DELAWARE METROPOLITAN HOUSING AUTHORITY

Delaware County

Single Audit

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Trustees
Delaware Metropolitan Housing Authority
222 Curtis Street
Delaware, Ohio 43015

We have reviewed the *Independent Auditor's Report* of the Delaware Metropolitan Housing Authority, Delaware County, prepared by Kevin L. Penn, Inc, for the audit period October 1, 2023 through September 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 02, 2025

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DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE, OHIO

Table of Content

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Independent Auditor's Report

Delaware Metropolitan Housing Authority
Delaware County
222 Curtis Street
Delaware, Ohio 43015

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the business-type activities, of the Delaware Metropolitan Housing Authority, Delaware County, Ohio, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Delaware Metropolitan Housing Authority's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Delaware Metropolitan Housing Authority, Delaware County, Ohio as of September 30, 2024, and the respective changes in financial position and, cash flows thereof and for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am required to be independent of the Delaware Metropolitan Housing Authority, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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,* I

- 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 Delaware Metropolitan Housing 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Delaware Metropolitan Housing Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delaware Metropolitan Housing Authority's basic financial statements. The Supplemental Financial Data Schedules and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 7, 2025, on my consideration of the Delaware Metropolitan Housing Authority's internal control over financial reporting and my 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 my 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 Delaware Metropolitan Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delaware Metropolitan Housing Authority's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.
Cleveland, Ohio

March 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 12)

FINANCIAL HIGHLIGHTS

- During FY 2024, the Authority's net position increased by $117,679. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net positions were $487,834 and $605,513 for FY 2023 and FY 2024 respectively.

- The revenue decreased by $66,623 during FY 2024 and was $3,422,511 and $3,355,888 for FY 2023 and FY 2024 respectively.

- Total expenses decreased by $32,813 during FY 2024 and were $3,271,022 and $3,238,209 for FY 2023 and FY 2024 respectively.

USING THIS ANNUAL REPORT

The Report includes the following sections:

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

The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide). The Authority operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Authority - Wide Financial Statements

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

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

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

Investment in Capital Assets: This component of Net Position consists of all Capital Assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any outstanding debt.

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

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Position Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position".

The Authority – wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as Grant Revenue, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as investment income and interest expense.

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

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

Fund Financial Statements

The Authority is accounted for as an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

The funds maintained by the Authority are required by the Department of Housing and Urban Development.

The Authority's Programs

Business Type Funds

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

Other Programs - In addition to the major funds above, the Authority also maintains other grant programs. The only other activity the Authority is involved with is listed below.

Business Activities – represents non-HUD resources developed from a variety of activities.

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Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year.

Table 1 - Condensed Statement of Net Position Compared to Prior Year

	2024	2023
Current and Other Assets	$ 837,165	$ 699,822
Capital Assets	11,713	21,569
Total Assets	848,878	721,391
Deferred Outflows of Resources	110,508	138,208
Total Assets and Deferred Outflows of Resources	$ 959,386	$ 859,599
Current Liabilities	$ 20,511	$ 11,445
Long-Term Liabilities	314,235	357,825
Total Liabilities	334,746	369,270
Deferred Inflows of Resources	19,127	2,495
Total Liabilities and Deferred Inflows of Resources	353,873	371,765
Net Position:		
Net Investment in Capital Assets	5,418	12,332
Restricted Net Position	52,298	30,598
Unrestricted Net Position	547,797	444,904
Total Net Position	605,513	487,834
Total Liabilities, Deferred Inflows and Net Position	$ 959,386	$ 859,599

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

Major Factors Affecting the Statement of Net Position

Current and other assets increased by $137,343 in fiscal year 2024, primarily due to current year Net Income. Changes to deferred outflows/inflows, net OPEB asset and net pension liability were the result of GASB 68 and GASB 75 entries for fiscal year 2024 to reflect balances and activity in OPERS, the Ohio retirement system.

Capital assets decreased $9,856 in 2024, the result of current depreciation on fixed assets. For more detail see "Capital Assets and Debt Administration" Tables 4 and 5 of the Management's Discussion and Analysis and Note 4 – Capital Assets.

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted and Restricted Net Position provides a clearer change in financial well-being.

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

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net position as of 9/30/2023		$ 444,904
Results of Operations	117,679	
Adjustments:		
Depreciation and Amortization (1)	9,856	
Adjusted Results from Operations		127,535
Reduction in Restricted Net Position and Other Changes		(24,642)
Unrestricted Net position as of 9/30/2024		$547,797

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

CHANGE OF RESTRICTED NET POSITION

Restricted Net position as of 9/30/2023		$ 30,598
Results of Operations		
HAP reserves accumulated	21,700	
Adjusted Results from Operations		21,700
Restricted Net position as of 9/30/2024		$ 52,298

The following table reflects the condensed Statement of Revenues, Expenses and Changes in Net position compared to prior year.

Table 3 - Statement of Revenue, Expenses & Changes in Net Position

	2024	2023
Revenues		
Operating Grants	$ 3,219,693	$ 3,323,336
Investment Income	29,945	1,264
Other Revenues	106,250	97,911
Total Revenues	**3,355,888**	**3,422,511**
Expenses		
Administrative	352,067	333,326
Maintenance	-	1,116
General and Insurance	22,769	14,479
Housing Assistance Payments	2,853,161	2,911,640
Interest Expense	356	485
Depreciation and Amortization	9,856	9,976
Total Expenses	**3,238,209**	**3,271,022**
Net Increases (Decreases)	117,679	151,489
Beginning net position	487,834	336,345
Total net position - ending	**$ 605,513**	**$ 487,834**

Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Position

HUD PHA Grants for FY2024 decreased by $103,643 due to HUD funding reductions.

Housing Assistance Payments Expense in FY24 decreased by $58,479. Salaries increased slightly. Other expenses were relatively constant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2024, the Authority had $11,713 invested in capital assets as reflected in the following schedule, which represents a net change due to current year additions, and depreciation.

Table 4 - Condensed Statement of Changes in Capital Assets

	2024	2023
Land	$	$
Building and Improvement	1,192	1,192
Furniture & Equipment	51,506	51,506
Vehicles	24,900	24,900
Accumulated Depreciation	(65,885)	(56,029)
Total	$ 11,713	$ 21,569

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes to the financial statements:

Table 5 - Changes in Capital Assets

Beginning Balance	$ 21,569
Current year Additions	-0-
Current year Depreciation Expense	(9,856)
Ending Balance	$ 11,713

Debt Outstanding

The debt outstanding as of September 30, 2024 consisted of lease obligations. See Note 10 for more information regarding leases.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the demand for housing assistance.
- Inflationary pressure on utility rates, supplies and other costs.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Lisa Wellhausen, Executive Director the Delaware Metropolitan Housing Authority, at 567-409-9106.

DELAWARE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current Assets		
Cash and Cash Equivalents - Unrestricted (Note 2)	$	775,538
Accounts Receivable - Fraud Recovery		9,974
Allowance for Doubtful Accounts		(9,974)
Accounts Receivable - Other Government		58
Prepaid Expenses		453
Total Current Assets		776,049
Non-Current Assets		
Restricted Cash (Note 2)		52,298
Non-Current Assets		
Depreciable Capital Assets - (Note 4)		5,796
Right of Use Assets - Lease		14,794
Accumulated Amortization - Lease		(8,877)
Total Capital Assets		11,713
Other Assets		8,818
Total Non-Current Assets		
Deferred Outflow of Resources		
Net Pension Liability		102,942
Net OPEB Liability		7,566
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$	959,386

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

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

Current Liabilities		
Accounts Payable	$	13,333
Accrued Compensated Absences		4,101
Lease Liability - Current Portion		3,077
Total Current Liabilities		20,511
Non-Current Liabilities		
Net Pension Liability		274,109
Lease Liability - Less Current Portion		3,218
Accrued Compensated Absences		36,908
Total Non-Current Liabilities		314,235
Total Liabilities	$	334,746
Deferred Inflow of Resources		
Net Pension Liability - (Note 5)	$	14,082
Net OPEB Liability - (Note 6)		5,045
Total Deferred Inflow of Resources	$	19,127
Net Position		
Net Investment in Capital Assets	$	5,418
Restricted		52,298
Unrestricted		547,797
Total Net Position	$	605,513
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$	959,386

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

DELAWARE METROPOLITAN HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Operating Revenue:	
HUD Operating Subsidies and Grants	$ 3,219,693
Fraud Recovery	19,086
Other Revenue	87,164
Total Operating Revenue	3,325,943
Operating Expenses:	
Housing Assistance Payments	2,853,161
Administrative	352,067
General and Insurance	22,769
Depreciation and Amortization	9,856
Total Operating Expenses	3,237,853
Operating Income (Loss)	88,090
Non-Operating Revenues (Expenses)	
Interest Revenue	29,945
Interest Expense	(356)
Total Non-Operating Revenues (Expenses)	29,589
Change in Net Position	117,679
Net Position - Beginning of Year	487,834
Net Position - End of Year	$ 605,513

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

DELAWARE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Cash Flows From Operating Activities:	
Cash received from HUD operating subsidies and grants	$ 3,219,693
Cash received from other revenue	111,045
Cash payments for housing assistance	(2,853,161)
Cash payments for operating expenses	(370,921)
Net Cash Provided (Used) by Operating Activities	106,656
Cash Flows From Investing Activities:	
Interest Income	29,945
Net Cash Provided (Used) by Investing Activities	29,945
Cash Flows From Financing Activities:	
Principal paid on Lease	(2,942)
Interest paid on Lease	(356)
Net Cash Provided (Used) by Capital and Related Activities	(3,298)
Net Cash (Decrease) in Cash and Cash Equivalents	133,303
Cash and Cash Equivalents - Beginning of Year	694,533
Cash and Cash Equivalents - End of Year	$ 827,836
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:	
Operating Income (Loss)	$ 88,090
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:	
Depreciation and Amortization	9,856
Accounts Receivable	4,795
Prepaid Expenses	(17)
Other Assets	(8,818)
Deferred Outflow of Resources	27,700
Increase (decrease) in:	
Accounts Payable	9,811
Compensated Absences	(8,801)
Other Liabilities	(2,553)
Accrued Pension	(30,039)
Deferred Inflow of Resources	16,632
Net Cash Provided (Used) by Operating Activities	$ 106,656

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the 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 accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis of Presentation

The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.
The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.
Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used for any activity for which a fee is charged to external users for goods and services.

Excluded Entity

The Authority leases office space from the Hidden Ridge Limited Partnership for $1 per year. The terms of the lease are described in Note 9.

Fund Accounting

The Authority uses a proprietary fund to report on its financial position and the results of its operations for the Section 8 Housing Choice Voucher and other programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Proprietary Fund Types:

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

Enterprise Fund — The Authority is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Authority are included on the statement of Net Position. The statement of revenues, expenses and changes in Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in total Net Position. The statement of cash flows provides information about how the Authority finances and meets cash flow needs.

The Authority accounts for operations that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

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.

Description of Programs

The Authority uses a single enterprise fund to maintain its financial records on the accrual basis. The following are the various major programs which are included in the enterprise fund:

> Housing Choice Voucher Program (HCV) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Authority subsidizes the balance.

Use of Estimates

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

Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash and Investments

Restricted cash and investments represent amounts received from HUD to be used strictly for providing housing assistance to families and individuals in need and funds needed for current liabilities. As of September 30, 2024 total restricted cash was $52,298.

Accounts Receivable-Net

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. The allowance for uncollectable receivables was $0 as of September 30, 2024.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Due From/To Other Programs
There was no Inter-program receivables and payables as of September 30, 2024, on the Financial Statements.

Accounting and Reporting for Non-exchange Transactions

Non-exchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

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

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

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

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

The Authority's grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions. GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over the estimated useful life of the assets. Donated capital assets are recorded at fair market value on the date of receipt. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the assets life, are not capitalized. The capitalization threshold used by the Authority is $3,000. The following are the useful lives used for depreciation purposes:

Furniture	7 years
Equipment	7 years
Vehicles	5 years
Computer Software & hardware	3 years

Total depreciation expense for the 2024 fiscal year was $6,897.

GASB 87

Delaware Metropolitan Housing Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87 Leases, and related guidance from (GASB) Implementation Guide No. 2019-3 Leases.

GASB Statement 87 and GASB Implementation Guide 2019-3 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. 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. 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, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a current liability.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is submitted to HUD and once approved, is adopted by the Board of the Housing Authority.

Pensions/Other Postemployment Benefits (OPEB)

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

Deferred Inflow/Outflow of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period will not be recognized as an outflow of resources (expenses/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 5 and 6.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the basic statement of net position. The deferred inflows of resources related to pension and OPEB are explained in Note 5 and 6.

Net Position

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. The investment in capital assets consists of capital assets net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority reported restricted net position for HAP reserves of $52,298 as of September 30, 2024.

2. DEPOSITS AND INVESTMENTS

The provisions of GASB Statement No. 40, Deposit *and Investment Risk Disclosures*, requires the disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

A. Deposits

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

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

2. DEPOSITS AND INVESTMENTS - CONTINUED

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation for depositories. Inactive deposits mist 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. 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.

All monies are deposited into banks as determined by the Authority. Funds are deposited in either interest bearing or non-interest-bearing accounts at the Authority's discretion. Security shall be furnished for all accounts in the Authority's name. Cash and cash equivalents included in the Authority's cash position at September 30, 2024 are $827,836.

Of the fiscal year-end bank balance, $250,000 of deposits of the total checking and saving account balances were covered by federal deposit insurance and the remaining balance was covered by pledged and pooled securities held by third-party trustees maintaining adequate collateral for all public funds on deposit. No funds were maintained in petty cash funds.

Based on the Authority having only demand deposits at September 30, 2024, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

3. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year 2024, the Authority purchased commercial insurance for public officials and employment practices liability for general insurance, property, crime, electronic equipment, and automobile insurance.

Public officials’ liability and employment practices liability insurance each carries a $5,000 deductible. Property and electronic equipment insurance each carries a $500 deductible. Vehicle carries a $250 deductible for comprehensive damages and $500 deductible for collision.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

4. CAPITAL ASSETS

The following is a summary of capital assets on September 30, 2024:

	Balance 9/30/2023	Additions	Disposals	Balance 9/30/2024
Capital Assets Depreciated:				
Furniture Machinery and Equipment	61,612	0	0	61,612
Leasehold Improvements	1,192	0	0	1,192
Intangle Right-of-Use Lease Asset	14,794	0	0	14,794
Total Capital Assets Being Depreciated	**77,598**	**0**	**0**	**77,598**
Accumulated Depreciation and Amortization:				
Accumulated Depreciation	(50,111)	(6,897)	0	(57,008)
Accumulated Amortization	(5,918)	(2,959)	0	(8,877)
Total Accumulated Depreciation	**(56,029)**	**(9,856)**	**0**	**(65,885)**
Total Capital Assets Depreciated, Net	**21,569**	**(9,856)**	**0**	**11,713**
Total Capital Assets, Net	**$21,569**	**($9,856)**	**$0**	**$11,713**

5. DEFINED BENEFIT PENSION PLAN

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 the Ohio Public Employee Retirement System (OPERS) Pension Plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of its 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.

5. DEFINED BENEFIT PENSION PLAN

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 OPERS to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the OPERS Board of Trustees 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 fiscal year is included in *accounts payable* on the accrual basis of accounting.

Plan Description - All employees of the Authority are eligible to participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing, multiple-employer defined pension plan.
2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual costs-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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Authority is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the OPERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The 14% employer contribution rate consisted of 13% allocated to pension and 1% allocated to post-employment health care benefits; starting January 1, 2018, the percentages were 14% to pension and 0% to post-employment health care benefits. The Retirement Board, acting with the advice of the actuary, allocates the contribution rate consistent across all three plans.

The Authority's contractually required contribution to OPERS was $24,137 for fiscal year 2024. Of this amount $0 is reported as accounts payable.

5. DEFINED BENEFIT PENSION PLAN

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, 2023, 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. The Authority's employees have only participated in the Traditional Plan. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of the Net Pension Liability	$ 274,109
Proportion of the Net Pension Liability	0.001047%
Change in Proportion from Prior Measurement Date	0.000043%
Pension Expense	$ 30,887

On September 30, 2024 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Deferred Outflows
Difference between projected and actual investment earnings	$ 55,327
Difference between expected and actual experience	4,480
Change in Proportion	34,023
Authority contribution subsequent to the measurement date	9,112
Total Deferred Outflows of Resources	$ 102,942

	Total Deferred Inflows
Change in Proportion	$ 14,082

The $9,112 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 fiscal year ending September 30, 2024. Change in proportion is amortized over 5 years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30:

2025	$13,825
2026	18,554
2027	35,306
2028	(7,878)
Total	$59,807

5. DEFINED BENEFIT PENSION PLAN

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the 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 was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below:

Actuarial Information	**Traditional Pension Plan**
Measurement & Valuation Date	December 31, 2023
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Investment Rate of Return	6.9%
Wage Inflation	2.75%
Projected Salary increases	2.75%-10.75% (includes wage inflation at 2.75%)
Cost of living Adjustments	3.00% Simple through 2023 then 2.05%

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 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.

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

5. DEFINED BENEFIT PENSION PLAN

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

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

	1% Decrease	Current Discount Rate	1% Increase
	(5.9%)	**(6.9%)**	**(7.9%)**
Authority's proportionate share of the net pension liability(asset)	**$431,521**	**$ 274,109**	**$143,188**

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 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 rates of return by the target asset allocation percentage, adjusted for inflation. The best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Allocation	Real Rate of Return
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other Investments	5.00	3.46
TOTAL	**100.00%**	

Plan Fiduciary Net Position Detailed information about the Plan's fiduciary net position is available in the separately issued OPERS's financial report.

5. DEFINED BENEFIT PENSION PLAN

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2023, the average of the expected remaining service lives of all employees calculated by OPERS external actuaries for the Traditional Pension Plan was 2.4356 years. Employers should use these amounts when calculating elements of pension expense subject to amortization requirements as defined in GASB 68 and reported in the Schedule of Collective Pension Amounts.

6. POSTEMPLOYMENT BENEFITS

Net OPEB Asset

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

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

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

GASB 75 assumes the liability/asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB Asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability/asset* on the accrual basis of accounting. Any liability/asset for the contractually required OPEB contribution outstanding at the end of the fiscal year is included in *accounts payable* on the accrual basis of accounting.

6. POSTEMPLOYMENT BENEFITS

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

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS). OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member-directed plan is a defined contribution plan, and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features.

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016, and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2022, measurement date health care valuation.

6. POSTEMPLOYMENT BENEFITS

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2023 Authority contributed at a rate of 14 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. Active member contributions do not fund health care. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage.

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for OPERS plan year 2023. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for OPERS plan year 2023 was 0%.

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

The net OPEB asset for OPERS was measured as of December 31, 2023, and the total OPEB Asset used to calculate the net OPEB Asset was determined by an actuarial valuation as of December 31, 2022. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

Proportionate Share of the Net OPEB Asset	$ 8,818
Proportion of the Net OPEB Asset	0.000977%
Change in Proportion from Prior Measurement Date	(0.000042%)
OPEB Expense	$ (948)

On September 30, 2024 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Total Deferred Outflows
Difference between projected and actual investment earnings	$ 5,296
Changes of assumptions	2,270
Total Deferred Outflows of Resources	$ 7,566

	Total Deferred Inflows
Difference between expected and actual experience	$ 1,255
Change in assumptions	3,790
Total Deferred Inflows of Resources	$ 5,045

6. POSTEMPLOYMENT BENEFITS

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

Fiscal Year Ending September 30:	
2025	$ 224
2026	(410)
2027	(4,122)
2028	1,787
2029	-0-
Total	($ 2,521)

Actuarial Assumptions – OPERS

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability/asset was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. In 2022, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used the following actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement:

Wage Inflation	2.75%
Future Salary Increases, including inflation	2.75% - 10.75%
Single Discount Rate	5.70%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.77%
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2038
Actuarial Cost Method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females were then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. 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 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.

6. POSTEMPLOYMENT BENEFITS

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.

Average Remaining Service Life

GASB 75 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in OPEB expense over the average remaining service life of all employees provided with coverage through the health care plans (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2023, the average of the expected remaining service lives of all employees calculated by OPERS external actuaries was 2.5557 years. Employers should use this amount when calculating elements of OPEB expense subject to amortization requirements as defined in GASB 75 and reported in the Schedule of Collective OPEB Amounts.

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

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 2021 and the long- term expected real rates of return:

Asset Class	**Target Allocation**	**Weighted Average Long-Term Expected Real Rate of Return (Geometric)**
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
REITs	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other Investments	5.00	2.43
TOTAL	**100.00%**	

6. POSTEMPLOYMENT BENEFITS

Discount Rate: A single discount rate of 5.70 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2023. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all heath care costs after that date.

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

	1% Decrease (4.70%)	Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB Liability (Asset)	$4,846	($8,818)	($20,136)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate: Changes in the health care cost trend rate may also have a significant impact on the net OPEB Asset. The following table presents the net OPEB Asset calculated using the assumed trend rates, and the expected net OPEB Asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Trend Rate	1% Increase
Authority's proportionate share of the net OPEB Liability (Asset)	$(9,183)	$(8,818)	$(8,402)

7. COMPENSATED ABSENCES

Employees earn annual vacation and sick leave per anniversary year, based on years of service. Annual vacation leave may be carried forward to the next fiscal year and paid upon termination or retirement. Sick leave may be accumulated and is paid out based on Board policy upon termination or retirement. As of September 30, 2024, the accrual for compensated absences totaled $41,009 and has been included in the accompanying Statement of Net Position.

8. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities on September 30, 2023:

	Balance At 10/1/2023	Additions	Deletions	Balance At 9/30/2024	Due in One Year
Compensated Absences	$ 49,810		$ (8,801)	$ 41,009	$ 4,101
Net Pension Liability	296,582		(22,473)	274,109	-
Net OPEB Liability	7,566		(7,566)	-	-
Lease Liability	9,237		(2,942)	6,295	3,077
Total	$ 363,195	$ -	$ (41,782)	$ 321,413	$ 7,178

See Note 5 for information on the net pension liability.

The Authority entered a sixty-month lease for a postage meter which requires monthly payments of $79.70 and a sixty-month lease for a copier which requires monthly payments of $195.08; both leases beginning October 2021. These leases were included in additions based on GASB 87 implementation. The equipment is being amortized over the life of the lease. The imputed interest rate on the lease is 4.50%.

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

	Principal	Interest	Total
2025	3,077	221	3,298
2026	3,218	80	3,298
Total	$6,295	$301	$9,894

9. LEASES

The Delaware Metropolitan Housing Authority leases office space under a long-term lease that expired on the 30th day of April 2021. The Authority opted to renew the lease for a five-year term as allowed per the original agreement. The Authority pays the lessor, the Hidden Ridge Limited Partnership, $1 per year for the office space.

10. CONTINGENT LIABILITIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse effect on the overall financial position of the Authority on September 30, 2024.

Litigation

The Authority is unaware of any outstanding lawsuits or other contingencies.

11. FSS ESCROW PAYABLE

The Authority is involved in the Family Self-Sufficiency program through the Housing Choice Vouchers Program. Each month contributions are deposited into the Authority's savings account on behalf of the program participants. Participants are limited to a five-year contract (with a two year extension option) at which time, they either meet their program goals and may withdraw their money earned from the savings account, or they fail to meet their goals and forfeit their money. If a forfeiture occurs, the money earned is used by the Authority to reinvest into the Housing Choice Voucher Program

10. SUBSEQUENT EVENTS

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through March 7, 2025, the date on which the financial statements were available to be issued.

Delaware Metropolitan Housing Authority
Statement of Net Positions
September 30, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	14.871 Housing Choice Voucher	EFA FSS Escrow Forfeiture	TOTALS
111	Cash - Unrestricted	$ 775,538	$ -	$ 775,538
113	Cash - Other Restricted	46,746	5,552	52,298
100	Total Cash	822,284	5,552	827,836
125	Acct Rec-Misc.	58		58
128	Fraud Recovery	9,974		9,974
128.1	Allow Doubtful Accounts	(9,974)		(9,974)
120	Net Total Receivables	58		58
142	Prepaid Expenses	453		453
150	**Total Current Assets**	822,795	5,552	828,347
164	F/E/M Admin.	76,406		76,406
165	Leasehold Improvements	1,192		1,192
166	Accum. Depreciation and Amortization	(65,885)		(65,885)
160	Net Fixed Assets	11,713	-	11,713
174	Other Assets	8,818		8,818
200	Deferred Outflow of Resources	110,508		110,508
190	**TOTAL ASSETS**	**953,834**	**5,552**	**959,386**
312	A/P <= 90 days	13,025		13,025
321	Accrued Wage/Taxes Payable	308		308
322	Accrued Comp Abs - current	4,101		4,101
343	Current Portion of Long-Term Debt	3,077		3,077
357	Accrued Pension and OPEB Liabilities	274,109		274,109
310	Total Current Liabilities	294,620	-	294,620
351	Long-Term Debt, Net of Current	3,218		3,218
354	Accrued Compensated Absences - Non Current	36,908		36,908
	Total Liabilities	334,746	-	334,746
400	Deferred Inflow of Resources	19,127		19,127
508.1	Invested in Capital Assets Net	5,418		5,418
511.1	Restricted Net Assets	46,746	5,552	52,298
512.1	Unrestricted Net Assets	547,797		547,797
513	Total Equity/Net Assets	599,961	5,552	605,513
600	**TOTAL LIAB. & EQUITY**	**$ 953,834**	**$ 5,552**	**$ 959,386**

See Auditor's Report.

Delaware Metropolitan Housing Authority
Statement of Revenue and Expenses
September 30, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	Business Activities	TOTALS
706	HUD PHA Operating Grants	$ 3,219,693	$ -	$ 3,219,693
711	Investment Income - PHA	29,945		29,945
714	Fraud Recovery - PHA	19,086		19,086
715	Other Revenue	28,193	58,971	87,164
700	TOTAL REVENUE	3,296,917	58,971	3,355,888
911	Admin. Salaries	104,936	33,891	138,827
912	Audit	7,052		7,052
914	Advertisement & Marketing	212		212
915	Employee Benefits Contributions	88,085	25,080	113,165
916	Office Expenses	20,518		20,518
917	Legal Expenses	875		875
919	Other	71,418		71,418
	Total Operating - Admin.	293,096	58,971	352,067
961.2	Liability Insurance	6,884		6,884
	Total Insurance	6,884	-	6,884
962	Other General Expenses	1,115		1,115
962.1	Comp Abs	14,769		14,769
967.2	Interest Expense	356	-	356
	TOTAL OPERATING EXPENSES	316,220	58,971	375,191
970	Excess Oper. Rev. over Exp.	2,980,697	-	2,980,697
973	HAP	2,826,101		2,826,101
973.5	HAP Portability-In	27,060		27,060
974	Depreciation and Amortization Expense	9,857		9,857
900	TOTAL EXPENSES	3,179,238	58,971	3,238,209
1000	NET INCOME (LOSS)	$ 117,679	$ -	$ 117,679

See Auditor's Report.

DELAWARE METROPOLITAN HOUSING AUTHORITY

DELAWARE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LAST TEN FISCAL YEARS

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.001047%	0.001004%	0.001290%	0.001480%	0.001390%	0.001380%	0.001530%	0.001210%	0.001140%	0.001130%
Authority's Proportionate Share of the Net Pension Liability	$ 274,109	$ 296,582	$112,235	$209,975	$273,952	$378,776	$239,870	$274,543	$198,155	$136,050
Authority's Covered-Employee Payroll	$ 172,407	$ 155,565	$158,179	$199,249	$199,230	$193,427	$202,400	$193,103	$145,501	$141,261
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	158.99%	190.65%	70.95%	105.38%	137.51%	195.82%	118.51%	142.17%	136.19%	96.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

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

DELAWARE METROPOLITAN HOUSING AUTHORITY

DELAWARE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

LAST EIGHT FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	.000977%	0.001200%	0.001200%	0.001320%	0.001290%	0.001290%	0.001430%	0.001430%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	$(8,818)	$7,566	$(37,586)	$(23,535)	$ 178,321	$ 167,664	$ 155,287	$ 144,435
Authority's Covered Employee Payroll	$172,407	$ 155,565	$ 158,179	$ 199,249	$ 199,230	$ 193,623	$ 202,400	$ 193,103
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its covered employee payroll	5.11%	4.86%	-23.76%	-11.81%	89.51%	86.59%	76.72%	74.80%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

2) Information prior to 2017 is not available.

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

DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS

LAST FISCAL TEN YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contributior										
Pension	$ 24,137	$ 21,779	$ 22,144	$27,892	$ 27,892	$ 27,080	$ 28,336	$ 27,035	$20,370	$ 19,777
OPEB	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,032	$ 3,862	$ 2,930	$ 2,825
Contributions in relation to the contractually required contribution										
Pension	$(24,137)	$(21,779)	$(22,144)	$(27,892)	$(27,892)	$ (27,080)	$ (28,336)	$(27,035)	$(20,370)	$(19,777)
OPEB	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,032)	$ (3,862)	$ (2,930)	$ (2,825)
Contribution deficiency (excess)										
Pension	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
OPEB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll	$172,407	$155,565	$158,179	$199,249	$199,230	$ 193,427	$ 202,400	$193,103	$146,500	$141,264
Contribution as a percentage of covered-employee payroll:										
Pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	12.52%	12.52%	12.00%	12.00%
OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.49%	1.49%	2.00%	2.00%

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

Ohio Public Employees' Retirement System

Net Pension Liability

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

Changes in assumptions: There was no change in assumptions in the current year for investment rate of return. For the OPERS plan years 2022 and 2023 the investment rate of return was assumed to be 6.90 percent for purposes of discounting the pension liability. There was no change in assumptions in the current year for wage inflation. For OPERS plan years 2022 and 2023 the wage inflation was assumed to be 2.75 percent. For both the 2022 and 2023 OPERS plan years, the projected salary increases were 2.75 percent to 10.75 percent including wage inflation at 2.75 percent. For both the 2022 and 2023 OPERS plan years, the cost of living adjustments were 3.00 percent simple for pre 1/7/2013 retirees, and 3.00 percent simple through 2023 and 2024 respectively, then 2.05 percent simple.

Net OPEB Asset

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

Changes in assumptions: The single discount rate used to determine the net OPEB liability (asset) was 5.22 percent for OPERS plan year 2022, and 5.70 percent for OPERS plan year 2023. The investment rate of return was assumed to be 6.00 percent for both the 2022 and 2023 OPERS plan years. The municipal bond rate used to determine the net OPEB liability (asset) was 4.05 percent for OPERS plan year 2022, and 3.77 percent for OPERS plan year 2023. For OPERS plan years 2022 and 2023 the wage inflation was assumed to be 2.75 percent. For both the 2022 and 2023 OPERS plan years, the projected salary increases were 2.75 percent to 10.75 percent including wage inflation at 2.75 percent. For both the 2022 and 2023 OPERS plan years, the Health Care Cost Trend Rate was 5.50 percent initial, 3.5 percent ultimate in 2036 and 2038 respectively.

Delaware Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor / Pass Through Grantor / Program Title	Assistance Listing Number	Pass Through Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Program:			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	N/A	$ 3,179,238
Total Housing Voucher Cluster			$ 3,179,238
Total Expenditures of Federal Awards			$3,179,238

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended September 30, 2024.

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended September 30, 2024.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended September 30, 2024.

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

Delaware Metropolitan Housing Authority
Delaware County
222 Curtis Street
Delaware, Ohio 43015

To the Board of Trustees:

I have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities of the Delaware Metropolitan Housing Authority, Delaware County, Ohio as of and for the year ended September 30, 2024, and the related notes to the financial statements, and have issued my report thereon dated March 7, 2025.

Internal Control Over Financial Reporting

As part of my financial statement audit, I considered the Delaware Metropolitan Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support my opinion**(s)** on the financial statements, but not to the extent necessary to opine on the effectiveness of the Delaware Metropolitan Housing Authority's internal control. Accordingly, I have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Delaware Metropolitan Housing Authority's financial statements. 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.

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

Compliance and Other Matters

As part of reasonably assuring whether the Delaware Metropolitan Housing Authority's financial statements are free of material misstatement, I tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of my audit and accordingly, I do not express an opinion. The results of my tests disclosed no instances of noncompliance or other matters I must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of my internal control and compliance testing and my testing results, and does not opine on the effectiveness of the Delaware Metropolitan Housing Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Delaware Metropolitan Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kevin L. Penn, Inc.

Cleveland, Ohio
March 7, 2025

Kevin L.
Penn, Inc.

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Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance required by the Uniform Guidance

Delaware Metropolitan Housing Authority
Delaware County
222 Curtis Street
Delaware, Ohio 43015

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

I have audited Delaware Metropolitan Housing Authority, Delaware County, Ohio, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Delaware Metropolitan Housing Authority's major federal program for the year ended September 30, 2024. Delaware Metropolitan Housing Authority's major federal program are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In my opinion, Delaware Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

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

I am required to be independent of the Delaware Metropolitan Housing Authority and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for the major federal program.

My audit does not provide a legal determination of the Delaware Metropolitan Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Delaware Metropolitan Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- obtain an understanding of the Delaware 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 the Delaware Metropolitan Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Report on Internal Control Over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kevin L. Penn, Inc.
Cleveland, Ohio

March 7, 2025

Delaware Metropolitan Housing Authority
Schedule of Findings
September 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major program:	Unmodified
Are there any reportable findings under 2 CFR Section 200.516(a)?	No
Identification of major programs:	
14.871	Housing Choice Vouchers
Dollar threshold used to distinguish between Type A and Type B programs:	Type A: > $750,000 Type B: all others
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings

No matters were reported.

There were no audit findings during the 2023 fiscal year.

OHIO AUDITOR OF STATE
KEITH FABER

DELAWARE METROPOLITAN HOUSING AUTHORITY

DELAWARE 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 6/12/2025

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