OHIO AUDITOR OF STATE
KEITH FABER

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY
JUNE 30, 2024

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OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

Lorain Metropolitan Housing Authority
Lorain County
1600 Kansas Avenue
Lorain, Ohio 44052

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Lorain Metropolitan Housing Authority, Lorain County, Ohio (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Lorain Metropolitan Housing Authority, Lorain County, Ohio as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 13, 2025

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The Lorain 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 (its ability to address the next and subsequent year challenges), and **d)** identify individual issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The net position increased by $5 million or 17.9 percent, during 2024. Since the Authority engages in only business-type activities, the increase is all in the category of business-type net position. Net position was $33 million and $28 million for 2024 and 2023, respectively.

- The business-type activities' revenue increased by $10 million or 25.0 percent, during 2024 and was $51 million and $40 million for 2024 and 2023, respectively.

- The total expenses increased by $5 million or 11.8 percent. Total expenses were $46 million and $41 million for 2024 and 2023, respectively.

Financial Statements

The Authority's financial statements include a Statement of Net Position, which reports all financial and capital resources of the Authority. The Statement is presented in a format where assets plus deferred outflows of resources minus liabilities and deferred inflows of resources equal Net Position. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible into cash within one year) and "non-current".

The focus of the Statement of Net Position (the "unrestricted" net position) is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net position is reported in three broad categories.

> Net Investment in Capital Assets: This component of net position consists of capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted Net Position: This component of net position consists of restricted 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 does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

The financial statements include a Statement of Revenues, Expenses, and Changes in Net Position, which includes Operating Revenues, such as rental income; Operating Expenses, such as administrative, utilities, maintenance, and depreciation; and Non-Operating Revenue and Expenses, such as grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Changes in Net Position."

The financial statements include the Statement of Cash Flows, which discloses net cash provided by or used for operating activities, non-capital financing activities, investing activities, and from capital and related financing activities.

The Authority's Programs

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

Capital Fund Program (CFP) – Award used to make improvements to existing public housing, and provides financial assistance to develop public housing, including mixed-finance developments that contain public housing units.

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 percent of household income.

HCV Emergency Housing Vouchers (EHV) - An award under the HCV program that provides additional vouchers to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

Family Self-Sufficiency Program Coordinators - This grant program, funded by the U.S. Department of Housing and Urban Development, is intended to assist residents to become economically self-sufficient by providing supportive services and resident empowerment activities.

Component Unit Blended - The Lorain County Elderly Housing Corporation (LCEHC), a non-profit incorporated in the state of Ohio, was organized for the purpose of providing housing for elderly persons of low to moderate income in the Lorain County area of northeastern Ohio. LCEHC consists of two 100-unit apartment complexes located in Elyria and Lorain and four homes located in Sheffield Village.

Business Activities - These non-HUD resources were developed from a variety of activities.

AUTHORITY STATEMENTS

Statement of Net Position

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

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

	2024	2023
Assets and Deferred Outflows of Resources		
Assets		
Current and Other Assets	$ 11,353,682	$ 13,106,681
Capital Assets	29,483,454	22,087,493
Other Non-Current Assets	3,762,452	2,249,851
Total Assets	44,599,588	37,444,025
Deferred Outflows of Resources	3,138,482	4,577,068
Total Assets and Deferred Outflows of Resources	$ 47,738,070	$ 42,021,093
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities	$ 3,032,781	$ 2,728,440
Long-Term Liabilities	10,554,528	10,318,615
Total Liabilities	13,587,309	13,047,055
Deferred Inflows of Resources	654,876	657,975
Net Position		
Net Investment in Capital Assets	27,506,170	22,087,493
Restricted	20,226	21,071
Unrestricted	5,969,489	6,207,499
Total Net Position	33,495,885	28,316,063
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 47,738,070	$ 42,021,093

Major Factors Affecting the Statement of Net Position

Capital Assets increased by $7,395,961 and the net of Current and Non-Current Other Assets decreased by ($240,398). Deferred Outflows decreased by ($1,438,586). Total Liabilities increased by $540,254 and Deferred Inflows decreased by ($3,099). The Capital Asset increase and Deferred Outflow decrease are addressed in greater detail in note 6. capital assets and note 9. and note 10. defined benefit pension plan and postemployment benefits, respectively.

Table 2 - Statement of Unrestricted Net Position

Unrestricted Net Position at June 30, 2023	$ 6,207,499
Results of Operations	5,179,822
Adjustments:	
Depreciation (1)	2,087,486
Net Change in Restricted Assets (2)	1,978,129
Net Change in Capital Assets (3)	(9,483,447)
Ending Balance - June 30, 2024	$ 5,969,489

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position. Does not include amortization.
(2) The decrease of the Housing Choice Voucher Housing Assistance Payment, Family Self Sufficiency and security deposit balances from fiscal year 2023 for fiscal year 2024 expenses.
(3) Capital expenditures and debt service principal payments represent an outflow of unrestricted net position but are not treated as an expense against results of operations, and therefore must be deducted.

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

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

	2024	2023
Revenues		
Tenant Revenue - Rents and Other	$ 3,971,379	$ 3,736,130
Operating Subsidies and Grants	37,090,337	33,789,067
Capital Grants	8,542,491	2,217,778
Investment Income	304,979	169,799
Other Revenues	769,234	466,263
Total Revenues	50,678,420	40,379,037
Expenses		
Administrative	7,585,145	6,833,962
Tenant Services	457,000	333,477
Utilities	2,573,324	2,672,861
Maintenance	5,132,612	4,561,952
Protective Services	949,716	776,797
General	2,075,739	2,680,501
Housing Assistance Payments	24,252,312	20,765,980
Depreciation	2,087,486	2,066,847
Amortization	281,243	0
Interest Expense	104,021	0
Total Expenses	45,498,598	40,692,377
Net Increase (Decrease)	$ 5,179,822	$ (313,340)

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

Total revenues increased by $10 million, or 25.0 percent, primarily resulting from Capital Program Funds received from HUD for modernization activities. Total expenses increased by $5 million, or 11.8 percent, primarily resulting from an increase in Housing Assistant Payments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had $29,483,454 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions, depreciation and the removal of fully depreciated improvements) of $7,395,961 from the end of last year.

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

	2024	2023
Land	$ 5,358,843	$ 5,353,843
Buildings	91,170,505	90,138,808
Furniture, Equipment & Machinery - Dwellings	1,308,229	1,447,505
Furniture, Equipment & Machinery - Administration	2,094,910	901,388
Construction-in-Progress	8,748,169	1,701,283
Total	108,680,656	99,542,827
Less: Accumulated Depreciation	(79,197,202)	(77,455,334)
Total	$ 29,483,454	$ 22,087,493

The following reconciliation summarizes the change in capital assets, which is presented in detail in the notes on capital assets.

Table 5 - Change in Capital Assets - June 30, 2024

	2024
Beginning Balance - July 1, 2023	$ 22,087,493
Additions	9,992,288
Retirements, Net of Depreciation	(508,841)
Depreciation	(2,087,486)
Ending Balance - June 30, 2024	$ 29,483,454

See Note 6 for additional information on capital assets.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the U.S. Department of Housing and Urban Development and the subsidies provided to the Authority by the U.S. Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, employee health care costs, insurances, rents, supplies, and other costs.

FINANCIAL CONTACT

Information regarding this report can be obtained by contacting the Chief Financial and Development Officer of the Lorain Metropolitan Housing Authority. Specific requests may be submitted to the Chief Financial and Development Officer, Lorain Metropolitan Housing Authority, 1600 Kansas Avenue, Lorain, Ohio 44052.

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets	
Current Assets	
Cash and Cash Equivalents:	
Cash and Cash Equivalents	$ 4,846,327
Cash - Restricted	301,010
Cash - Tenant Security Deposits	192,738
Total Cash and Cash Equivalents	5,340,075
Accounts and Notes Receivable:	
Accounts Receivable - HUD Other Projects	1,266,657
Accounts Receivable - Miscellaneous	216,416
Accounts Receivable - Tenants, Net	149,589
Notes, Loans, and Mortgages Receivable - Current	144,616
Fraud Recovery Receivable, Net	15,532
Accrued Interest Receivable	6,046
Total Accounts and Notes Receivable	1,798,856
Other Current Assets:	
Investments - Unrestricted	3,684,400
Inventories, Net	227,919
Prepaid Expenses and Other Assets	302,432
Total Other Current Assets	4,214,751
Total Current Assets	11,353,682
Non-Current Assets	
Capital Assets:	
Non-Depreciable Capital Assets	14,107,012
Depreciable Capital Assets, Net	15,376,442
Total Capital Assets	29,483,454
Other Non-Current Assets:	
Net Pension and OPEB Asset	395,281
Subscription Asset, Net	1,252,810
Notes, Loans, and Mortgages Receivable, Non-Current	2,114,361
Total Other Non-Current Assets	3,762,452
Total Non-Current Assets	33,245,906
Total Assets	44,599,588
Deferred Outflows of Resources	
Pension	2,872,809
OPEB	265,673
Total Deferred Outflows of Resources	3,138,482
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 47,738,070

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

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2024

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities	
Current Liabilities	
Accounts Payable	$ 417,582
Accrued Wages and Payroll Taxes	303,301
Accrued Interest Payable	94,383
Accrued Compensated Absences	377,699
Due to Other Governments	132,599
Tenant Security Deposits	192,738
Unearned Revenues	149,358
Current Portion of Debt	969,606
Other Current Liabilities	395,515
Total Current Liabilities	3,032,781
Non-Current Liabilities	
Accrued Compensated Absences	203,848
Non-Current Debt	1,007,678
Non-Current Liabilities-FSS Escrow and Others	144,777
Net Pension Liability	9,198,225
Net OPEB Liability	-
Total Non-Current Liabilities	10,554,528
Total Liabilities	13,587,309
Deferred Inflow of Resources	
Pension	13,562
OPEB	188,315
Leases	452,999
Total Deferred Inflow of Resources	654,876
Net Position	
Net Investment in Capital Assets	27,506,170
Restricted	20,226
Unrestricted	5,969,489
Total Net Position	33,495,885
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	47,738,070

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

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenues	
Net Tenant Rental Revenue	$ 3,788,985
Tenant Revenue - Other	182,394
Total Tenant Revenue	3,971,379
HUD PHA Operating Grants	37,090,337
Fraud Recovery	33,012
Other Revenue	671,422
Total Operating Revenues	41,766,150
Operating Expenses	
Administrative	7,585,145
Tenant Services	457,000
Utilities	2,573,324
Ordinary Maintenance and Operation	4,995,407
Protective Services	949,716
Insurance Premiums	756,686
Other General Expenses	1,156,552
Extraordinary Maintenance	137,205
Casualty Losses - Non-Capitalized	162,501
Housing Assistance Payments	24,252,312
Depreciation Expense	2,087,486
Amortization Expense	281,243
Total Operating Expenses	45,394,577
Operating Gain/(Loss)	(3,628,427)
Non-Operating Revenue (Expenses)	
Investment Income - Unrestricted	304,717
Investment Income - Restricted	262
Interest On Notes Payable	(104,021)
Gain on Sale of Capital Assets	64,800
Total Non-Operating Revenue (Expenses)	265,758
Gain Before Capital Contributions and Grants	(3,362,669)
Capital Grants	8,542,491
Change in Net Position	5,179,822
Total Net Position - Beginning	28,316,063
Total Net Position - Ending	$ 33,495,885

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

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities		
Tenant Revenue Received	$	3,696,826
Other Revenue Received		613,591
Government Operating Grants Received		36,542,286
Housing Assistance Payments		(24,252,312)
General and Administrative Expenses Paid		(19,446,188)
Net Cash Provided by Operating Activities		(2,845,797)
Cash Flows from Capital and Related Financing Activities		
Interest Paid on Debt		(9,638)
Purchases of Capital Assets		(9,483,447)
Debt Proceeds		1,194,917
Government Capital Grants Received		8,881,164
Sale of Capital Assets		64,800
Net Cash Used by Capital and Related Financing Activities		647,796
Cash Flows from Investing Activities		
Net Investment Activity		(184,401)
Issuance of Notes Receivable		340,845
Interest on Notes Receivable		(450,564)
Net Cash Used by Investing Activities		(294,120)
Increase (Decrease) in Cash and Cash Equivalents		(2,492,121)
Cash and Cash Equivalents - Beginning of Year		7,832,196
Cash and Cash Equivalents - End of Year	$	5,340,075
Reconciliation of Operating Income to Net Cash Used by Operating Activities		
Operating Income	$	(3,628,427)
Adjustments to Change in Net Position:		
Add Back Non-Cash Items:		
Depreciation Expense		2,087,486
Amortization Expense		281,243
Decrease (Increase) in Operating Assets:		
Accounts Receivable		(905,419)
Prepaid Expenses		(79,564)
Inventory		55,723
Lease Receivables		(270,778)
Net Pension and OPEB Assets		(290,136)
Deferred Outflow Of Resources		1,438,586
Increase (Decrease) in Operating Liabilities:		
Accounts Payable		(422,490)
Accrued Wage and Payroll Taxes		66,616
Accrued Compensated Absences		65,578
Due to Other Governments		52,241
Tenant Security Deposits		(8,028)
Deferred Revenues		37,854
Other Current Liabilities		(503,580)
Other Non-Current Liabilities		(9,014)
Net Pension and OPEB Liabilities		(810,589)
Deferred Inflow of Resources		(3,099)
Total Adjustments		782,630
Net Cash Used in Operating Activities	$	(2,845,797)

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

NOTE 1: **DESCRIPTION OF THE ENTITY**

The Lorain Metropolitan Housing Authority ("the Authority") is a political subdivision organized under laws of the State of Ohio. The Authority is responsible for operating certain low-rent housing programs in Lorain County under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity – Amendments of GASB Statements No. 14 and No. 34*, in that financial statements include all organizations, activities, and functions for which the Authority is financially accountable. Under this Statement, the financial reporting entity is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity and there is a financial benefit or burden. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. Under the definition of GASB Statement Number No. 61, the Lorain County Elderly Housing Corporation (LCEHC), an Ohio non-profit corporation, is a component unit of the Authority.

Lorain Metropolitan Housing Authority

The Authority was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. In accordance with an Annual Contributions Contract (C-5010) between the Authority and HUD, the Authority has agreed to develop and operate low-rent owned housing units, while HUD has agreed to provide financial assistance (a) to develop such low-rent housing, and (b) maintain "the low-rent character of such housing".

In addition, the Authority participates in the Section 8 Housing Assistance Payments Program (C-10009). Under the Section 8 Housing Program, the Authority provides assistance to low and moderate income persons seeking decent, safe, and sanitary housing by subsidizing rents between such persons and owners of existing private housing. Under these programs, the Authority enters into Housing Assistance Payment ("HAP") contracts with eligible landlords. Under a HAP contract, landlords are provided with subsidies for the difference between the contract rent and the amount payable by the Section 8 tenants.

The Authority owns and operates a seven-unit apartment complex ("Complex") with an attached car wash. The Authority does not receive federal financial assistance to operate this Complex. Revenue received from the Complex is recorded in business activities in the supplemental schedules.

Blended Component Unit

The Lorain County Elderly Housing Corporation (LCEHC), an Ohio non-profit corporation, is a component unit of the Authority and is organized for the purpose of providing a comprehensive and coordinated system of services for the elderly in the Lorain County area of northeastern Ohio.

NOTE 1: **DESCRIPTION OF THE ENTITY** (Continued)

Blended Component Unit (Continued)
All three Board members of the LCEHC are also members of the Board of Directors of the Authority. LCEHC is a component unit of the Authority and the financial results and financial activity of the LCEHC are included as part of the financial statements of the Authority. A separate financial statement is issued for LCEHC.

The Authority acts as managing agent for the LCEHC and performs all financial and operating functions for the LCEHC. The LCEHC pays the Authority a management fee for the services rendered.

Related Organization
LMHA, Inc. is a related, though a legally separate, not-for-profit corporation. LMHA, Inc. meets the Board appointment criteria but not the financial burden relationship criteria of the related GASB pronouncements and is not considered a part of the Authority's reporting entity. LMHA, Inc. is the single member of the LMHA Oberlin Homes MM, LLC, which is the general partner of LMHA Oberlin Homes, LLC. LMHA Oberlin Homes, LLC, is a partnership which substantially rehabilitated 51 units of public housing in Oberlin, Ohio, with funding from 9 percent Low Income Housing Tax Credits and a loan from the Authority.

Joint Venture
The Authority is a member of Housing Authority Property Insurance, Inc. ("HAPI"). HAPI is a non-profit, tax-exempt mutual insurance company that is wholly owned by public housing authority members. HAPI is a captive insurance company formed pursuant to the Vermont Captive Insurance Companies Act. It provides property insurance to public housing authorities and public housing and redevelopment authorities throughout the United States. Due to the lack of significant oversight responsibility, accountability of the Authority's Board of Directors for actions, operations, and fiscal matters of HAPI, and the degree of financial interdependency is considered insufficient to warrant inclusion of these organizations within the Authority's reporting entity.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting
The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Under the GAAP basis of accounting, revenues and expenses are recognized in the period earned or incurred. All transactions of the Authority are accounted for in an enterprise fund. This presentation is used to reflect operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

The significant accounting policies under which the financial statements have been prepared are as follows:

Cash and Cash Equivalents
Highly liquid investments are considered to be cash and cash equivalents.

Allowance for Doubtful Accounts – Bad Debt Expenses
With the Board of Directors approval, the Authority writes off unpaid tenants' accounts receivable balances for which there has been no payment activity for 30 days and for which an outstanding balance remains.

Fraud Recovery Receivable
Fraud recovery receivable represents the full amount of the accounts receivable from tenants who committed fraud or misrepresentation and now owe additional rent for prior periods or retroactive rent. The revenues associated with these accounts receivables have been recognized and an allowance account has been established for uncollectable amounts.

Notes, Loans, and Mortgages Receivable – Current
Notes, Loans, and Mortgages Receivable – Current represents the amount from tenant repayment agreements created from tenants who owe specific payments for a specific term and the lease receivable from capital assets. The revenues associated with these notes receivable have been recognized.

Notes, Loans, and Mortgages Receivable Non-Current
Notes, Loans, and Mortgages Receivable non-current represents a loan of capital fund resources to LMHA Oberlin Homes, LLC for the purpose of substantial rehabilitation of 51 units in 41 single family homes in the City of Oberlin as part of a Low-Income Housing Tax Credit project and the lease receivable from capital assets.

Investments
Investments for both the Authority and LCEHC consist of certificates of deposits and other federal government financial instruments. Investments are reported at fair market value.

Cash - Restricted
Restricted cash for the Authority represents amounts received from tenants for security deposits and FSS program escrow accounts, and amounts held for housing assistance payments.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Inventory

Inventory is valued using an average costing method. Expense is recorded based upon consumption.

Land, Property, and Equipment

Land, property, and equipment are recorded at cost. Property and equipment are depreciated over the estimated useful lives of the assets. Depreciation is computed using the straight-line method. Useful lives of assets are:

Buildings	40 Years
Computer Equipment	3 Years
Vehicles	5 Years
Office Equipment	15 Years
Other Equipment	5 to 10 Years
Leasehold Improvements	15 Years

Only items with a unit cost of $5,000 or more and a useful life greater than one year are capitalized and depreciated.

Compensated Absences

The Authority and its component unit, LCEHC, account for compensated absences in accordance with GASB Statement No. 16, vesting method.

Vacation leave earned at the end of the fiscal year is accrued based on the employee hourly rate multiplied by the employee vacation hour balance. Vacation leave cannot be carried forward from the anniversary date of one fiscal year to the anniversary date of the next fiscal year. The Executive Director can extend the carryover an additional 30 days. The Board of Directors can also extend the carryover, upon written approval. Employees are not eligible to receive monetary compensation for vacation leave in lieu of time off. The Authority and LCEHC record a liability for all vacation leave earned.

Sick leave balances are subject to payment to all employees after ten (10) years of service at the Authority. Employee sick leave payments are equal to 50 percent of the employee's available sick time hours, up to a maximum to 960 hours. The Authority and LCEHC record a liability for unused sick leave to the extent that it is probable that payment will be made.

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Authority, these revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue. Operating expenses are necessary costs incurred for day-to-day operations.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources, revenues, and expenses at and during the reported period. Actual results could differ from those estimates.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is adopted by the Board of the Authority.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for leases, pension and OPEB. The deferred inflows of resources related to leases are explained in Note 5. The deferred related to pension and OPEB plans are explained in Notes 9 and 10.

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.

NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of twelve months or less qualify under this definition.

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the Authority and its component unit (LCEHC) places deposits, pledge as collateral eligible securities equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105 percent of the carrying value of the public deposits held by each institution over FDIC insured amounts. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies. The carrying amount of the Authority's deposits was $5,340,075 at June 30, 2024, which includes $200 at June 30, 2024, of petty cash, and the bank balance was $5,791,847 at June 30, 2024. The difference represents outstanding checks and other in-transit transactions of the bank balance. $250,000 was covered by federal depository insurance and the remainder was covered by pledged securities held in joint custody at the Federal Reserve.

Investments

The Authority has adopted a formal investment policy in accordance with Section 135 of the Ohio Revised Code, the "Uniform Depository Act." Safety of principal is the foremost objective of the investment policy. Maintaining sufficient liquidity to meet the Authority's cash flow needs and return on investment are secondary goals of the policy. The Authority does not purchase any form of derivative.

In accordance with the Ohio Revised Code and the Authority's investment policy, the Authority is authorized to invest in (1) bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest; (2) bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality; (3) certificates of deposit purchased from qualified banks and savings and loans; (4) bonds and other obligations of the State of Ohio; (5) no-load money market mutual funds consisting exclusively of obligations described in division (1) or (2), and repurchase agreements secured by such obligation, provided that investments in securities described in this division are made only through eligible institutions; (6) the State Treasury Asset Reserve of Ohio managed by the Treasurer of the State of Ohio (STAR Ohio) and STAR PLUS; and (7) subject to certain restrictions and limitations, short-term commercial paper, and bankers acceptances.

At June 30, 2024, the Authority had nonfederal funds held in STAR Ohio. STAR Ohio is a highly liquid investment pool with participation restricted to subdivisions of the State of Ohio. Due to the highly liquid nature of the fund, STAR Ohio resembles a money market fund and, therefore, has been treated as a cash equivalent by the Authority in the financial statements. The Authority's investment in the pool is not subject to custodial credit risk categorization because it is not evidenced by securities that exist in physical or book entry form. No federal funds are held at STAR Ohio.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted GASB Statement No. 79, Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants. Investments in STAR Ohio are valued on the basis of the amortized cost valuation technique. For the year ended June 30, 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

The Authority has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The chart on the next page identifies the Authority's recurring fair value measurements as of June 30, 2024. STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. All of the Authority’s investments measured at fair value are valued using quoted market prices (Level 1 inputs).

As of June 30, 2024, the Authority had the following investments:

Type	Fair Value	Maturity
Negotiable CDs	$ 3,684,400	12 months or less
Star Ohio	1,634,985	
Total Investments	$ 5,319,385	

Interest Rate Risk
The Authority’s investment policy limits investments to five years but does not specifically limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Authority holds its investments to maturity to avoid realizing losses from rising interest rates.

Credit Risk
The Authority’s investments in certificates of deposits are covered by $250,000 FDIC insurance and the balance is collateralized by pledged securities held in joint custody at the Federal Reserve Bank. The Authority’s investments in STAR Ohio are rated AAAm by Standard and Poor’s.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Concentration of Credit Risk

The Authority does not limit the amount that may be invested with any one issuer. However, the Authority does competitively bid banking services every 3 years, with 2 one-year options. In addition, all investments, other than those investments in STAR Ohio, are collateralized as mentioned above.

Custodial Credit Risk

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

A reconciliation of cash and investments as shown on statement of net position follows:

Unrestricted Cash and Cash Equivalents *	$ 8,530,727
Restricted Cash and Cash Equivalents	493,748
Total	$ 9,024,475
Carrying Amounts of Deposits	$ 5,340,075
Carrying Amounts of Investments	3,684,400
Total	$ 9,024,475

* Includes Petty Cash

NOTE 4: **RESTRICTED CASH**

The Authority had the following restricted cash:

Tenant Security Deposits	$ 192,738
Family Self-Sufficiency Forfeiture Balance	20,226
Family Self-Sufficiency Escrow Balance	274,725
Other Restricted	6,059
Total Restricted Cash	$ 493,748

NOTE 5: **LEASE RECEIVABLES**

The financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, 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.

In 2002, the Authority entered two cell tower antenna facilities rooftop leases as the lessor. As of June 30, 2024, the value of the lease receivables is $433,745. The lessee is required to make monthly fixed payments totaling $4,392. The lease has an implied interest rate of 3.00%. The value of the deferred inflow of resources as of June 30, 2024, was $405,255 and the Authority recognized lease revenue of $52,708 during the fiscal year. The lessee has one 60-month extension options remaining.

On June 1, 2023, the Authority entered a 60-month lease as the lessor for the use of building space. An initial lease receivable was recorded in the amount of $59,194. As of June 30, 2024, the value of the lease receivable is $49,508 The lessee is required to make monthly fixed payments of $1,051 starting June 1, 2024. The lease has an implied interest rate of 3.00%. The value of the deferred inflow of resources as of June 30, 2024, was $46,369 and the Authority recognized lease revenue of $12,498 during the fiscal year. The lessee has three 12-month extension options.

Principal and interest payments expected to be received to maturity at June 30, 2024, are as follows:

Fiscal Year	Principal Payment	Interest Payments	Total Payments
2025	49,962	15,368	65,330
2026	53,306	12,150	65,456
2027	55,057	10,527	65,584
2028	56,208	8,851	65,059
2029	50,730	7,248	57,978
2030-2033	217,990	9,092	227,082
Total	$ 483,253	$ 63,236	$ 546,489

NOTE 6: CAPITAL ASSETS

The following is a summary of capital assets.

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets Not being Depreciated				
Land	$ 5,353,843	$ 5,000	$ 0	$ 5,358,843
Construction in Progress	1,701,283	7,555,727	(508,841)	8,748,169
Total Capital Assets Not being Depreciated	7,055,126	7,560,727	(508,841)	14,107,012
Capital Assets Being Depreciated				
Buildings	90,138,808	1,031,697	0	91,170,505
Office Equipment	1,447,505	759,928	0	2,207,433
Maintenance Equipment	539,599	0	0	539,599
Vehicles	361,789	639,936	(345,618)	656,107
Total Capital Assets Depreciated	92,487,701	2,431,561	(345,618)	94,573,644
Less Accumulated Depreciation				
Buildings	(75,456,187)	(1,621,214)	0	(77,077,401)
Office Equipment	(1,124,928)	(91,973)	0	(1,216,901)
Maintenance Equipment	(516,549)	(72,230)	0	(588,779)
Vehicles	(357,670)	(302,069)	345,618	(314,121)
Total Accumulated Depreciation	(77,455,334)	(2,087,486)	345,618	(79,197,202)
Total Capital Assets Depreciated, Net	15,032,367	344,075	-	15,376,442
Capital Assets, Net	$ 22,087,493	$ 7,904,802	$ (508,841)	$ 29,483,454

NOTE 7: DEBT OBLIGATION

Long-Term Debt

A reconciliation of long-term liabilities is shown below:

	Balance July 1, 2023	Additions	Retired	Balance June 30, 2024	Due Within One Year
Compensated Absences	$ 515,969	$ 576,760	$ 511,182	$ 581,547	$ 377,699
Other Liabilities	0	266,467	0	266,467	266,467
FSS Escrows	283,060	172,586	181,822	273,824	129,046
Accrued Interest Payable Sub.	0	94,384	0	94,384	94,384
Subscription Lease Liability	0	1,290,551	0	1,290,551	282,874
Capital Fund Liability	0	686,733	0	686,733	686,733
Net Pension Liability	9,803,750	0	605,525	9,198,225	0
Net OPEB Liability	205,064	0	205,064	0	0
Total	$ 10,807,843	$ 3,087,481	$ 1,503,593	$ 12,391,731	$ 1,837,203

NOTE 8: **SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS**

The Housing Authority utilizes software systems to manage their operations through the use of software subscriptions (contracts) that exceeds 12 months. The Housing Authority entered into a contract as of August 2023 effective for 60 months. GASB Statement #96 requires that the right-to-use asset and corresponding liability be recorded on the financial statements. Expected subscription payments are discounted based on an incremental rate of 8.5%. The following table provides a summary of the right-to-use assets and the accumulated amortization as follows:

	Balance as of July 1, 2023	Additions	Modifications or Renewals	Deductions	Balance as of June 30, 2024
Subscription Assets	$ 1,534,053	$ -	$ -	$ 1,534,053	
Accumulated Amortization	$ -	$ -	$ (281,243)	$ (281,243)	
Total Subscription Right to Use Assets, Net	$ 1,534,053	$ -	$ (281,243)	$ 1,252,810	

Leases and Subscription Contract Liabilities

Software Subscription Contracts

The Housing Authority entered into a subscription software contract for the use of a management operating system. The term of the contract is 60 months. The Housing Authority used an incremental borrowing rate of 8.5%. The annual payment is $394,155. The following is a schedule by years of future contractual payments required as of June 30, 2024.

Software Subscription Payments

Year	Interest	Principal	Total Payments
2025	$111,281	$282,874	$394,155
2026	86,278	307,877	394,155
2027	59,064	335,091	394,155
2028	29,446	364,709	394,155
Total	$286,069	$1,290,551	$1,576,620

The total liability is reported as $282,874 as a current liability and $1,007,677 as a noncurrent liability.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability/asset 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/asset represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/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 this estimate annually.

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

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

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

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

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

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

When a Traditional Pension Plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

	State and Local		
	Traditional Pension Plan	Combined Plan	Member-Directed Plan
2023-2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
2023-2024 Actual Contribution Rates			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	14.0 %	14.0 %	14.0 %
Employee	10.0 %	10.0 %	10.0 %

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

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

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

For fiscal year ending June 30, 2024, the Authority's contractually required contributions used to fund pension benefits was $885,791 for the Traditional Pension Plan, $17,535 for the Combined Plan and $7,262 for the Member-Directed Plan.

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

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Prior Measurement Date	0.033188%	0.044612%	
Current Measurement Date	0.035134%	0.029087%	
Change in Proportionate Share	0.001946%	-0.015525%	
Proportionate Share of the:			
Net Pension Liability	$ 9,198,225	$ 0	$ 9,198,225
Net Pension Asset	$ 0	$ 89,408	$ 89,408
Pension Expense	$ 1,335,325	$ 17,817	$ 1,353,142

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 1,856,596	$ 14,541	$ 1,871,137
Differences between expected and actual experience	150,338	3,622	153,960
Changes of assumptions	0	3,322	3,322
Changes in proportion and differences between Authority contributions and proportionate share of contributions	317,541	82,089	399,630
Authority contributions subsequent to the measurement date	434,068	10,692	444,760
Total Deferred Outflows of Resources	$ 2,758,543	$ 114,266	$ 2,872,809
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 0	$ 8,844	$ 8,844
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0	4,718	4,718
Total Deferred Inflows of Resources	$ 0	$ 13,562	$ 13,562

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

$444,760 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending June 30:			
2025	$ 712,742	$ 13,433	$ 726,175
2026	691,332	15,221	706,553
2027	1,184,773	19,759	1,204,532
2028	(264,372)	9,221	(255,151)
2029	0	12,372	12,372
Thereafter	0	20,006	20,006
Total	$ 2,324,475	$ 90,012	$ 2,414,487

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

	Traditional Pension Plan	Combined Plan
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term

NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
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 %	

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

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

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	$ 14,480,478	$ 9,198,225	$ 4,804,926
Combined Plan	$ (54,102)	$ (89,408)	$ (117,221)

NOTE 10: **POSTEMPLOYMENT BENEFITS**

Net OPEB Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

NOTE 10: **POSTEMPLOYMENT BENEFITS** (Continued)

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

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

1. **Age 65 or older** – minimum of 20 years of qualified health care service credit.
2. **Age 60 to 64** – based on the following age-and-service criteria:
    a. Group A – 30 years of total service with at least 20 years of qualified health care service credit;
    b. Group B – 31 years of total service with at least 20 years of qualified health care service credit; or
    c. Group C – 32 years of total service with at least 20 years of qualified health care service credit.
3. **Age 59 or younger** – based on the following age-and-service criteria:
    a. Group A – 30 years of qualified health care service credit;
    b. Group B - 32 years of qualified health care service credit at any age or 31 years of qualified heath care service credit and at least age 52; or
    c. Group C – 32 years of qualified health care service credit and at least age 55.

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

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

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

NOTE 10: **POSTEMPLOYMENT BENEFITS** (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2023 and 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023-2024, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023-2024 was 2.0 percent and 4.0 percent, respectively.

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

The Authority's contractually required contribution allocated to health care was $5,827 for the year ending June 30, 2024.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

		OPERS
Proportion of the Net OPEB Liability/Asset:		
Prior Measurement Date		0.032523%
Current Measurement Date		0.033891%
Change in Proportionate Share		0.001368%
Proportionate Share of the Net OPEB Liability (Asset)	$	(305,874)
OPEB Expense	$	(52,406)

NOTE 10: **POSTEMPLOYMENT BENEFITS** (Continued)

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

		OPERS
Deferred Outflows of Resources		
Net difference between projected and actual earnings on OPEB plan investments	$	183,694
Changes of assumptions		78,747
Authority contributions subsequent to the measurement date		3,232
Total Deferred Outflows of Resources	$	265,673
Deferred Inflows of Resources		
Differences between expected and actual experience	$	43,536
Changes of assumptions		131,486
Changes in proportion and differences between Authority contributions and proportionate share of contributions		13,293
Total Deferred Inflows of Resources	$	188,315

$3,232 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		OPERS
2025	$	(16,552)
2026		9,718
2027		142,989
2028		(62,029)
Total	$	74,126

Actuarial Assumptions - OPERS

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

NOTE 10: **POSTEMPLOYMENT BENEFITS** (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2023	December 31, 2022
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.70 percent	5.22 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	3.77 percent	4.05 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2038	5.50 percent initial, 3.50 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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 considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined

NOTE 10: **POSTEMPLOYMENT BENEFITS** (Continued)

pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2023 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
Real Estate Investment Trust	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 %	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 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 2070. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

NOTE 10: **POSTEMPLOYMENT BENEFITS** (Continued)

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	$ 168,099	$ (305,874)	$ (698,494)

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

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	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	$ (318,575)	$ (305,874)	$ (291,463)

NOTE 11: **INSURANCE COVERAGE**

The Authority is covered for property damage, general liability, auto damage and liability, and public official's liability through various insurers. Deductible and coverage limits are summarized below:

	Deductible	Coverage Limits
Property	$ 10,000	$ 198,495,402
General Liability	5,000	1,000,000
Vehicle	500/500	ACV/1,000,000
Directors, Officers, and Trustees Liability	15,000	2,000,000/2,000,000
Blanket Position Bond	5,000	500,000
Umbrella Liability	10,000	3,000,000/3,000,000

The Authority has contracted with Housing Authority Property Insurance, Inc. (HAPI) for property liability insurance and outside vendors for employee and Board of Commissioner's fidelity insurance, auto and vehicle insurance, and office equipment insurance. Settlement claims have not exceeded this coverage in any of the past 3 years. There has been no significant reduction in coverage from the previous fiscal year.

NOTE 11: **INSURANCE COVERAGE** (Continued)

Additionally, workers' compensation is maintained through the State of Ohio, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan for employee health care benefits.

NOTE 12: **CONCENTRATIONS**

The Authority receives the majority of its revenue from HUD and is subject to mandated changes by HUD and changes in Congressional acts.

NOTE 13: **COMMITMENTS AND CONTINGENCIES**

Grants
The Authority and its component unit received financial assistance from a federal agency in the form of grants and from a county agency using a grant to provide four houses to the component unit. The disbursement of funds and assets received under these grant programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at June 30, 2024.

Contingencies
The Authority is party to various legal proceedings. In the opinion of the Authority, the ultimate disposition of these proceedings will not have a material effect on the Authority's financial position. No provision has been made to the financial statements for the effect, if any, of such contingencies.

NOTE 14: **CAPITAL CONTRIBUTIONS**

The Lorain County Elderly Housing Corporation entered into an agreement with Lorain County to accept four houses built utilizing Neighborhood Stabilization Program (NSP) funds for the purpose of renting these units to tenants whose income is below 120 percent of adjusted median income for a period of 20 years. The Authority receives the majority of its revenues from the U.S. Department of Housing and Urban Development and is subject to changes in Congressional acts or mandated changes by HUD.

NOTE 15: **BLENDED COMPONENT UNITS**

As of June 30, 2024, the condensed Statement of Net Position for the blended component unit (LCEHC) is as follows:

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	$ 1,342,587
Noncurrent Assets	25,575
Net capital assets	2,210,352
Total Assets	3,578,514
Deferred Outflows of Resources	
Pension	185,866
OPEB	17,189
Total Deferred Outflows of Resources	203,055
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,781,569
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Current Liabilities	$ 196,141
Noncurrent Liabilities	37,069
Net Pension Liability	595,109
Net OPEB Liability	0
Total Liabilities	828,319
Deferred Inflows of Resources	
Pension	877
OPEB	12,184
Total Inflow of Resources	13,061
Net Position	
Net Investment in Capital Assets	2,210,352
Unrestricted	729,837
Total Net Position	2,940,189
TOTAL LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION	$ 3,781,569

NOTE 15: **BLENDED COMPONENT UNITS** (Continued)

As of June 30, 2024, the condensed Statement of Activities for the blended component unit (LCEHC) is as follows:

Operating Revenues	
Total Tenant Revenue	$ 761,738
HUD PHA Operating Grants	957,139
Other Revenue	117,317
Total Operating Revenue	1,836,194
Operating Expenses	
Depreciation	199,788
Other Operating Expenses	1,637,916
Total Operating Expenses	1,837,704
Operating Income	(1,510)
Nonoperating Revenues (Expenses)	
Investment Income-Unrestricted	45,318
Interest Expense	0
Total Nonoperating Revenues (Expenses)	45,318
Changes in Net Position	43,808
Beginning Net Position	2,896,381
Ending Net Position	$ 2,940,189

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
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	0.035134%	0.033188%	0.030511%	0.031908%	0.031150%	0.032673%	0.034442%	0.035697%	0.036793%	0.036427%
Authority's Proportionate Share of the Net Pension Liability	$ 9,198,225	$ 9,803,750	$ 2,654,580	$ 4,724,880	$ 6,157,009	$ 8,948,472	$ 5,403,282	$ 8,106,182	$ 6,373,011	$ 4,393,503
Authority's Covered Payroll	$ 5,783,171	$ 5,144,571	$ 4,428,104	$ 4,494,115	$ 4,382,781	$ 4,413,014	$ 4,551,522	$ 4,614,681	$ 4,579,233	$ 4,465,941
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.56%	59.95%	105.13%	140.48%	202.77%	118.71%	175.66%	139.17%	98.38%
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%

Combined Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Asset	0.029087%	0.044612%	0.059088%	0.061879%	0.058686%	0.056929%	0.055625%	0.051769%	0.051330%	0.053023%
Authority's Proportionate Share of the Net Pension (Asset)	$ (89,408)	$ (105,146)	$ (232,810)	$ (178,622)	$ (122,374)	$ (63,659)	$ (75,724)	$ (28,813)	$ (24,979)	$ (20,415)
Authority's Covered Payroll	$ 133,562	$ 206,499	$ 269,381	$ 272,700	$ 261,243	$ 243,483	$ 227,811	$ 201,512	$ 186,809	$ 193,821
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	66.94%	50.92%	86.42%	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%	10.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

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

See accompanying notes to the required supplementary information

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PENSION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions										
Traditional Plan	$ 885,791	$ 754,256	$ 639,163	$ 620,832	$ 629,688	$ 607,778	$ 605,000	$ 573,950	$ 551,091	$ 542,977
Combined Plan	17,535	21,188	32,151	40,043	37,281	35,554	30,281	26,598	22,878	22,933
Total Required Contributions	903,326	775,444	671,314	660,875	666,969	643,332	635,281	600,548	573,969	565,910
Contributions in Relation to the Contractually Required Contribution	(903,326)	(775,444)	(671,314)	(660,875)	(666,969)	(643,332)	(635,281)	(600,548)	(573,969)	(565,910)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll										
Traditional Plan	$ 6,327,079	$ 5,387,543	$ 4,565,450	$ 4,434,514	$ 4,497,771	$ 4,341,271	$ 4,485,132	$ 4,594,634	$ 4,592,425	$ 4,524,808
Combined Plan	146,125	176,567	229,650	286,021	266,293	253,957	224,488	212,925	190,650	191,108
Total Covered Payroll	$ 6,473,204	$ 5,564,110	$ 4,795,100	$ 4,720,535	$ 4,764,064	$ 4,595,228	$ 4,709,620	$ 4,807,559	$ 4,783,075	$ 4,715,916
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.49%	12.49%	12.00%	12.00%
Combined Plan	12.00%	12.00%	14.00%	14.00%	14.00%	14.00%	13.49%	12.49%	12.00%	12.00%
Total Percentage	13.95%	13.94%	14.00%	14.00%	14.00%	14.00%	13.49%	12.49%	12.00%	12.00%

See accompanying notes to the required supplementary information

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
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/Asset	0.033891%	0.032523%	0.030647%	0.032229%	0.031421%	0.032758%	0.034490%	0.035770%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ (305,874)	$ 205,064	$ (959,911)	$ (574,185)	$ 4,340,056	$ 4,270,870	$ 3,745,360	$ 3,612,892
Authority's Covered Payroll	$ 5,983,111	$ 5,413,012	$ 4,779,064	$ 4,874,136	$ 4,747,000	$ 4,751,460	$ 4,885,705	$ 4,943,222
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%	91.43%	89.89%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 5,827	$ 6,076	$ 2,248	$ 4,334	$ 4,212	$ 3,985	$ 28,103	$ 77,013	$ 98,570	$ 94,957
Contributions in Relation to the Contractually Required Contribution	(5,827)	(6,076)	(2,248)	(4,334)	(4,212)	(3,985)	(28,103)	(77,013)	(98,570)	(94,957)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 6,545,821	$ 5,627,714	$ 4,851,308	$ 4,828,873	$ 4,869,363	$ 4,694,847	$ 4,814,438	$ 4,921,320	$ 4,893,432 0	$ 4,780,364
Contributions as a Percentage of Covered Payroll	0.09%	0.11%	0.05%	0.09%	0.09%	0.08%	0.58%	1.56%	2.01%	1.99%

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

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Awards:		
Section 8 New Construction and Substantial Rehabilitation	14.182	$957,139
Public Housing Operating Fund	14.850	8,487,232
Housing Voucher Program Cluster		
Section 8 Housing Choice Vouchers	14.871	$26,670,102
COVID-19 Emergency Housing Vouchers	14.871	449,257
Total Housing Voucher Program Cluster		27,119,359
Public Housing Capital Fund	14.872	8,906,080
Family Self-Sufficiency Program	14.896	163,018
Total U.S. Department of Housing and Urban Development		45,632,828
Total Expenditures of Federal Awards		**$45,632,828**

The accompanying notes are an integral part of this schedule.

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Audited/Single Audit	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	14.EHV Emergency Housing Voucher	2 State/Local	6.2 Component Unit - Blended	1 Business Activities	14.182 N/C S/R Section 8 Programs	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$1,847,212	$517,951	$0	$0	$106,886	$144,198	$977,909	$252,365	$0	$999,806	$4,846,327	$0	$4,846,327
112 Cash - Restricted - Modernization and Development	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
113 Cash - Other Restricted	$29,029	$115,748	$20,226	$0	$0	$0	$6,059	$0	$0	$0	$171,062	$0	$171,062
114 Cash - Tenant Security Deposits	$140,567	$0	$0	$0	$0	$0	$48,101	$4,070	$0	$0	$192,738	$0	$192,738
115 Cash - Restricted for Payment of Current Liabilities	$63,019	$66,929	$0	$0	$0	$0	$0	$0	$0	$0	$129,948	$0	$129,948
100 Total Cash	$2,079,827	$700,628	$20,226	$0	$106,886	$144,198	$1,032,069	$256,435	$0	$999,806	$5,340,075	$0	$5,340,075
121 Accounts Receivable - PHA Projects	$0	$6,100	$0	$0	$0	$0	$0	$0	$0	$0	$6,100	$0	$6,100
122 Accounts Receivable - HUD Other Projects	$716,807	$528,940	$0	$4,883	$16,027	$0	$0	$0	$0	$0	$1,266,657	$0	$1,266,657
124 Accounts Receivable - Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
125 Accounts Receivable - Miscellaneous	$27,683	$2,294	$0	$0	$0	$0	$2,242	$0	$0	$178,097	$210,316	$0	$210,316
126 Accounts Receivable - Tenants	$128,015	$0	$0	$0	$0	$0	$35,521	$0	$0	$0	$163,536	$0	$163,536
126.1 Allowance for Doubtful Accounts -Tenants	-$13,537	$0	$0	$0	$0	$0	-$410	$0	$0	$0	-$13,947	$0	-$13,947
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
127 Notes, Loans, & Mortgages Receivable - Current	$133,714	$0	$0	$0	$0	$0	$0	$10,902	$0	$0	$144,616	$0	$144,616
128 Fraud Recovery	$15,504	$42,425	$0	$0	$1,132	$0	$0	$0	$0	$0	$59,061	$0	$59,061
128.1 Allowance for Doubtful Accounts - Fraud	$0	-$42,397	$0	$0	-$1,132	$0	$0	$0	$0	$0	-$43,529	$0	-$43,529
129 Accrued Interest Receivable	$4,689	$1,042	$0	$0	$0	$0	$315	$0	$0	$0	$6,046	$0	$6,046
120 Total Receivables, Net of Allowances for Doubtful Accounts	$1,012,875	$538,404	$0	$4,883	$16,027	$0	$37,668	$10,902	$0	$178,097	$1,798,856	$0	$1,798,856
131 Investments - Unrestricted	$2,842,416	$631,392	$0	$0	$0	$0	$210,593	$0	$0	$0	$3,684,401	$0	$3,684,401
132 Investments - Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
142 Prepaid Expenses and Other Assets	$176,728	$32,856	$0	$0	$0	$0	$38,516	$31,171	$0	$23,161	$302,432	$0	$302,432
143 Inventories	$249,376	$0	$0	$0	$0	$0	$29,676	$0	$0	$5,845	$284,897	$0	$284,897
143.1 Allowance for Obsolete Inventories	-$49,875	$0	$0	$0	$0	$0	-$5,935	$0	$0	-$1,169	-$56,979	$0	-$56,979
144 Inter Program Due From	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
145 Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
150 Total Current Assets	$6,311,347	$1,903,280	$20,226	$4,883	$122,913	$144,198	$1,342,587	$298,508	$0	$1,205,740	$11,353,682	$0	$11,353,682
161 Land	$4,532,801	$69,400	$0	$0	$0	$0	$333,878	$422,764	$0	$0	$5,358,843	$0	$5,358,843
162 Buildings	$77,407,495	$1,010,838	$0	$0	$0	$0	$10,140,919	$893,226	$0	$1,718,027	$91,170,505	$0	$91,170,505
163 Furniture, Equipment & Machinery - Dwellings	$1,059,553	$0	$0	$0	$0	$0	$248,676	$0	$0	$0	$1,308,229	$0	$1,308,229
164 Furniture, Equipment & Machinery - Administration	$813,825	$484,830	$0	$0	$0	$0	$77,541	$27,286	$0	$691,428	$2,094,910	$0	$2,094,910
165 Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
166 Accumulated Depreciation	-$66,900,044	-$1,190,386	$0	$0	$0	$0	-$8,610,756	-$579,145	$0	-$1,916,871	-$79,197,202	$0	-$79,197,202
167 Construction in Progress	$8,616,995	$0	$0	$0	$0	$0	$20,094	$111,080	$0	$0	$8,748,169	$0	$8,748,169
168 Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
160 Total Capital Assets, Net of Accumulated Depreciation	$25,530,625	$374,682	$0	$0	$0	$0	$2,210,352	$875,211	$0	$492,584	$29,483,454	$0	$29,483,454
171 Notes, Loans and Mortgages Receivable - Non-Current	$2,075,755	$0	$0	$0	$0	$0	$0	$38,606	$0	$0	$2,114,361	$0	$2,114,361
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
173 Grants Receivable - Non Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
174 Other Assets	$823,222	$584,800	$0	$0	$0	$0	$25,575	$0	$0	$214,494	$1,648,091	$0	$1,648,091
176 Investments in Joint Ventures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
180 Total Non-Current Assets	$28,429,602	$959,482	$0	$0	$0	$0	$2,235,927	$913,817	$0	$707,078	$33,245,906	$0	$33,245,906
200 Deferred Outflow of Resources	$1,662,170	$564,903	$0	$0	$0	$0	$203,055	$0	$0	$708,354	$3,138,482	$0	$3,138,482
290 Total Assets and Deferred Outflow of Resources	$36,403,119	$3,427,665	$20,226	$4,883	$122,913	$144,198	$3,781,569	$1,212,325	$0	$2,621,172	$47,738,070	$0	$47,738,070

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Audited/Single Audit	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	14.EHV Emergency Housing Voucher	2 State/Local	6.2 Component Unit - Blended	1 Business Activities	14.182 N/C S/R Section 8 Programs	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
312 Accounts Payable <= 90 Days	$166,367	$130,476	$0	$0	$1,519	$17,857	$45,800	$461	$0	$55,102	$417,582	$0	$417,582
313 Accounts Payable >90 Days Past Due	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
321 Accrued Wage/Payroll Taxes Payable	$158,583	$55,344	$0	$4,883	$0	$0	$16,303	$0	$0	$68,188	$303,301	$0	$303,301
322 Accrued Compensated Absences - Current Portion	$134,410	$60,321	$0	$0	$0	$0	$21,973	$0	$0	$160,995	$377,699	$0	$377,699
324 Accrued Contingency Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
325 Accrued Interest Payable	$46,248	$38,697	$0	$0	$0	$0	$0	$0	$0	$9,438	$94,383	$0	$94,383
331 Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
332 Account Payable - PHA Projects	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
333 Accounts Payable - Other Government	$93,789	$0	$0	$0	$0	$0	$37,182	$1,628	$0	$0	$132,599	$0	$132,599
341 Tenant Security Deposits	$140,567	$0	$0	$0	$0	$0	$48,101	$4,070	$0	$0	$192,738	$0	$192,738
342 Unearned Revenue	$36,882	$0	$0	$0	$73,310	$0	$9,331	$29,835	$0	$0	$149,358	$0	$149,358
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$825,342	$115,977	$0	$0	$0	$0	$0	$0	$0	$28,287	$969,606	$0	$969,606
344 Current Portion of Long-term Debt - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
345 Other Current Liabilities	$63,018	$66,929	$0	$0	$0	$0	$0	$60,755	$0	$10,600	$201,302	$0	$201,302
346 Accrued Liabilities - Other	$172,440	$1,368	$0	$0	$0	$0	$17,451	$1,062	$0	$1,892	$194,213	$0	$194,213
347 Inter Program - Due To	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
348 Loan Liability - Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
310 Total Current Liabilities	$1,837,646	$469,112	$0	$4,883	$74,829	$17,857	$196,141	$97,811	$0	$334,502	$3,032,781	$0	$3,032,781
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$493,761	$413,149	$0	$0	$0	$0	$0	$0	$0	$100,768	$1,007,678	$0	$1,007,678
352 Long-term Debt, Net of Current - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
353 Non-current Liabilities - Other	$29,029	$115,748	$0	$0	$0	$0	$0	$0	$0	$0	$144,777	$0	$144,777
354 Accrued Compensated Absences - Non Current	$110,324	$17,486	$0	$0	$0	$0	$37,069	$0	$0	$38,969	$203,848	$0	$203,848
355 Loan Liability - Non Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
356 FASB 5 Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
357 Accrued Pension and OPEB Liabilities	$4,871,468	$1,655,613	$0	$0	$0	$0	$595,109	$0	$0	$2,076,035	$9,198,225	$0	$9,198,225
350 Total Non-Current Liabilities	$5,504,582	$2,201,996	$0	$0	$0	$0	$632,178	$0	$0	$2,215,772	$10,554,528	$0	$10,554,528
300 Total Liabilities	$7,342,228	$2,671,108	$0	$4,883	$74,829	$17,857	$828,319	$97,811	$0	$2,550,274	$13,587,309	$0	$13,587,309
400 Deferred Inflow of Resources	$512,173	$36,336	$0	$0	$0	$0	$13,061	$47,743	$0	$45,563	$654,876	$0	$654,876
508.4 Net Investment in Capital Assets	$24,211,522	-$154,444	$0	$0	$0	$0	$2,210,352	$875,211	$0	$363,529	$27,506,170	$0	$27,506,170
511.4 Restricted Net Position	$0	$0	$20,226	$0	$0	$0	$0	$0	$0	$0	$20,226	$0	$20,226
512.4 Unrestricted Net Position	$4,337,196	$874,665	$0	$0	$48,084	$126,341	$729,837	$191,560	$0	-$338,194	$5,969,489	$0	$5,969,489
513 Total Equity - Net Assets / Position	$28,548,718	$720,221	$20,226	$0	$48,084	$126,341	$2,940,189	$1,066,771	$0	$25,335	$33,495,885	$0	$33,495,885
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$36,403,119	$3,427,665	$20,226	$4,883	$122,913	$144,198	$3,781,569	$1,212,325	$0	$2,621,172	$47,738,070	$0	$47,738,070

LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY, OHIO
FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Audited/Single Audit	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	14.EHV Emergency Housing Voucher	2 State/Local	6.2 Component Unit - Blended	1 Business Activities	14.182 N/C S/R Section 8 Programs	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$3,015,678	$0	$0	$0	$0	$0	$740,387	$32,920	$0	$0	$3,788,985	$0	$3,788,985
70400 Tenant Revenue - Other	$160,849	$0	$0	$0	$0	$0	$21,351	$194	$0	$0	$182,394	$0	$182,394
70500 Total Tenant Revenue	$3,176,527	$0	$0	$0	$0	$0	$761,738	$33,114	$0	$0	$3,971,379	$0	$3,971,379
70600 HUD PHA Operating Grants	$8,696,986	$26,670,102	$0	$163,018	$449,257	$0	$0	$0	$957,139	$153,835	$37,090,337	$0	$37,090,337
70610 Capital Grants	$8,275,342	$0	$0	$0	$0	$0	$0	$0	$0	$267,149	$8,542,491	$0	$8,542,491
70710 Management Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,098,818	$2,098,818	-$2,098,818	$0
70720 Asset Management Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$172,560	$172,560	-$172,560	$0
70730 Book Keeping Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$390,907	$390,907	-$390,907	$0
70740 Front Line Service Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
70750 Other Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$680	$680	$0	$680
70700 Total Fee Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,662,965	$2,662,965	-$2,662,285	$680
70800 Other Government Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
71100 Investment Income - Unrestricted	$156,544	$35,253	$0	$0	$1,700	$1,135	$45,318	$8,392	$0	$56,375	$304,717	$0	$304,717
71200 Mortgage Interest Income	$17,274	$0	$0	$0	$0	$0	$0	$0	$0	$0	$17,274	$0	$17,274
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
71310 Cost of Sale of Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
71400 Fraud Recovery	$25,934	$7,078	$0	$0	$0	$0	$0	$0	$0	$0	$33,012	$0	$33,012
71500 Other Revenue	$223,907	$8,651	$12,074	$0	$0	$205,000	$115,317	$38,860	$0	$49,659	$653,468	$0	$653,468
71600 Gain or Loss on Sale of Capital Assets	$57,800	$0	$0	$0	$0	$0	$2,000	$0	$0	$5,000	$64,800	$0	$64,800
72000 Investment Income - Restricted	$0	$0	$262	$0	$0	$0	$0	$0	$0	$0	$262	$0	$262
70000 Total Revenue	$20,630,314	$26,721,084	$12,336	$163,018	$450,957	$206,135	$924,373	$80,366	$957,139	$3,194,983	$53,340,705	-$2,662,285	$50,678,420
91100 Administrative Salaries	$1,394,273	$1,144,054	$0	$0	$5,467	$0	$233,246	$0	$0	$1,363,133	$4,140,173	$0	$4,140,173
91200 Auditing Fees	$12,404	$3,101	$0	$0	$0	$0	$3,094	$0	$0	$3,101	$21,700	$0	$21,700
91300 Management Fee	$1,417,715	$562,894	$0	$0	$9,361	$0	$108,848	$0	$0	$0	$2,098,818	-$2,098,818	$0
91310 Book-keeping Fee	$124,920	$261,945	$0	$0	$3,682	$0	$360	$0	$0	$0	$390,907	-$390,907	$0
91400 Advertising and Marketing	$8,847	$0	$0	$0	$0	$0	$2,036	$0	$0	$12,380	$23,263	$0	$23,263
91500 Employee Benefit contributions - Administrative	$536,045	$555,827	$0	$0	$2,239	$0	$89,609	$0	$0	$522,279	$1,705,999	$0	$1,705,999
91600 Office Expenses	$200,436	$60,855	$0	$0	$0	$121	$41,151	$788	$0	$227,217	$530,568	$0	$530,568
91700 Legal Expense	$91,119	$16,745	$0	$0	$0	$0	$10,859	$0	$0	$133,949	$252,672	$0	$252,672
91800 Travel	$6,012	$4,483	$0	$0	$0	$0	$1,122	$855	$0	$61,296	$73,768	$0	$73,768
91810 Allocated Overhead	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
91900 Other	$199,936	$79,228	$0	$0	$2,152	$79,673	$39,597	$1,603	$0	$434,813	$837,002	$0	$837,002
91000 Total Operating - Administrative	$3,991,707	$2,689,132	$0	$0	$22,901	$79,794	$529,922	$3,246	$0	$2,758,168	$10,074,870	-$2,489,725	$7,585,145
92000 Asset Management Fee	$172,560	$0	$0	$0	$0	$0	$0	$0	$0	$0	$172,560	-$172,560	$0
92100 Tenant Services - Salaries	$113,770	$0	$0	$100,464	$0	$0	$12,513	$0	$0	$0	$226,747	$0	$226,747
92200 Relocation Costs	$22,133	$0	$0	$0	$0	$0	$15,851	$0	$0	$0	$37,984	$0	$37,984
92300 Employee Benefit Contributions - Tenant Services	$80,449	$0	$0	$62,554	$0	$0	$11,069	$0	$0	$0	$154,072	$0	$154,072
92400 Tenant Services - Other	$14,830	$0	$13,181	$0	$0	$0	$1,541	$3,002	$0	$5,643	$38,197	$0	$38,197
92500 Total Tenant Services	$231,182	$0	$13,181	$163,018	$0	$0	$40,974	$3,002	$0	$5,643	$457,000	$0	$457,000
93100 Water	$594,069	$749	$0	$0	$4	$0	$43,612	$1,890	$0	$892	$641,216	$0	$641,216
93200 Electricity	$432,273	$16,015	$0	$0	$66	$0	$204,122	$5,753	$0	$19,053	$677,282	$0	$677,282
93300 Gas	$195,756	$5,188	$0	$0	$15	$0	$1,142	$6,647	$0	$6,165	$214,913	$0	$214,913
93400 Fuel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
93500 Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
93600 Sewer	$953,651	$984	$0	$0	$4	$0	$81,758	$2,346	$0	$0	$1,038,743	$0	$1,038,743
93700 Employee Benefit Contributions - Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
93800 Other Utilities Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,170	$1,170	$0	$1,170
93000 Total Utilities	$2,175,749	$22,936	$0	$0	$89	$0	$330,634	$16,636	$0	$27,280	$2,573,324	$0	$2,573,324
94100 Ordinary Maintenance and Operations - Labor	$1,319,313	$0	$0	$0	$0	$0	$77,590	$0	$0	$0	$1,396,903	$0	$1,396,903
94200 Ordinary Maintenance and Operations - Materials and Other	$699,242	$4,082	$0	$0	$18	$0	$55,321	$94	$0	$12,139	$770,896	$0	$770,896
94300 Ordinary Maintenance and Operations Contracts	$1,835,491	$1,236	$0	$0	$4	$0	$264,076	$14,599	$0	$70,341	$2,185,747	$0	$2,185,747
94500 Employee Benefit Contributions - Ordinary Maintenance	$649,115	-$26,454	$0	$0	$0	$0	$46,474	$0	$0	-$27,274	$641,861	$0	$641,861
94000 Total Maintenance	$4,503,161	-$21,136	$0	$0	$22	$0	$443,461	$14,693	$0	$55,206	$4,995,407	$0	$4,995,407

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Audited/Single Audit	Project Total	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	14.EHV Emergency Housing Voucher	2 State/Local	6.2 Component Unit - Blended	1 Business Activities	14.182 N/C S/R Section 8 Programs	COCC	Subtotal	ELIM	Total
95100 Protective Services - Labor	$491,665	$0	$0	$0	$0	$0	$35,613	$0	$0	$6,753	$534,031	$0	$534,031
95200 Protective Services - Other Contract Costs	$164,137	$0	$0	$0	$0	$0	$20,029	$0	$0	$730	$184,896	$0	$184,896
95300 Protective Services - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
95500 Employee Benefit Contributions - Protective Services	$214,277	$0	$0	$0	$0	$0	$13,212	$0	$0	$3,300	$230,789	$0	$230,789
95000 Total Protective Services	$870,079	$0	$0	$0	$0	$0	$68,854	$0	$0	$10,783	$949,716	$0	$949,716
96110 Property Insurance	$381,742	$8,333	$0	$0	$0	$0	$23,647	$3,598	$0	$0	$417,320	$0	$417,320
96120 Liability Insurance	$93,855	$24,584	$0	$0	$0	$0	$12,811	$2,059	$0	$0	$133,309	$0	$133,309
96130 Workmen's Compensation	$24,667	$8,578	$0	$0	$0	$0	$2,958	$0	$0	$8,696	$44,899	$0	$44,899
96140 All Other Insurance	$111,746	$10,226	$0	$0	$239	$0	$7,354	$0	$0	$31,593	$161,158	$0	$161,158
96100 Total insurance Premiums	$612,010	$51,721	$0	$0	$239	$0	$46,770	$5,657	$0	$40,289	$756,686	$0	$756,686
96200 Other General Expenses	$442,281	$27,973	$0	$0	$1,680	$0	$12,651	$0	$0	$153,837	$638,422	$0	$638,422
96210 Compensated Absences	$42,824	$11,000	$0	$0	$0	$0	$9,550	$0	$0	$28,105	$91,479	$0	$91,479
96300 Payments in Lieu of Taxes	$83,993	-$2,294	$0	$0	$0	$0	$37,182	$1,628	$0	-$2,728	$117,781	$0	$117,781
96400 Bad debt - Tenant Rents	$158,218	$0	$0	$0	$0	$0	$8,602	$0	$0	$0	$166,820	$0	$166,820
96500 Bad debt - Mortgages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96600 Bad debt - Other	$0	$38,560	$0	$0	$1,132	$0	$0	$0	$0	$0	$39,692	$0	$39,692
96800 Severance Expense	$43,215	$967	$0	$0	$0	$0	$2,128	$0	$0	$56,048	$102,358	$0	$102,358
96000 Total Other General Expenses	$770,531	$76,206	$0	$0	$2,812	$0	$70,113	$1,628	$0	$235,262	$1,156,552	$0	$1,156,552
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96720 Interest on Notes Payable (Short and Long Term)	$51,256	$42,419	$0	$0	$0	$0	$0	$0	$0	$10,346	$104,021	$0	$104,021
96730 Amortization of Bond Issue Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96700 Total Interest Expense and Amortization Cost	$51,256	$42,419	$0	$0	$0	$0	$0	$0	$0	$10,346	$104,021	$0	$104,021
96900 Total Operating Expenses	$13,378,235	$2,861,278	$13,181	$163,018	$26,063	$79,794	$1,530,728	$44,862	$0	$3,142,977	$21,240,136	-$2,662,285	$18,577,851
97000 Excess of Operating Revenue over Operating Expenses	$7,252,079	$23,859,806	-$845	$0	$424,894	$126,341	-$606,355	$35,504	$957,139	$52,006	$32,100,569	$0	$32,100,569
97100 Extraordinary Maintenance	$108,105	$0	$0	$0	$0	$0	$0	$0	$0	$29,100	$137,205	$0	$137,205
97200 Casualty Losses - Non-capitalized	$55,313	$0	$0	$0	$0	$0	$107,188	$0	$0	$0	$162,501	$0	$162,501
97300 Housing Assistance Payments	$0	$23,859,168	$0	$0	$393,144	$0	$0	$0	$0	$0	$24,252,312	$0	$24,252,312
97350 HAP Portability-In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
97400 Depreciation Expense	$1,766,302	$180,736	$0	$0	$0	$0	$199,788	$39,135	$0	$182,768	$2,368,729	$0	$2,368,729
97500 Fraud Losses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
97600 Capital Outlays - Governmental Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
97700 Debt Principal Payment - Governmental Funds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
97800 Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
90000 Total Expenses	$15,307,955	$26,901,182	$13,181	$163,018	$419,207	$79,794	$1,837,704	$83,997	$0	$3,354,845	$48,160,883	-$2,662,285	$45,498,598
10010 Operating Transfer In	$141,458	$0	$0	$0	$0	$0	$957,139	$0	$0	$153,835	$1,252,432	-$1,252,432	$0
10020 Operating transfer Out	-$141,458	$0	$0	$0	$0	$0	$0	$0	-$957,139	-$153,835	-$1,252,432	$1,252,432	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10040 Operating Transfers from/to Component Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10050 Proceeds from Notes, Loans and Bonds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10060 Proceeds from Property Sales	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10080 Special Items (Net Gain/Loss)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10091 Inter Project Excess Cash Transfer In	$900,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$900,000	-$900,000	$0
10092 Inter Project Excess Cash Transfer Out	-$900,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$900,000	$900,000	$0
10093 Transfers between Program and Project - In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10094 Transfers between Project and Program - Out	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$957,139	$0	-$957,139	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$5,322,359	-$180,098	-$845	$0	$31,750	$126,341	$43,808	-$3,631	$0	-$159,862	$5,179,822	$0	$5,179,822
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$23,226,359	$900,319	$21,071	$0	$16,334	$0	$2,896,381	$1,070,402	$0	$185,197	$28,316,063	$0	$28,316,063
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11050 Changes in Compensated Absence Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11060 Changes in Contingent Liability Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11070 Changes in Unrecognized Pension Transition Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11080 Changes in Special Term/Severance Benefits Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11100 Changes in Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11170 Administrative Fee Equity	$0	$720,221	$0	$0	$0	$0	$0	$0	$0	$0	$720,221	$0	$720,221
11180 Housing Assistance Payments Equity	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11190 Unit Months Available	17256	37836	0	0	552	0	0	0	0	0	55644	0	55644
11210 Number of Unit Months Leased	16574	35001	0	0	491	0	0	0	0	0	52066	0	52066
11270 Excess Cash	$3,011,294	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,011,294	$0	$3,011,294
11610 Land Purchases	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11620 Building Purchases	$8,275,342	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,275,342	$0	$8,275,342

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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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*

Lorain Metropolitan Housing Authority
Lorain County
1600 Kansas Avenue
Lorain, Ohio 44052

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the Lorain Metropolitan Housing Authority, Lorain County, Ohio (the Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements and have issued our report thereon dated March 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 13, 2025

OHIO AUDITOR OF STATE
KEITH FABER

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

Lorain Metropolitan Housing Authority
Lorain County
1600 Kansas Avenue
Lorain, Ohio 44052

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 13, 2025

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LORAIN METROPOLITAN HOUSING AUTHORITY
LORAIN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Program's Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Program:**	AL #14.871 – Housing Voucher Program Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $1,368,985 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

LORAIN METROPOLITAN HOUSING AUTHORITY

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 3/25/2025

65 East State Street, Columbus, Ohio 43215
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