.	-
Accrued Interest Receivable	533
Other (Net of Allowance, \$495,256)	<u>1,061,746</u>
Total	<u>\$3,692,919</u>

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5 – NOTES/MORTGAGE RECEIVABLE

(a) Other Than from Blended Component Units

<b>Item</b>	<b>Total Balance at December 31, 2023</b>	<b>Due within one year</b>
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	\$384,829	N/A
The Authority, through LHSC, loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	\$61,995	-----
Collingwood Green Phase 1, L.P. secured a mortgage payable from LMHA-CFFP in the amount of \$4,853,900. The loan carries an interest rate of .1%, with the entire balance of the principal and interest due in 2057. In addition, interest receivable accrued is \$50,432	\$4,853,900	N/A
Collingwood Green Phase 1, L.P. secured a mortgage payable from LMHA in the amount of \$3,170,672. The loan carries an interest rate of .1%, with the entire balance of the principal and interest due in 2062.	\$3,170,672	N/A
A mortgage note payable to LMHA was secured in the amount of \$650,000 bearing an interest rate of 1% by Collingwood Green Phase 2, L.P. The entire balance plus unpaid interest is scheduled to be paid in 2054 or as cash flow permits.	\$650,000	N/A
During 2016, a mortgage was secured payable from Ohio Housing Finance Agency (OHFA) in the amount of \$350,000 for the Collingwood Green II project. The loan is payable to LMHA. The loan carries an interest rate of 2.00% with payments being due in the amount of 50% of net cash flow as defined by the Partnership Agreements beginning in 2016. The entire balance of principal plus accrued interest is due March 1, 2060. A projection of future principal payments has not been presented due to the inability to predict future project cash flows.	\$350,000	----

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5 – NOTES/MORTGAGE RECEIVABLE - Continued

During 2016, Parqwood Apartments, LP, entered into a Housing Development Assistance Program (HDAP) note payable of \$1,000,000. The note bears interest at 2% with payments permitted by cash flows as defined in the Partnership Agreement. The HDAP note payable does not have an amortization schedule, all remaining outstanding principal is due at maturity in 2054.	\$1,000,000	N/A
Parqwood Apartments, L.P. secured a mortgage payable from LMHA in the amount of \$2,994,855. The loan carries an interest rate of .25%, with the entire balance of the principal and interest due in 2064.	\$2,994,855	N/A
Parqwood Apartments, L.P. secured a mortgage payable from LMHA in the amount of \$1,575,000. The loan carries an interest rate of 2.97%, with the entire balance of the principal and interest due in 2064.	\$1,575,000	N/A
Parqwood Apartments, L.P. secured a mortgage payable from LMHA in the amount of \$650,000. The loan carries an interest rate of 1%, with the entire balance of the principal and interest due in 2054.	\$650,000	N/A
Collingwood Green Phase III, LP, entered into a note payable to the Lucas Metropolitan Housing Authority, bearing 1.0%. The entire balance plus the accrued interest is due in November of 2063. The original loan totaled \$400,000.	\$400,000	----
Collingwood Green Phase III, LP, entered into a note payable to the Lucas Metropolitan Housing Authority, bearing 0.50%. The entire balance plus the accrued interest is due in November of 2060. The original loan totaled \$600,000.	\$600,000	----
Collingwood Green Phase III, LP has entered into a loan payable originally totaling \$1,144,344, payable to LMHA, and bearing interest at 0.00% per annum. Principal and interest payments are due and payable from cash flow from the preceding fiscal year (as defined in the Partnership Agreement).	\$1,144,344	----
Collingwood Green Phase III, LP has entered into a note payable originally totaling \$250,000, payable to LMHA, and bearing interest at 3.05% per annum. Principal and interest payments are due and payable from cash flow from the preceding fiscal year (as	\$250,000	----

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5 – NOTES/MORTGAGE RECEIVABLE - Continued

defined in the Partnership Agreement). The entire unpaid principal and accrued interest is due and payable on December 31, 2060.		
Collingwood Green Phase III, LP has entered into a Mortgage payable to Lucas Metropolitan Housing Authority (LMHA), originally totaling \$4,698,787, bearing interest at .50%, compounded annually. The note is payable as income and cash flow (as defined by the Note Agreement) of the Partnership permits. Secured by an “open-end” mortgage and security agreement on the property. The entire balance of principal plus accrued but unpaid interest is due November 19, 2063.	\$4,698,787	----
Total	<u>\$22,784,382</u>	----

(b) Home Mortgages

Through the Lucas Housing Service Corporation, the Authority provides opportunities for qualified individuals to purchase homes by offering soft second mortgages for homes that have been rehabbed by the Authority along with a few first mortgages. As of December 31, 2023, the mortgage receivable balance was \$807,800.

NOTE 6 – RIGHT TO USE LEASE ASSET ACTIVITY

The Authority has recorded right to use assets. The assets are right to use assets for leased equipment. The related leases are discussed in Note 12. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

	<b>Balance at</b>			<b>Balance at</b>
	<b>1/1/23</b>	<b>Increases</b>	<b>Decreases</b>	<b>12/31/23</b>
Right to use assets:				
Leased Equipment	\$ 645,065	\$ 124,355	\$ -	\$ 769,420
Less accumulated amortization for:				
Leased Equipment	<u>\$ (388,353)</u>	<u>\$ (113,050)</u>	<u>\$ -</u>	<u>\$ (501,403)</u>
Right to use assets, net	<u>\$ 256,712</u>	<u>\$ 11,305</u>	<u>\$ -</u>	<u>\$ 268,017</u>

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 is reported in the following table.

	Balance at 1/1/2023	Additions	Retirements	Adjustments	Balance at 12/31/23
Capital assets not being depreciated					
Land	\$ 7,096,850	\$ 608,565	\$ 17,806	\$ -	\$ 7,687,609
Construction in Progress	<u>4,895,641</u>	<u>4,497,124</u>	<u>501,521</u>	<u>-</u>	<u>8,891,244</u>
Total capital assets not being depreciated	<u>11,992,491</u>	<u>5,105,689</u>	<u>519,327</u>	<u>-</u>	<u>16,578,853</u>
Capital assets being depreciated					
Buildings and Improvements	178,178,315	720,843	552,345	-	178,346,813
Furniture and Equipment	<u>1,993,614</u>	<u>44,600</u>	<u>-</u>	<u>-</u>	<u>2,038,214</u>
Total capital assets, being depreciated	<u>180,171,929</u>	<u>765,443</u>	<u>552,345</u>	<u>-</u>	<u>180,385,027</u>
Less Accumulated depreciation for:					
Buildings and Improvements	154,295,827	3,063,633	189,800	(17,637)	157,152,023
Furniture and Equipment	<u>1,654,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,654,172</u>
Total Accumulated Depreciation	<u>155,949,999</u>	<u>3,063,633</u>	<u>189,800</u>	<u>(17,637)</u>	<u>158,806,195</u>
Total capital assets, being depreciated, net	<u>24,221,930</u>	<u>(2,298,190)</u>	<u>362,545</u>	<u>17,637</u>	<u>21,578,832</u>
<b>Net Capital Assets</b>	<b><u>\$ 36,214,421</u></b>	<b><u>\$ 2,807,499</u></b>	<b><u>\$ 881,872</u></b>	<b><u>\$ 17,637</u></b>	<b><u>\$ 38,157,685</u></b>

NOTE 8 – ACCRUED LEAVE

Vacation and sick leave policies are established by agreement between the Authority and the American Federation of State, County and Municipal Employees, AFL-CIO, for members of the bargaining unit, and by personnel policy for management employees not covered by the labor agreement.

For both union and nonunion employees, these agreements provide for two weeks of paid vacation after one year of service, with an additional week for every five years of service thereafter, to a maximum of six weeks per year. Vacation time relating to a maximum of two years of service may be accumulated before it is lost.

For union personnel, the labor agreement provides for sick leave pay to be credited at a rate of eight hours per month, up to a maximum of 249 days. By limiting the use of sick leave during the fiscal year, an employee may receive an incentive bonus, to a maximum of \$500. Nonunion personnel have the same provisions under the personnel policies.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 – ACCRUED LEAVE - Continued

For union personnel, in the event of voluntary termination of employment after 10 consecutive years of service or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 204 days accumulated, with a maximum payout of 102 days).

All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

For employees not covered under the labor agreement, in the event of voluntary termination of employment after five consecutive years of service, or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 249 days accumulated, with a maximum payout of 124.5 days). All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

All employees hired prior to December 1, 2001 became eligible for longevity pay at the end of five years of service, at which time longevity pay begins to accrue from their anniversary date. Union personnel hired on December 1, 2001 and thereafter are not eligible for longevity pay. Union personnel receive longevity pay at tier 1995 pay levels at the rate of 2 percent, 4 percent, 6 percent, and 8 percent for five years, 10 years, 15 years, and 20 years, respectively, of service. All nonunion personnel are eligible for longevity pay and receive longevity pay at their current pay levels at the rate of 1 percent, 2 percent, 3 percent, and 4 percent for five years, 10 years, 15 years, and 20 years, respectively, of service.

At December 31, 2023, \$1,218,411 of vested vacation, sick leave, and longevity was accrued by the Authority for both union and nonunion personnel. Of this amount, \$113,150 is estimated as due within one year as and is reported as a current liability. Non-vested amounts are not material to the financial statements and have not been accrued. A net increase of \$125,346 in the balance accrued at December 31, 2023 compared to December 31, 2022, represents amount earned in 2023 was more than amounts paid out.

Balance as of 1/1/2023	Earned	Taken	Balance as of 12/31/2023	Due within 1 Year
<u>\$ 1,093,065</u>	<u>\$ 644,249</u>	<u>\$ (518,903)</u>	<u>\$ 1,218,411</u>	<u>\$ 113,150</u>

NOTE 9 – UNEARNED REVENUE

The unearned revenue balances reported as current liabilities consist of tenant prepaid rents, unspent funding received from the CFP, EHV, TANF, and Choice Neighborhood programs.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10 – OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities in the amount of \$15,657,283 consist of the following items as of December 31, 2023.

<u>Item</u>	<u>Amount</u>
Lease Liability	33,335
FSS Escrow Liability	454,657

NOTE 11 – DEBT

Changes in long-term debt for the year ended December 31, 2023 are as follows:

<u>Program/Component Unit</u>	<u>Balance as of Jan. 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>	<u>Balance as of Dec. 31, 2023</u>	<u>Due Within 1 Year</u>	<u>Maturity</u>	<u>Interest Rate</u>
<i>Primary Government Housing Authority</i>								
Capital Fund Financing Program - Revenue Bonds, Series 2012	3,345,000	-	3,375,850	30,850	-	-		
Capital Fund Financing Program - Revenue Bonds, Series 2014	3,865,000	-	230,000	-	3,635,000	245,000	Year 2033	5.00%
Capital Lease Payable	5,525,600	-	291,667	-	5,233,933	301,667	Year 2036	4.73%
Premium on Capital Lease	105,342	-	-	-	105,342	-	Year 2036	N/A
Bond Issued - Office Building	5,080,000	-	150,000	-	4,930,000	150,000	Year 2046	2.953%
Notes Payable, Ohio Housing Finance Agency	350,000	-	-	-	350,000	-	Year 2060	2.000%
<i>Lucas Housing Services Corporation (Blended)</i>								
Notes Payable, Local Initiatives Support Corporation (North River Project)	139,552	-	59,389	-	80,163	13,794	Year 2028	5.00%
Notes Payable, Local Initiatives Support Corporation (City Forest Project)	30,760	-	30,760	-	-	-	Year 2028	5.00%
<b>Total Primary Government</b>	<b>18,441,254</b>	<b>-</b>	<b>4,137,666</b>	<b>30,850</b>	<b>14,334,438</b>	<b>710,461</b>		
<i>Discretely Presented Component Units</i>								
<i>Collingwood Green Phase I</i>								
Notes Payable, Lucas Metropolitan Housing Authority	3,170,672	-	-	-	3,170,672	-	Year 2062	0.10%
Notes Payable, Lucas Metropolitan Housing Authority	4,853,900	-	-	-	4,853,900	-	Year 2057	0.10%
<i>Collingwood Green Phase II</i>								
Notes Payable, Ohio Housing Finance Agency	350,000	-	-	-	350,000	-	Year 2060	2.00%
Notes Payable, Ohio Housing Finance Agency	260,216	-	129,052	-	131,164	131,164	Year 2024	2.00%
Notes Payable, Lucas Metropolitan Housing Authority	650,000	-	-	-	650,000	-	Year 2054	1.00%
<i>Parqwood Apartments, LP</i>								
Notes Payable, Lument Capital	1,557,457	-	24,476	-	1,532,981	25,586	Year, 2052	4.45%
Notes Payable, Ohio Housing Finance Agency	750,000	-	-	-	750,000	750,000	Year 2024	0.00%
Notes Payable, Housing Development Assistance Program (HDAP)	1,000,000	-	-	-	1,000,000	N/A	Year 2054	2.00%
Notes Payable, Lucas Metropolitan Housing Authority	2,994,855	-	-	-	2,994,855	-	Year 2064	0.25%
Notes Payable, Lucas Metropolitan Housing Authority	1,575,000	-	-	-	1,575,000	-	Year 2064	2.97%
Notes Payable, Lucas Metropolitan Housing Authority	650,000	-	-	-	650,000	-	Year 2054	1.00%
<i>Collingwood Green Phase III</i>								
Notes Payable, Ohio Housing Finance Agency	564,630	-	88,393	-	476,237	90,603	Year 2028	2.50%
Notes Payable, Ohio Housing Finance Agency	587,674	-	100,644	-	487,030	94,301	Year 2028	2.50%
Notes Payable, Lument Capital	1,953,510	-	18,545	-	1,934,965	29,903	Year 2060	4.98%
Notes Payable, Lucas Metropolitan Housing Authority	4,698,787	-	-	-	4,698,787	-	Year 2063	0.50%
Notes Payable, Lucas Metropolitan Housing Authority	400,000	-	-	-	400,000	-	Year 2063	1.00%
Notes Payable, Lucas Metropolitan Housing Authority	600,000	-	-	-	600,000	-	Year 2060	0.50%
Notes Payable, Lucas Metropolitan Housing Authority	1,144,374	-	-	-	1,144,374	-	N/A	0.00%
Notes Payable, Lucas Metropolitan Housing Authority	250,000	-	-	-	250,000	-	Year 2060	3.05%
<b>Total Discretely Presented Component Units</b>	<b>28,011,075</b>	<b>-</b>	<b>361,110</b>	<b>-</b>	<b>27,649,965</b>	<b>1,121,557</b>		
<b>Total</b>	<b>\$ 46,452,329</b>	<b>\$ -</b>	<b>\$ 4,498,776</b>	<b>\$ 30,850</b>	<b>\$ 41,984,403</b>	<b>\$ 1,832,018</b>		

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 – DEBT - Continued

**Primary Government**

*Public Housing Program*

During 2015, the Authority entered into a capital lease agreement with Grant Capital Management for the development of energy efficiencies within public housing units. The total value of the lease is \$7,105,000, with payments beginning in year 2017 and ending in year 2036. The annual interest rate applicable to the lease is 4.73%.

Year	Principal Due	Interest Due	Total Payments
FY 2024	301,667	255,125	556,792
FY 2025	312,500	244,417	556,917
FY 2026	328,333	228,792	557,125
FY 2027	347,500	212,375	559,875
FY 2028	363,333	195,000	558,333
FY 2029-2033	2,101,667	684,125	2,785,792
FY 2034-2036	1,478,933	141,375	1,620,308
Total	<u>\$ 5,233,933</u>	<u>\$ 1,961,208</u>	<u>\$ 7,195,141</u>

As noted in the underwriting agreement, an original issue premium in the amount of \$276,640 was recorded less a discount of \$124,338 for a net premium amount of \$152,302. The premium is amortized over a 20 year period. The balance reported as of December 31, 2023, is \$105,342.

During 2014, the Authority issued \$5,315,000 of Capital Fund Housing Revenue Bonds, Series 2014, for the development of the Collingwood Green II project. The bonds mature on September 1, 2033, and bear an interest rate of 5.00 percent.

Future minimum principal and interest payments related to the Collingwood Green Phase II, LP Capital Fund Housing Revenue Bonds, Series 2014, are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2024	245,000	181,750	426,750
FY 2025	260,000	169,500	429,500
FY 2026	275,000	156,500	431,500
FY 2027	290,000	142,750	432,750
FY 2028	305,000	128,250	433,250
FY 2029-2033	2,260,000	395,250	2,655,250
Total	<u>\$ 3,635,000</u>	<u>\$ 1,174,000</u>	<u>\$ 4,809,000</u>



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 – DEBT - Continued

*Central Office Building*

During the 2021 fiscal year, the Authority acquired a building to be used as the office headquarters through the issuance of bonds through the Northwest Ohio Bond Fund in the amount of \$5,195,000. The bonds have a term of 25 years ending in 2026. The fixed interest rate is 2.953% with an administrative fee of .5% charged. Pursuant to the PMT program, HUD has approved the acquisition of the building with 34.5% charged to the Public Housing projects and the remainder included in the COCC.

Year	Principal Due	Interest Due	Total Payments
FY 2024	150,000	133,700	283,700
FY 2025	155,833	130,692	286,525
FY 2026	160,000	127,533	287,533
FY 2027	160,833	124,333	285,167
FY 2028	170,000	121,067	291,067
FY 2029-2033	902,500	549,963	1,452,463
FY 2034-2038	1,073,333	412,675	1,486,008
FY 2039-2043	1,283,333	238,000	1,521,333
FY 2044-2046	874,167	44,963	919,129
Total	\$ 4,930,000	\$ 1,882,925	\$ 6,812,925

*Lucas Housing Services Corporation*

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the North River project. The acquisition cost financed was \$115,646. The amount available from the loan is \$520,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 8 years. Upon the sale of a rehabbed home, the Authority agrees to pay \$25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2024	13,794	3,695	17,489
FY 2025	14,500	2,989	17,489
FY 2026	15,242	2,247	17,489
FY 2027	16,022	1,467	17,489
FY 2028	20,605	677	21,281
Total	\$ 80,163	\$ 21,324	\$ 130,982

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 – DEBT - Continued

**Discretely Presented Component Units**

*Collingwood Green Phase 1, L.P.*

Collingwood Green Phase 1, L.P. secured a mortgage payable from LMHA-CFFP in the amount of \$4,853,900. The loan carries an interest rate of .1%, with the entire balance of the principal and interest due in 2057.

Collingwood Green Phase 1, L.P. secured a mortgage payable from LMHA in the amount of \$3,170,672. The loan carries an interest rate of .1%, with the entire balance of the principal and interest due in 2062.

*Collingwood Green Phase 2, L.P.*

A mortgage was secured from Ohio Housing Finance Agency (OHFA) in the amount of \$1,000,000 for the Collingwood Green II Project. The loan carries an interest rate of 2.00%, with payments being due in annual installments, maturing in April of 2024.

Future minimum principal and interest payments related to the Collingwood Green II project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY2024	131,164	2,631	133,795
Total	\$ 131,164	\$ 2,631	\$ 133,795

During 2016, a mortgage was secured payable from Ohio Housing Finance Agency (OHFA) in the amount of \$350,000 for the Collingwood Green II project. The loan carries an interest rate of 2.00% with payments being due in the amount of 50% of net cash flow as defined by the Partnership Agreements beginning in 2016. The entire balance of principal plus accrued interest is due March 1, 2060. A projection of future principal payments has not been presented due to the inability to predict future project cash flows.

A mortgage note payable to LMHA was secured in the amount of \$650,000 bearing an interest rate of 1%. The entire balance plus unpaid interest is scheduled to be paid in 2054 or as cash flow permits.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 – DEBT - Continued

*Collingwood Green Phase III, LP*

Collingwood Green Phase III, LP, entered into a mortgage payable with Lument Capital, LLC to provide financing of the project. The mortgage has an interest rate of 4.98% with required monthly payments of \$9,617.

Year	Principal Due	Interest Due	Total Payments
FY 2024	29,903	85,501	115,404
FY 2025	31,261	84,143	115,404
FY 2026	32,681	82,723	115,404
FY 2027	34,165	81,239	115,404
FY 2028	35,717	79,687	115,404
FY 2029-2033	204,444	372,576	577,020
FY 2034-2038	255,286	321,734	577,020
FY 2039-2043	318,771	258,249	577,020
FY 2044-2048	398,043	178,977	577,020
FY 2049-2053	497,029	79,991	577,020
FY 2054	97,664	2,075	99,740
Total	\$ 1,934,965	\$ 1,626,895	\$ 3,561,860

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling \$105,265 due each on April 15<sup>th</sup> beginning 21 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled \$765,000.

Year	Principal Due	Interest Due	Total Payments
FY 2024	94,301	12,176	106,477
FY 2025	96,659	9,818	106,477
FY 2026	99,075	7,402	106,477
FY 2027	101,552	4,925	106,477
FY 2028	95,442	2,386	97,828
Total	\$ 487,030	\$ 36,706	\$ 523,736

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 – DEBT - Continued

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling \$101,137 due each on April 15<sup>th</sup> beginning in 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled \$735,000.

Year	Principal Due	Interest Due	Total Payments
FY 2024	90,603	11,906	102,509
FY 2025	92,868	9,641	102,509
FY 2026	95,190	7,319	102,509
FY 2027	97,570	4,939	102,509
FY 2028	100,006	2,500	102,506
Total	\$ 476,237	\$ 36,305	\$ 512,542

Collingwood Green Phase III, LP, entered into a note payable to the Lucas Metropolitan Housing Authority, bearing 1.0%. The entire balance plus the accrued interest is due in November of 2063. The original loan totaled \$400,000.

Collingwood Green Phase III, LP, entered into a note payable to the Lucas Metropolitan Housing Authority, bearing 0.50%. The entire balance plus the accrued interest is due in November of 2060. The original loan totaled \$600,000.

Collingwood Green Phase III, LP has entered into a loan payable originally totaling \$1,144,374, payable to LMHA, and bearing interest at 0.00% per annum. Principal and interest payments are due and payable from cash flow from the preceding fiscal year (as defined in the Partnership Agreement).

Collingwood Green Phase III, LP has entered into a note payable originally totaling \$250,000, payable to LMHA, and bearing interest at 3.05% per annum. Principal and interest payments are due and payable from cash flow from the preceding fiscal year (as defined in the Partnership Agreement). The entire unpaid principal and accrued interest is due and payable on December 31, 2060.

Collingwood Green Phase III, LP has entered into a Mortgage payable to Lucas Metropolitan Housing Authority (LMHA), originally totaling \$4,698,787, bearing interest at .50%, compounded annually. The note is payable as income and cash flow (as defined by the Note Agreement) of the Partnership permits. Secured by an “open-end” mortgage and security agreement on the property. The entire balance of principal plus accrued but unpaid interest is due November 19, 2063.

Parqwood Apartments, LP, entered into a first mortgage payable to provide financing for the initial construction of the project. The loan has a balance as of December 31, 2023, in the amount of \$1,532,981. The loan bears an interest rate of 4.45 percent. Fixed monthly payments in the amount of \$7,342 are scheduled until the maturity in 2052.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 11 – DEBT - Continued

Future minimum principal and interest payments related to the Parqwood Apartment, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2024	25,586	67,702	93,288
FY 2025	26,750	66,538	93,288
FY 2026	27,965	65,323	93,288
FY 2027	29,235	64,053	93,288
FY 2028	30,563	62,725	93,288
FY 2029-2033	174,943	291,497	466,440
FY 2034-2038	218,449	247,991	466,440
FY 2039-2043	272,773	193,667	466,440
FY 2044-2048	340,606	125,834	466,440
FY 2049-2053	386,109	41,421	466,440
Total	\$ 1,532,981	\$ 1,226,750	\$ 2,798,640

During 2014, Parqwood Apartments, LP, issued a RTCAP note payable of \$1,500,000 for the development of the Parqwood Apartments project. The interest free loan is payable in four equal installments through August 31, 2024.

Future minimum principal and interest payments related to the Parqwood Apartments, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2024	750,000	-	750,000
Total	\$ 750,000	\$ -	\$ 750,000

During 2016, Parqwood Apartments, LP, entered into a Housing Development Assistance Program (HDAP) note payable of \$1,000,000. The note bears interest at 2% with payments permitted by cash flows as defined in the Partnership Agreement. The HDAP note payable does not have an amortization schedule, all remaining outstanding principal is due at maturity in 2054.

Parqwood Apartments, L.P. secured a mortgage payable from LMHA in the amount of \$2,994,855. The loan carries an interest rate of .25%, with the entire balance of the principal and interest due in 2064.

Parqwood Apartments, L.P. secured a mortgage payable from LMHA in the amount of \$1,575,000. The loan carries an interest rate of 2.97%, with the entire balance of the principal and interest due in 2064.

Parqwood Apartments, L.P. secured a mortgage payable from LMHA in the amount of \$650,000. The loan carries an interest rate of 1%, with the entire balance of the principal and interest due in 2054.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 12 – LEASES

*Equipment Leases*

The Housing Authority has entered into operating lease agreements for the utilization of vehicles. The lease terms range from 36 to 72 months. The following is a schedule by years of future minimum rental payments required under the operating leases as of December 31, 2023.

<b>Schedule of Lease Payments</b>			
Year	Interest	Principal	Total Payments
2024	\$ 8,543	\$ 92,999	\$ 101,541
2025	\$ 5,521	\$ 71,709	\$ 77,229
2026	\$ 2,686	\$ 57,304	\$ 59,990
2027	\$ 884	\$ 29,890	\$ 30,774
2028	\$ 225	\$ 21,708	\$ 21,934
Total	\$ 17,859	\$ 273,609	\$ 291,468

The total lease liability is reported as \$240,274 as a current liability and \$33,335 as a non-current liability.

NOTE 13 – 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.

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

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 – PENSION PLAN – Continued

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 proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

**Plan Description** - Authority employees participate in the Ohio Public Employees’ Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in the OPERS’ traditional plan with a few employees being members of the combined or member-directed plans; therefore, the following disclosure focuses only on the traditional plan. OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirement</b>	<b>Age and Service Requirement</b>	<b>Age and Service Requirement</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 – PENSION PLAN – Continued

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member’s pension benefit is vested upon receipt of the initial benefit payment.

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member’s original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA is 3%. For those retiring on or after January 7, 2013, beginning in 2019, the COLA is based on the average percentage increase in the Consumer Price Index (CPI), capped at 3%.

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

<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	14.00%
Employee	10.00%
<b>2022 Actual Contribution Rates</b>	
Employer:	
Pension	14.00%
Post-Employment Health Care Benefits	0.00%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$1,239,152 for 2023. The full amount was contributed during the year.

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

The net pension liability 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 the contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 – PENSION PLAN – Continued

Item	Traditional	Combined
Current Proportion of the Net Pension Liability	0.0505810%	0.036846%
Proportion of the Net Pension Liability (Prior Measurement Date)	0.0524310%	.045917%
Change in Proportionate Share	(0.001850%)	(.009071%)
Proportionate Share of the Net Pension Liability	\$14,941,649	\$ (86,842)
Proportion of the Net Pension Liability (Current Measurement Date)	0.0505810%	0.036846%
Pension Expense	\$ 692,330	\$ (9,540)

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 501,638	\$ 12,408
Changes of Assumptions	\$ 165,598	\$ -----
Net difference between projected and actual earnings on pension plan investments	\$ 4,290,488	\$ -----
Authority contributions subsequent to the measurement date	\$ 1,213,439	\$ -----
Changes in proportionate share	\$ 396,351	\$ 205,311
Total	\$ 6,565,514	\$ 217,719

The \$1,213,439 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year	Amount
2024	\$ 783,431
2025	\$ 946,943
2026	\$ 1,270,479
2027	\$ 2,108,369
2028	\$ 8,719
2029-2031	\$ 16,418
Total	\$ 5,134,359

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 – PENSION PLAN – Continued

***Actuarial Assumptions - OPERS***

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

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

<u>Actuarial Information</u>	<u>Traditional Plan</u>
Measurement and Valuation Date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75% (includes wage inflation at 2.75%)
Cost of Living Adjustments	Pre - 1/7/13 retirees 3.0% Simple; Post – 1/7/13 retirees 3.0% Simple; through 2023, then 2.05% Simple

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 Notes to Combining Financial Statements Financial Section 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 *Discount Rate* used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 – PENSION PLAN – Continued

projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

***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-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

<b>Authority’s proportionate share of the net pension liability (asset)</b>	<b>1% Decrease (5.9%)</b>	<b>Discount Rate (6.9%)</b>	<b>1% Increase (7.9%)</b>
Traditional Plan	\$ 22,382,093	\$ 14,941,650	\$ 8,752,536
Combined Plan	\$ (45,321)	\$ (86,842)	\$ (119,750)

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.

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

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 – PENSION PLAN – Continued

The table below displays the Board-approved target 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
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%
<b>Total</b>	<b>100.00%</b>	

NOTE 14 - POST EMPLOYMENT BENEFITS

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

The net OPEB liability represents the Authority’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each 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.

*Plan Description –*

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 to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - POST EMPLOYMENT BENEFITS - Continued

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75.

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 the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 4.0 percent during calendar year 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent.

*Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or 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,

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - POST EMPLOYMENT BENEFITS - Continued

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:

Proportionate Share of the OPEB Liability	\$314,484
Proportion of the OPEB Liability (Current Measurement Date)	0.049877%
Proportion of the Net Pension Liability (Prior Measurement Date)	0.053150%
Change in Proportionate Share	(0.003273%)
OPEB Expense	\$(998,226)

**Actuarial Information**

Actuarial Valuation Date

Rolled-Forward Measurement Date

Experience Study

Actuarial Cost Method

Actuarial Assumptions:

    Single Discount Rate                     5.22%

    Investment Rate of Return             6.00%

    Municipal Bond Rate                   4.05%

    Wage Inflation                         2.75%

    Projected Salary Increases           2.75% - 10.75%

    Health Care Cost Trend Rate         5.5% initial, 3.50% ultimate in 2036

**Traditional Plan**

December 31, 2021

December 31, 2022

5 Year Period Ended December 31, 2020

Individual Entry Age normal

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$       -----	\$    78,445
Changes of Assumptions	\$  307,164	\$    25,275
Net difference between expected and actual investment earnings	\$  624,576	\$       -----
Change in proportionate share	\$    46,777	\$      2,097
Total	\$  978,517	\$ (105,817)

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - POST EMPLOYMENT BENEFITS - 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.

A single discount rate of 5.22% 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%. 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the 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.

The following table presents the Authority’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, and the expected net OPEB liability if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate.

<b>Sensitivity of net OPEB Liability to Changes in the Discount Rate</b>			
As of December 31, 2022	1% Decrease (4.22%)	Discount Rate (5.22%)	1% Increase (6.22%)
Employers’ Net OPEB Liability	\$1,070,340	\$314,484	\$(309,237)

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - POST EMPLOYMENT BENEFITS – Continued

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% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, 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% in the most recent valuation.

<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate</b>			
	1% Decrease	Current Health Care Cost Trend Assumption	1% Increase
As of December 31, 2022			
Employers' Net OPEB Liability	\$294,773	\$314,484	\$336,370

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return.

<b>Asset Class</b>	<b>Target Allocation as of Dec. 31, 2022</b>	<b>Weighted Average Long-Term Expected Real Rate of Return</b>
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
<b>Total</b>	<b>100.00%</b>	



**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - POST EMPLOYMENT BENEFITS - Continued

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.

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 15.6% for 2022.

NOTE 15 – OPERATING TRANSFERS

During the 2023 fiscal year, the following adjustments were recorded between programs:

<b>From</b>	<b>To</b>	<b>Amount</b>	<b>Purpose</b>
<b>Operating Transfers</b>			
Capital Fund Program	Public Housing Operations	\$945,814	To transfer funds from BLI Account # 1406 to Operations.
Project-Based Rental Assistance	Parqwood Apartments	\$ 582,404	Reporting only to reflect federal award on the FDS

These transfers have been eliminated in the preparation of the financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 16 – RESTRICTED NET POSITION

A summary of restricted net position as of December 31, 2023 is as follows:

<b>Restriction/Program</b>	<b>Amount</b>
<i><b>Housing Authority</b></i>	
Required Capital Reserves (CFFP Program)	626,391
Required Debt Service Funds (EPC Contract)	242,543
Mainstream 5 Program – HAP Equity	55,436
Pension Asset	86,842
<b>Total Primary Government</b>	<b>1,011,212</b>
<i><b>Discretely Presented Component Units</b></i>	
Collingwood Green Phase I, LP – Operating, Replacement, and ACC Reserves	409,774
Collingwood Green Phase II, LP – Operating, and ACC Reserves	664,947
Collingwood Green Phase III, LP – Construction, and Escrow Funds	640,543
Parqwood Apartments, LP – Escrow, Replacement, and Operating Reserves	559,539
<b>Total Discretely Presented Component Units</b>	<b>\$ 2,274,803</b>

NOTE 17 – CONDENSED FINANCIAL INFORMATION

The following condensed financial information for blended component units of the Authority has been presented for the year ending December 31, 2023.

	<i><b>Condensed Statement of Net Position</b></i>		
	LHSC	Westridge Apartments Dev. Corp.	Total
Current Assets	424,841	6,892	431,733
Non Current Assets	3,553,786	-	3,553,786
Total Assets	3,978,627	6,892	3,985,519
Deferred Outflows of Resources	-	-	-
Current Liabilities	1,790,191	-	1,790,191
Long-Term Liabilities	516,369	-	516,369
Total Liabilities	2,306,560	-	2,306,560
Deferred Inflows of Resources	-	-	-
Net Investment in Capital Assets	2,603,828	-	2,603,828
Restricted Net Position	-	-	-
Unrestricted Net Position	(931,761)	6,892	(924,869)
Total Net Position	\$ 1,672,067	\$ 6,892	\$ 1,678,959

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 17 – CONDENSED FINANCIAL INFORMATION – Continued

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

	LHSC	Westridge Apartments Dev. Corp.	Total
Operating Revenue	697,096	-	697,096
Operating Expenses	898,606	-	898,606
Depreciation Expense	189,239		189,239
Operating income (Loss)	(390,749)	-	(390,749)
Nonoperating revenues (Expenses)	-	-	-
Transfer In	986,161	-	986,161
Transfer Out	-	-	-
Change in Net Position	595,412	-	595,412
Beginning Net Position	1,076,655	6,892	1,083,547
Equity Transfer	-	-	-
Ending Net Position	\$ 1,672,067	\$ 6,892	\$ 1,678,959

*Condensed Statement of Cash Flows*

	LHSC	Westridge Apartments Dev. Corp.	Total
Cash Flows from Operations	\$ (546,586)	\$ 1,835	\$ (544,751)
Noncapital Financing Activities			
Capital and Financing Activities	450,000	-	450,000
Investing Activities	-	-	-
Net Increase (Decrease)	(96,586)	(17)	(96,603)
Beginning Cash Balance	487,358	2,111	489,469
Ending Cash Balance	\$ 390,772	\$ 2,094	\$ 392,866

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 18 – PRIOR PERIOD ADJUSTMENTS**

The Authority recorded the following prior period adjustments:

Item	Amount
To reclassify expenses from the previous year.	(\$257,917)
To correct beginning opening balances for miscellaneous account.	26,486
To remove a non-current liability that was determined to be not payable by the Authority	\$1,000,000
Total	\$ 768,569

**NOTE 19 – RISK MANAGEMENT**

The Authority is exposed to various uncertainties for losses related to intentional and unintentional tort; theft or damage to and destruction of real and personal property, errors and omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the Authority carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in the past.

**NOTE 20 – CONTINGENT LIABILITIES**

The Authority receives significant financial assistance from federal, state, and local agencies in the form of grants and operating subsidies. HUD provided approximately 80% of the Authority’s operating revenue in the current year. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies; therefore, to the extent that the Authority has not complied with rules and regulations governing the grants, if any, refunds of any money received may be required. Management believes there are no significant contingent liabilities relating to compliance with grant rules and regulations.

**NOTE 21 – HUD-HELD RESERVE**

For future use, HUD’s policy is to retain and hold unobligated HAP funds from the Housing Choice Voucher Program for all PHAs that administer the program. Funds can be requested from HUD based on the need and use of providing additional rental assistance payment within staying within the established baseline number of unit months available in the calendar year. The balance in the HUD held reserve is \$2,714.406 at December 31, 2023.

**NOTE 22 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September, 6 2024, the date which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition of disclosure in the financial statements.

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**REQUIRED SUPPLEMENTAL INFORMATION**

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**  
**LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net pension liability	.051%	.052%	.0432%	.0435%	.0456%	.046%	0.047%	0.05%	0.05%	0.05%
Authority's proportionate share of the net pension liability	\$14,854,807	\$4,367,196	\$6,195,561	\$8,440,421	\$12,438,769	\$7,083,177	\$10,744,203	\$8,195,381	\$8,083,379	\$5,754,842
Authority's covered employee payroll	\$8,484,229	\$8,277,297	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	\$6,233,947	\$6,692,267	\$5,837,642	\$5,573,475
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	175.09%	52.76%	75.12%	109.54%	182.22%	102.78%	172.35%	120.79%	138.47%	103.25%
Plan fiduciary net position as a percentage of the total pension liability (Traditional)	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

\* Previous year data was unavailable as 2014 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$1,239,152	\$1,158,791	\$1,155,831	\$1,079,703	\$955,689	\$964,804	\$ 872,753	\$ 936,917	\$ 700,517	\$ 690,417
Contributions in relation to the contractually required contributions	\$1,239,152	\$1,158,791	\$1,155,831	\$1,079,703	\$955,689	\$964,804	\$ 872,753	\$ 936,917	\$ 700,517	\$ 690,417
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----
Authority's covered-employee payroll	\$8,851,086	\$8,277,297	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	\$6,233,947	\$6,692,267	\$5,837,642	\$5,573,475
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.01%	14.01%	14.00%	14.00%	14.00%	14.00%	12.00%	12.00%

\* Previous year data was unavailable as 2013 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information



**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET  
OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the net OPEB liability	.04877%	.05315%	.04507%	.0459%	.0473%	.0480%	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability	\$314,484	\$(1,664,739)	\$101,299	\$6,338,049	\$6,166,903	\$5,212,447	N/A	N/A	N/A	N/A
Authority's covered employee payroll	\$8,851,086	\$8,277,297	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability as a percentage of its covered-employee payroll	3.55%	(20.11)%	1.23%	82.25%	90.34%	75.63%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	N/A	N/A	N/A	N/A

\* Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75.

See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contributions	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	N/A	N/A	N/A	N/A
Authority's covered-employee payroll	\$8,851,086	\$8,277,297	\$8,247,645	\$7,705,424	\$6,826,358	\$6,891,456	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75.

See accompanying Notes to the Required Supplementary Information.

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

NOTE 1 - PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

*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. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

There were no changes in assumptions for 2023.

NOTE 2- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2017-2020.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% to 3.16%, (b) the municipal bond rate was decreased from 3.71% to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initially 3.25%, ultimate in 2029 to 10.50%, initially 3.50% ultimate in 2030.

## **Supplementary Information**

LUCAS METROPOLITAN HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2023

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
<b>Balance Sheet</b>								
111	Cash-unrestricted	7,701,983	1,503,924	920,867	520,213	10,646,987	0	10,646,987
112	Cash-restricted-modernization and development	0	0	0	219,849	219,849	0	219,849
113	<b>Cash-other restricted</b>	<b>0</b>	<b>355,799</b>	<b>0</b>	<b>2,054,900</b>	<b>2,410,699</b>	<b>0</b>	<b>2,410,699</b>
114	Cash-tenant security deposits	264,569	0	0	74,788	339,357	0	339,357
115	<b>Cash - Restricted for payment of current liability</b>	<b>0</b>	<b>278,322</b>	<b>0</b>	<b>0</b>	<b>278,322</b>	<b>0</b>	<b>278,322</b>
100	<b>Total Cash</b>	<b>7,966,552</b>	<b>2,138,045</b>	<b>920,867</b>	<b>2,869,750</b>	<b>13,895,214</b>	<b>0</b>	<b>13,895,214</b>
121	Accounts receivable - PHA projects	0	0	0	0	0	0	0
122	<b>Accounts receivable - HUD other projects</b>	<b>572,839</b>	<b>1,443,067</b>	<b>0</b>	<b>0</b>	<b>2,015,906</b>	<b>0</b>	<b>2,015,906</b>
124	Account receivable - other government	0	0	0	19,991	19,991	0	19,991
125	<b>Account receivable - miscellaneous</b>	<b>6,404</b>	<b>1,006,623</b>	<b>543,975</b>	<b>1,574</b>	<b>1,558,576</b>	<b>0</b>	<b>1,558,576</b>
126	Accounts receivable - tenants	718,103	0	0	130,941	849,044	0	849,044
126.1	Allowance for doubtful accounts - tenants	(129,595)	0	0	(26,227)	(155,822)	0	(155,822)
126.2	Allowance for doubtful accounts - other	0	0	(495,256)	0	(495,256)	0	(495,256)
127	Notes, Loans, & Mortgages Receivable - Current	0	0	0	0	0	0	0
128	Fraud recovery	0	302,345	0	0	302,345	0	302,345
128.1	Allowance for doubtful accounts - fraud	0	(302,345)	0	0	(302,345)	0	(302,345)
129	Accrued interest receivable	0	533	0	0	533	0	533
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>1,167,751</b>	<b>2,450,223</b>	<b>48,719</b>	<b>126,279</b>	<b>3,792,972</b>	<b>0</b>	<b>3,792,972</b>
131	Investments - unrestricted	0	0	0	0	0	0	0
132	<b>Investments - restricted</b>	<b>868,934</b>	<b>0</b>	<b>429,540</b>	<b>0</b>	<b>1,298,474</b>	<b>0</b>	<b>1,298,474</b>
135-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0
135-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0
135-030	Investments - restricted - Other	0	0	0	0	0	0	0
135	<b>Investments - Restricted for payment of current liability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
142	Prepaid expenses and other assets	46,345	2,435,313	280,129	195,164	2,956,951	0	2,956,951
143	Inventories	0	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0
144	Inter program - due from	1,314,763	322,219	1,553,377	4,723	3,195,082	(3,195,082)	0
145	Assets held for sale	0	0	0	0	0	0	0
150	<b>Total Current Assets</b>	<b>11,364,345</b>	<b>7,345,800</b>	<b>3,232,632</b>	<b>3,195,916</b>	<b>25,138,693</b>	<b>(3,195,082)</b>	<b>21,943,611</b>

LUCAS METROPOLITAN HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2023

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
161	Land	6,650,310	11,000	523,086	733,259	7,917,655	0	7,917,655
162	Buildings	167,490,709	559,010	7,546,997	57,269,328	232,866,044	0	232,866,044
163	Furniture, equipment and machinery - dwellings	0	0	0	0	0	0	0
164	Furniture, equipment and machinery - administration	630,103	122,456	1,285,651	1,511,784	3,549,994	0	3,549,994
165	Leasehold improvements	0	0	0	0	0	0	0
166	Accumulated depreciation	(151,728,476)	(534,190)	(5,805,870)	(14,251,699)	(172,320,235)	0	(172,320,235)
167	Construction in progress	8,722,908	0	0	168,336	8,891,244	0	8,891,244
168	Infrastructure	0	0	0	0	0	0	0
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>31,765,554</b>	<b>158,276</b>	<b>3,549,864</b>	<b>45,431,008</b>	<b>80,904,702</b>	<b>0</b>	<b>80,904,702</b>
171	<b>Notes, Loans, &amp; mortgages receivable – Non-current</b>	<b>13,291,156</b>	<b>11,955,614</b>	<b>450,000</b>	<b>869,795</b>	<b>26,566,565</b>	<b>(450,000)</b>	<b>26,116,565</b>
172	<b>Notes, Loans, &amp; mortgages receivable – Non-current - past due</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
173	Grants receivable – Non-current	0	0	0	0	0	0	0
174	<b>Other assets</b>	<b>47,029</b>	<b>31,581</b>	<b>276,249</b>	<b>1,004,416</b>	<b>1,359,275</b>	<b>0</b>	<b>1,359,275</b>
176	<b>Investment in joint venture</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
180	<b>Total Non-current Assets</b>	<b>45,103,739</b>	<b>12,145,471</b>	<b>4,276,113</b>	<b>47,305,219</b>	<b>108,830,542</b>	<b>(450,000)</b>	<b>108,380,542</b>
190	<b>Total Assets</b>	<b>56,468,084</b>	<b>19,491,271</b>	<b>7,508,745</b>	<b>50,501,135</b>	<b>133,969,235</b>	<b>(3,645,082)</b>	<b>130,324,153</b>
200	Deferred Outflow of Resources	2,751,308	1,224,396	3,568,327	0	7,544,031	0	7,544,031
290	<b>Total Assets and Deferred Outflow of Resources</b>	<b>59,219,392</b>	<b>20,715,667</b>	<b>11,077,072</b>	<b>50,501,135</b>	<b>141,513,266</b>	<b>(3,645,082)</b>	<b>137,868,184</b>

LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2023

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
311	Bank overdraft	0	0	0	0	0	0	0
312	Accounts payable <= 90 days	124,770	118,448	96,272	677,411	1,016,901	0	1,016,901
313	Accounts payable > 90 days past due	0	0	0	0	0	0	0
321	Accrued wage/payroll taxes payable	181,032	75,728	406,974	3,799	667,533	0	667,533
322	Accrued compensated absences - current portion	54,111	15,883	43,156	0	113,150	0	113,150
324	Accrued contingency liability	0	0	0	0	0	0	0
325	Accrued interest payable	105,465	25,320	0	98,051	228,836	0	228,836
331	<b>Accounts payable - HUD PHA Programs</b>	<b>3,315</b>	<b>52,671</b>	<b>0</b>	<b>0</b>	<b>55,986</b>	<b>0</b>	<b>55,986</b>
332	Accounts payable - PHA Projects	0	0	0	0	0	0	0
333	Accounts payable - other government	86,825	3,541	876	37,862	129,104	0	129,104
341	Tenant security deposits	264,569	5,500	0	74,788	344,857	0	344,857
342	<b>Unearned revenue</b>	<b>40,786</b>	<b>323,640</b>	<b>0</b>	<b>46,037</b>	<b>410,463</b>	<b>0</b>	<b>410,463</b>
343	<b>Current portion of long-term debt - capital projects/mortgage</b>	<b>597,666</b>	<b>0</b>	<b>99,000</b>	<b>1,135,352</b>	<b>1,832,018</b>	<b>0</b>	<b>1,832,018</b>
344	Current portion of long-term debt - operating borrowings	0	0	0	0	0	0	0
345	Other current liabilities	351,912	91,202	341,163	0	784,277	0	784,277
346	Accrued liabilities - other	0	0	0	43,455	43,455	0	43,455
347	Inter program - due to	76,285	1,457,443	0	1,661,354	3,195,082	(3,195,082)	0
348	<b>Loan liability - current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
310	<b>Total Current Liabilities</b>	<b>1,886,736</b>	<b>2,169,376</b>	<b>987,441</b>	<b>3,778,109</b>	<b>8,821,662</b>	<b>(3,195,082)</b>	<b>5,626,580</b>
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>	<b>10,078,784</b>	<b>0</b>	<b>3,128,825</b>	<b>26,594,776</b>	<b>39,802,385</b>	<b>0</b>	<b>39,802,385</b>
352	Long-term debt, net of current - operating borrowings	0	350,000	0	450,000	800,000	(450,000)	350,000
353	Non-current liabilities - other	168,802	319,190	0	3,013,205	3,501,197	0	3,501,197
354	Accrued compensated absences- Non-current	300,816	130,041	674,404	0	1,105,261	0	1,105,261
355	<b>Loan liability - Non-current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
356	FASB 5 Liabilities	0	0	0	0	0	0	0
357	<b>Accrued Pension and OPEB Liabilities</b>	<b>5,563,911</b>	<b>2,476,071</b>	<b>7,216,151</b>	<b>0</b>	<b>15,256,133</b>	<b>0</b>	<b>15,256,133</b>
350	<b>Total Non-current liabilities</b>	<b>16,112,313</b>	<b>3,275,302</b>	<b>11,019,380</b>	<b>30,057,981</b>	<b>60,464,976</b>	<b>(450,000)</b>	<b>60,014,976</b>
300	<b>Total Liabilities</b>	<b>17,999,049</b>	<b>5,444,678</b>	<b>12,006,821</b>	<b>33,836,090</b>	<b>69,286,638</b>	<b>(3,645,082)</b>	<b>65,641,556</b>
400	<b>Deferred Inflow of Resources</b>	<b>117,993</b>	<b>52,510</b>	<b>153,032</b>	<b>0</b>	<b>323,535</b>	<b>0</b>	<b>323,535</b>
508.4	Net Investment in Capital Assets	21,089,104	158,276	322,039	17,700,880	39,270,299	0	39,270,299
511.4	Restricted Net Position	900,605	69,531	41,076	2,274,749	3,285,961	0	3,285,961
512.4	Unrestricted Net Position	19,112,641	14,990,672	(1,445,896)	(3,310,584)	29,346,833	0	29,346,833
513	<b>Total Equity - Net Assets / Position</b>	<b>41,102,350</b>	<b>15,218,479</b>	<b>(1,082,781)</b>	<b>16,665,045</b>	<b>71,903,093</b>	<b>0</b>	<b>71,903,093</b>
600	<b>Total Liabilities, Deferred Inflow, and Equity - Net Assets</b>	<b>59,219,392</b>	<b>20,715,667</b>	<b>11,077,072</b>	<b>50,501,135</b>	<b>141,513,266</b>	<b>(3,645,082)</b>	<b>137,868,184</b>

LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2023

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
70300	Net tenant rental revenue	5,559,095	0	0	2,554,147	8,113,242	0	8,113,242
70400	Tenant revenue - other	125,009	0	0	23,078	148,087	0	148,087
70500	Total Tenant Revenue	<b>5,684,104</b>	<b>0</b>	<b>0</b>	<b>2,577,225</b>	8,261,329	<b>0</b>	8,261,329
70600	<b>HUD PHA operating grants</b>	<b>16,457,040</b>	<b>34,448,567</b>	<b>0</b>	<b>0</b>	50,905,607	<b>0</b>	50,905,607
70610	Capital grants	7,201,256	0	0	0	7,201,256	0	7,201,256
70710	Management Fee	0	0	2,965,420	0	2,965,420	(2,965,420)	0
70720	Asset Management Fee	0	0	303,000	0	303,000	(303,000)	0
70730	Book-Keeping Fee	0	0	594,158	0	594,158	(594,158)	0
70740	Front Line Service Fee	0	0	3,704,222	0	3,704,222	(3,704,222)	0
70750-010	Other Fees - from PHA Administered Programs	0	0	0	0	0	0	0
70750-020	Other Fees - from Third / Outside Party	0	0	0	0	0	0	0
70750	<b>Other Fees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
70700	<b>Total Fee Revenue</b>	<b>0</b>	<b>0</b>	<b>7,566,800</b>	<b>0</b>	7,566,800	<b>(7,566,800)</b>	0
70800	Other government grants	0	195,135	0	0	195,135	0	195,135
71100	<b>Investment income - unrestricted</b>	<b>4,899</b>	<b>56,083</b>	<b>1,028</b>	<b>10,903</b>	72,913	<b>0</b>	72,913
71200	Mortgage interest income	86,204	158,024	0	0	244,228	0	244,228
71300	Proceeds from disposition of assets held for sale	172,000	0	0	836,654	1,008,654	0	1,008,654
71310	Cost of sale of assets	(158,080)	0	0	(775,189)	(933,269)	0	(933,269)
71400	<b>Fraud recovery</b>	<b>0</b>	<b>5,567</b>	<b>0</b>	<b>0</b>	5,567	<b>0</b>	5,567
71500	Other revenue	392,354	270,520	265,641	958,075	1,886,590	(104,312)	1,782,278
71600	Gain or loss on disposition of capital assets	0	0	0	0	0	0	0
72000	<b>Investment income - restricted</b>	<b>61,291</b>	<b>0</b>	<b>18,843</b>	<b>0</b>	80,134	<b>0</b>	80,134
70000	<b>Total Revenue</b>	<b>29,901,068</b>	<b>35,133,896</b>	<b>7,852,312</b>	<b>3,607,668</b>	76,494,944	<b>(7,671,112)</b>	68,823,832
91100	Administrative salaries	741,719	1,261,253	2,774,638	401,020	5,178,630	0	5,178,630
91200	Auditing fees	65,567	21,626	375	45,195	132,763	0	132,763
91300	<b>Management Fee</b>	<b>2,322,232</b>	<b>593,340</b>	<b>0</b>	<b>228,217</b>	3,143,789	<b>(2,965,420)</b>	178,369
91310	Book-Keeping Fee	223,321	370,837	0	0	594,158	(594,158)	0
91400	Advertising and Marketing	46,938	9,118	10,012	15,377	81,445	0	81,445
91500	Employee benefit contributions - administrative	142,980	1,287,755	1,880,001	56,922	3,367,658	0	3,367,658
91600	Office Expenses	198,146	235,932	560,343	197,512	1,191,933	(160,475)	1,031,458
91700	Legal Expense	40,043	20,985	57,529	10,925	129,482	(74,402)	55,080
91800	Travel	3,052	0	5,545	0	8,597	0	8,597
91810	Allocated Overhead	0	0	0	0	0	0	0
91900	Other	1,085,562	746,502	547,548	36,240	2,415,852	(761,283)	1,654,569
91000	<b>Total Operating-Administrative</b>	<b>4,869,560</b>	<b>4,547,348</b>	<b>5,835,991</b>	<b>991,408</b>	16,244,307	<b>(4,555,738)</b>	11,688,569
92000	Asset Management Fee	303,000	0	0	0	303,000	(303,000)	0



LUCAS METROPOLITAN HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2023

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
92100	Tenant services - salaries	0	506,006	352,670	0	858,676	0	858,676
92200	Relocation Costs	44,220	0	0	0	44,220	0	44,220
92300	Employee benefit contributions - tenant services	0	47,197	134,685	0	181,882	0	181,882
92400	Tenant services - other	751,408	382,002	39,510	0	1,172,920	(697,559)	475,361
92500	<b>Total Tenant Services</b>	<b>795,628</b>	<b>935,205</b>	<b>526,865</b>	<b>0</b>	<b>2,257,698</b>	<b>(697,559)</b>	<b>1,560,139</b>
93100	Water	1,849,474	6,785	19,775	218,522	2,094,556	0	2,094,556
93200	Electricity	1,095,222	30,477	93,727	82,248	1,301,674	0	1,301,674
93300	Gas	801,231	8,079	27,188	49,081	885,579	0	885,579
93400	Fuel	0	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0	0
93600	Sewer	0	0	0	49,085	49,085	0	49,085
93700	Employee benefit contributions - utilities	0	0	0	0	0	0	0
93800	Other utilities expense	0	0	0	0	0	0	0
93000	<b>Total Utilities</b>	<b>3,745,927</b>	<b>45,341</b>	<b>140,690</b>	<b>398,936</b>	<b>4,330,894</b>	<b>0</b>	<b>4,330,894</b>
94100	Ordinary maintenance and operations - labor	1,966,883	0	495,561	243,006	2,705,450	0	2,705,450
94200	Ordinary maintenance and operations - materials and other	838,879	7,320	246,963	54,146	1,147,308	0	1,147,308
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>4,756,566</b>	<b>68,168</b>	<b>146,508</b>	<b>786,037</b>	<b>5,757,279</b>	<b>(822,279)</b>	<b>4,935,000</b>
94500	Employee benefit contribution - ordinary maintenance	487,379	0	318,215	16,203	821,797	0	821,797
94000	<b>Total Maintenance</b>	<b>8,049,707</b>	<b>75,488</b>	<b>1,207,247</b>	<b>1,099,392</b>	<b>10,431,834</b>	<b>(822,279)</b>	<b>9,609,555</b>
95100	Protective services - labor	0	0	638,576	0	638,576	0	638,576
95200	Protective services - other contract costs	1,364,365	24,134	38,562	30,085	1,457,146	(1,292,536)	164,610
95300	Protective services - other	0	0	0	0	0	0	0
95500	Employee benefit contributions - protective services	0	0	206,541	0	206,541	0	206,541
95000	<b>Total Protective Services</b>	<b>1,364,365</b>	<b>24,134</b>	<b>883,679</b>	<b>30,085</b>	<b>2,302,263</b>	<b>(1,292,536)</b>	<b>1,009,727</b>
96110	Property Insurance	797,298	11,944	3,893	119,584	932,719	0	932,719
96120	Liability Insurance	195,326	8,141	9	92,718	296,194	0	296,194
96130	Workmen's Compensation	54,278	0	46,022	4,422	104,722	0	104,722
96140	All other Insurance	68,809	7,410	50,053	1,631	127,903	0	127,903
96100	<b>Total Insurance Premiums</b>	<b>1,115,711</b>	<b>27,495</b>	<b>99,977</b>	<b>218,355</b>	<b>1,461,538</b>	<b>0</b>	<b>1,461,538</b>
96200	Other general expenses	479,396	90,659	213,850	176,173	960,078	0	960,078
96210	Compensated absences	243,790	56,355	344,104	0	644,249	0	644,249
96300	Payments in lieu of taxes	178,827	4,213	14,117	122,592	319,749	0	319,749
96400	Bad debt - tenant rents	579,391	0	0	54,943	634,334	0	634,334
96500	Bad debt - mortgages	0	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0	0
96000	<b>Total Other General Expenses</b>	<b>1,481,404</b>	<b>151,227</b>	<b>572,071</b>	<b>353,708</b>	<b>2,558,410</b>	<b>0</b>	<b>2,558,410</b>
96710	Interest of Mortgage (or Bonds) Payable	637,656	0	177,011	382,898	1,197,565	0	1,197,565
96720	Interest on Notes Payable (Short and Long Term)	39,896	0	0	0	39,896	0	39,896
96730	Amortization of Bond Issue Costs	0	0	0	9,359	9,359	0	9,359
96700	<b>Total Interest Expense and Amortization Cost</b>	<b>677,552</b>	<b>0</b>	<b>177,011</b>	<b>392,257</b>	<b>1,246,820</b>	<b>0</b>	<b>1,246,820</b>
96900	<b>Total Operating Expenses</b>	<b>22,402,854</b>	<b>5,806,238</b>	<b>9,443,531</b>	<b>3,484,141</b>	<b>41,136,764</b>	<b>(7,671,112)</b>	<b>33,465,652</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>7,498,214</b>	<b>29,327,658</b>	<b>(1,591,219)</b>	<b>123,527</b>	<b>35,358,180</b>	<b>0</b>	<b>35,358,180</b>

LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2023

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
97100	Extraordinary maintenance	6,216	0	0	0	6,216	0	6,216
97200	Casualty losses- Non-capitalized	530,367	0	0	0	530,367	0	530,367
97300	<b>Housing assistance payments</b>	<b>0</b>	<b>29,365,758</b>	<b>0</b>	<b>0</b>	<b>29,365,758</b>	<b>0</b>	<b>29,365,758</b>
97350	<b>HAP Portability-in</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
97400	Depreciation expense	2,669,933	37,267	157,835	1,976,435	4,841,470	0	4,841,470
97500	Fraud losses	0	0	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0	0	0
90000	<b>Total Expenses</b>	<b>25,609,370</b>	<b>35,209,263</b>	<b>9,601,366</b>	<b>5,460,576</b>	<b>75,880,575</b>	<b>(7,671,112)</b>	<b>68,209,463</b>
10010	Operating transfer in	945,814	0	0	0	945,814	(945,814)	0
10020	Operating transfer out	(945,814)	0	0	0	(945,814)	945,814	0
10030	<b>Operating transfers from / to primary government</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10040	Operating transfers from / to component unit	0	0	0	0	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0	0
10080	Special items, net gain/loss	0	0	0	0	0	0	0
10091	Inter Project Excess Cash Transfer In	0	0	0	0	0	0	0
10092	Inter Project Excess Cash Transfer Out	0	0	0	0	0	0	0
10093	Transfers between Programs and Projects - in	0	0	0	0	0	0	0
10094	Transfers between Programs and Projects - out	0	0	0	0	0	0	0
10100	<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>4,291,698</b>	<b>(75,367)</b>	<b>(1,749,054)</b>	<b>(1,852,908)</b>	<b>614,369</b>	<b>0</b>	<b>614,369</b>
11020	Required Annual Debt Principal Payments	3,948,517	0	99,000	243,677	4,291,194	0	4,291,194
11030	Beginning equity	37,102,774	15,219,316	666,273	17,531,792	70,520,155	0	70,520,155
11040	<b>Prior period adjustments, equity transfers, and correction of</b>	<b>(292,122)</b>	<b>74,530</b>	<b>0</b>	<b>986,161</b>	<b>768,569</b>	<b>0</b>	<b>768,569</b>
11170	<b>Administrative Fee Equity</b>	<b>0</b>	<b>1,300,306</b>	<b>0</b>	<b>0</b>	<b>1,300,306</b>	<b>0</b>	<b>1,300,306</b>
11180	<b>Housing Assistance Payments Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
11190	<b>Unit Months Available</b>	<b>30591</b>	<b>58,416</b>	<b>0</b>	<b>0</b>	<b>89,007</b>	<b>0</b>	<b>89,007</b>
11210	<b>Unit Months Leased</b>	<b>29924</b>	<b>49,441</b>	<b>0</b>	<b>0</b>	<b>79,365</b>	<b>0</b>	<b>79,365</b>
11270	<b>Excess Cash</b>	<b>6,774,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,774,548</b>	<b>0</b>	<b>6,774,548</b>
11610	Land Purchases	0	0	0	0	0	0	0
11620	Building Purchases	4,047,392	0	0	0	4,047,392	0	4,047,392
11630	Furniture & Equipment-Dwelling Purchases	0	0	0	0	0	0	0
11640	Furniture & Equipment-Administrative Purchases	44,600	0	0	0	44,600	0	44,600
11650	Leasehold Improvements Purchases	0	0	0	0	0	0	0
11660	Infrastructure Purchases	0	0	0	0	0	0	0
13510	CFFP Debt Service Payments	3,109,264	0	0	0	3,109,264	0	3,109,264
13901	Replacement Housing Factor Funds	0	0	0	0	0	0	0

## **SINGLE AUDIT REPORT**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Toledo, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Lucas Metropolitan Housing Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Lucas Metropolitan Housing Authority's basic financial statements, and have issued our report thereon dated September 6, 2024. Our report includes a reference to other auditors who audited the financial statements of Collingwood Green Phase I LP, Collingwood Green Phase II LP, Collingwood Green Phase III LP and Parqwood Apartments LP. The financial statements of Collingwood Green Phase I LP and Collingwood Green Phase II LP were not audited in accordance with Government Auditing Standards.

**Report Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lucas Metropolitan Housing 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lucas Metropolitan Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Lucas Metropolitan Housing 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be material weaknesses.

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

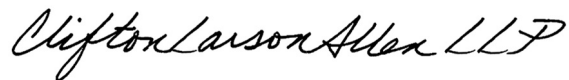
As part of obtaining reasonable assurance about whether Lucas Metropolitan Housing's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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*.

### **Lucas Metropolitan Housing Authority's Response to Findings**

*Government Auditing Standards* required the auditor to perform limited procedures on Lucas Metropolitan Housing Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Lucas Metropolitan Housing Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Maumee, Ohio  
September 6, 2024



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

Board of Trustees  
Lucas Metropolitan Housing Authority  
Toledo, Ohio

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

***Opinion on Each Major Federal Program***

We have audited Lucas Metropolitan Housing Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lucas Metropolitan Housing Authority's major federal programs for the year ended December 31, 2023. Lucas Metropolitan Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

**Other Matter – Federal Expenditures Not Included in the Compliance Audit**

The Authority’s basic financial statements include the operations of discretely presented component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2023. Our audit, described below, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance.

**Responsibilities of Management for Compliance**

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 Lucas Metropolitan Housing Authority’s federal programs.

**Auditors’ 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 Lucas Metropolitan Housing 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 Lucas Metropolitan Housing Authority’s compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lucas Metropolitan Housing 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 Lucas Metropolitan Housing 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 Lucas Metropolitan Housing 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Lucas Metropolitan Housing Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lucas Metropolitan Housing Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***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 a 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 Auditors' 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Maumee, Ohio  
September 6, 2024



**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development Direct Programs (HUD)</b>				
Direct Awards:				
Public and Indian Housing	14.850	N/A	\$ -	\$ 14,564,108
Community Development Block Grant	14.218	N/A	-	667,553
Residence Opportunity and Supporting Services - Service Coordinators	14.870	N/A	-	114,378
Public Housing Capital Fund Program	14.872	N/A	-	9,094,188
Jobs Plus Initiative Program	14.895	N/A	-	366,162
Choice Neighborhoods	14.889	N/A	-	239,166
Family Self-Sufficiency Program	14.896	N/A	-	180,550
Housing Voucher Cluster:				
Housing Choice Cluster	14.871	N/A	-	30,513,332
Emergency Housing Voucher	14.871	N/A	-	1,034,051
Mainstream Vouchers	14.879	N/A	-	1,049,779
Total Housing Voucher Cluster			-	32,597,162
Section 8 Project-Based Cluster:				
Lower Income Housing Assistance Program	14.856	N/A	-	283,596
Total Section 8 Project-Based Cluster			-	283,596
Total U.S. Department of Housing and Urban Development				
			-	58,106,863
<b>U.S. Department of Health and Human Services</b>				
Passed Through the Summit County Department of Jobs and Family Services:				
Temporary Assistance for Needy Families	93.558	N/A	-	122,911
Total U.S. Department of Health and Human Services			-	122,911
Total Expenditures of Federal Awards				
			\$ -	\$ 58,229,774

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the Lucas Metropolitan Housing Authority (the Authority) for the year ended December 31, 2023. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 INDIRECT COST RATE**

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

**NOTE 4 NONCASH FEDERAL ASSISTANCE**

The Authority did not receive any noncash federal assistance for the year ended December 31, 2023.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified?   x   yes            no
  - Significant deficiency(ies) identified?            yes   x   none reported
3. Noncompliance material to financial statements noted?            yes   x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?            yes   x   no
  - Significant deficiency(ies) identified?            yes   x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            yes   x   no

**Identification of Major Federal Programs**

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
14.871/14.879	Housing Choice Voucher Cluster
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,746,893</u>
Auditee qualified as low-risk auditee?	<u>  x  </u> yes <span style="margin-left: 100px;"><u>          </u> no</span>

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2023**

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***Section II – Financial Statement Findings***

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**2023 – 001    Financial Reporting**

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** The Authority does not have a policy in place to provide reasonable assurance that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal control.

**Criteria or specific requirement:** Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

**Effect:** The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

**Cause:** The organization has not adopted policies to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

The following deficiency was noted:

The primary government's Debt was overstated by \$1,000,000 as the debt was both recorded on the authority's books as well as Collingwood Green Phase II, LLP's financial statements.

**Recommendation:** The organization should evaluate their financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of the annual financial statements are prepared in accordance with U.S. GAAP. Failure to accurately post and disclose financial activity can lead to material misstatements in financial reporting and increases the risk of errors and/or fraud.

**Views of responsible officials:** There is no disagreement with the audit finding.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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## Lucas Metropolitan Housing

424 Jackson St.  
Toledo, Ohio 43697-0477  
419-259-9400 Fax 419-259-9494  
TRS: Dial 711  
[www.lucasmha.org](http://www.lucasmha.org)

U.S. Department of Housing and Urban Development

The Lucas County Metropolitan Housing Authority (the Authority) respectfully submits the following corrective action plan for the year ended December 31, 2023.

Audit period: January 1, 2023, through December 31, 2023

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

#### **MATERIAL WEAKNESS**

U.S. Department of Housing and Urban Development

2023-001 Financial Reporting

Recommendation: The organization should evaluate their financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of the annual financial statements are prepared in accordance with U.S. GAAP. Failure to accurately post and disclose financial activity can lead to material misstatements in financial reporting and increases the risk of errors and/or fraud.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Lucas County Metropolitan Housing Authority (LMHA) Finance Department will implement additional controls to ensure the validity of all debts in the Financial Statements. Additional controls may include debt confirmations, review of loan documents, and the like.

Name(s) of the contact person(s) responsible for corrective action: Shimeako Cole

Planned completion date for corrective action plan: December 31, 2024

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Shimeako Cole at (419) 259-9526.

# OHIO AUDITOR OF STATE KEITH FABER



**LUCAS METROPOLITAN HOUSING AUTHORITY**

**LUCAS 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 11/7/2024**

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

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