OHIO AUDITOR OF STATE
KEITH FABER

DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
SEPTEMBER 30, 2023

TABLE OF CONTENTS

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Delaware Metropolitan Housing Authority, Delaware County, Ohio as of September 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Schedule and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2024

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DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE
YEAR ENDED SEPTEMBER 30, 2023

The Delaware Metropolitan Housing Authority's (the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent fiscal year challenges), and (d) identify individual fund 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 (beginning on page 15).

FINANCIAL HIGHLIGHTS

- During FY 2023, the Authority's net position increased by $151,489. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net positions were $336,345 and $487,834 for FY 2022 and FY 2023 respectively.
- The revenue increased by $515,704 during FY 2023 and was $2,906,807 and $3,422,511 for FY 2022 and FY 2023 respectively.
- Total expenses increased by $383,569 during FY 2023 and were $2,887,453 and $3,271,022 for FY 2022 and FY 2023 respectively.

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

Authority-Wide Financial Statements

The Authority-wide financial statements (see pages 15-18) are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority.

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

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

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

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

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

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and 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 Fund Net position is the "Change in Net position", which is similar to Net Income or Loss.

Finally, Statement of Cash Flows (see page 18) is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Fund Financial Statements

The Authority is accounted for as an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting. The funds maintained by the Authority are required by the Department of Housing and Urban Development.

The Authority's Programs

Business Type Funds

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

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

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

The net pension liability (NPL) is the largest single liability reported by the Authority at September 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pension costs (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*. GASB 68 and GASB 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute.

The Ohio revised Code permits but does not require the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is for the administration of the plan pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Statement of Net position

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

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

		2023		2022
Current and Other Assets	$	699,822	$	663,735
Capital Assets		21,569		31,545
Total Assets		721,391		695,280
Deferred Outflows of Resources		138,208		34,649
Total Assets and Deferred Outflows of Resources	$	859,599	$	729,929
Current Liabilities	$	11,445	$	14,625
Non-Current Liabilities		357,825		204,163
Total Liabilities		369,270		218,788
Deferred Inflows of Resources		2,495		174,796
Total Liabilities and Deferred Inflows of Resources		371,765		393,584
Net Position:				
Net Investment in Capital Assets		12,332		19,495
Restricted Net Position		30,598		36,761
Unrestricted Net Position		444,904		280,089
Total Net Position		487,834		336,345
Total Liabilities, Deferred Inflows and Net Position	$	859,599	$	729,929

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

For more detailed information see page 15-16 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Current and other assets increased by $36,087 in fiscal year 2023, mostly due to the current year increases in Restricted & Unrestricted funds. Changes to deferred outflows/inflows, net OPEB liability and net pension liability were the result of GASB 68 and GASB 75 entries for fiscal year 2023 compared to fiscal year 2022.

Capital assets decreased $9,976 in 2023 the result of the current fiscal year depreciation net purchases. For more detail see "Capital Assets and Debt Administration" Tables 4 and 5 of the Management's Discussion and Analysis, and Note 4 – Capital Assets.

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

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

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net position as of 9/30/2022		$ 280,089
Results of Operations	151,489	
Adjustments:		
Depreciation (1)	9,976	
Adjusted Results from Operations		161,465
Reduction in Restricted Net Position and Other Changes		3,350
Unrestricted Net position as of 9/30/2023		$444,904

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

CHANGE OF RESTRICTED NET POSITION

Restricted Net position as of 9/30/2022		$ 36,761
Results of Operations		
HAP reserves used	(14,855)	
FSS Forfeitures	5,552	
Fraud Recovery Income	3,140	
Adjusted Results from Operations		(6,163)
Restricted Net position as of 9/30/2023		$ 30,598

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

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

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

	2023	2022
Revenues		
Operating Grants	$ 3,323,336	2,814,820
Investment Income	1,264	159
Other Revenues	97,911	91,828
Total Revenues	**3,422,511**	**2,906,807**
Expenses		
Administrative	333,326	381,234
Tenant Services	-	1,283
Materials and Operations	1,116	4,886
Protective Services	-	456
General and Interest	14,479	20,804
Housing Assistance Payments	2,911,640	2,468,022
Interest Expense	485	599
Depreciation	9,976	10,169
Total Expenses	**3,271,022**	**2,887,453**
Net Increases (Decreases)	151,489	19,354
Beginning net position	336,345	316,991
Total net position - ending	**$ 487,834**	**$ 336,345**

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

HUD PHA Grants for FY2023 increased by $508,516 due to funding changes in both HAP & Admin funding.

Housing Assistance Payments Expense in FY23 increased by $443,618 which is expected due to higher rents and higher utilization.

TABLE 4

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the Authority had $21,569 invested in capital assets as reflected in the following schedule, which represents a net increase (addition, deductions, and depreciation).

Table 4 - Condensed Statement of Changes in Capital Assets

	2023	2022
Land	$	$
Building and Improvement	1,192	1,192
Furniture & Equipment	51,506	51,506
Vehicles	24,900	24,900
Accumulated Depreciation	(56,029)	(46,053)
Total	$ 21,569	$ 31,545

CAPITAL ASSETS AT FISCAL YEAR-END
(NET OF DEPRECIATION)

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 4 of the notes to the basic financial statements.

CHANGE IN CAPITAL ASSETS

Table 5 - Changes in Capital Assets

Beginning Balance	$ 31,545
Current year Additions	-0-
Current year Depreciation Expense	(9,976)
Ending Balance	$ 21,569

Debt Outstanding

The debt outstanding as of September 30, 2023 consisted of lease obligations. See Note 10 for more information regarding leases.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Bonnie Virden, Accounting Manager for the Delaware Metropolitan Housing Authority, at (419) 524-0029. Specific requests may be submitted to the Authority at P.O. Box 1292, Delaware, OH 43015.

DELAWARE METROPOLITAN HOUSING AUTHORITY

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

ASSETS

Current Assets		
Cash and Cash Equivalents - Unrestricted	$	661,382
Restricted Cash		33,151
Accounts Receivable - Fraud Recovery		15,020
Allowance for Doubtful Accounts		(15,020)
Accounts Receivable - Other Government		4,853
Prepaid Expenses		436
Total Current Assets		699,822
Non-Current Assets		
Depreciable Capital Assets		77,598
Accumulated Depreciation and Amortization		(56,029)
Total Capital Assets		21,569
Deferred Outflow of Resources		
Net Pension Liability		115,791
Net OPEB Liability		22,417
Total Deferred Outflows of Resources		138,208
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$	859,599

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

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

Current Liabilities		
Accounts Payable	$	3,522
Accrued Compensated Absences		4,981
Lease Liability - Current Portion		2,942
Total Current Liabilities		11,445
Non-Current Liabilities		
Family Self-Sufficiency Deposit Payable		2,553
Net Pension Liability		296,582
Net OPEB Liability		7,566
Lease Liability - Less Current Portion		6,295
Accrued Compensated Absences		44,829
Total Non-Current Liabilities		357,825
Total Liabilities	$	369,270
Deferred Inflow of Resources		
Net OPEB Liability		2,495
Total Deferred Inflow of Resources	$	2,495
Net Position		
Net Investment in Capital Assets	$	12,332
Restricted		30,598
Unrestricted		444,904
Total Net Position	$	487,834
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$	859,599

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

DELAWARE METROPOLITAN HOUSING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Operating Revenue:	
HUD Operating Subsidies and Grants	$ 3,323,336
Fraud Recovery	6,279
Other Revenue	91,632
Total Operating Revenue	3,421,247
Operating Expenses:	
Housing Assistance Payments	2,911,640
Administrative	333,326
Material and Operations	1,116
General and Insurance	14,479
Depreciation and Amortization	9,976
Total Operating Expenses	3,270,537
Operating Income (Loss)	150,710
Non-Operating Revenues (Expenses)	
Interest Revenue	1,264
Interest Expense	(485)
Total Non-Operating Revenues (Expenses)	779
Change in Net Position	151,489
Net Position - Beginning of Year	336,345
Net Position - End of Year	$ 487,834

The accompanying notes are an integral part of the financial statements

DELAWARE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Operating Grants	$	3,323,336
Cash Received from Other Revenue		100,949
Cash Payments for Operating expenses		(433,912)
Cash Payments for Housing Assistance		(2,911,640)
Net Cash Provided (Used) by Operating Activities		**78,733**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earned		1,264
Net Cash Provided (Used) by Investing Activities		**1,264**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Debt Payments, Principal and Interest		(3,298)
Net Cash Provided (Used) by Financing Activities		**(3,298)**
Net Increase (Decrease) in Cash		76,699
Cash and cash equivalents - Beginning of year		617,834
Cash and cash equivalents - End of year	**$**	**694,533**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	$	150,710
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation		9,976
(Increases) Decreases in:		
- Accounts Receivable		3,038
- Prepaid Assets		(12)
- Deferred Outflows of Resources		(103,559)
- Net OPEB Assets		37,586
Increases (Decreases) in:		
- Accounts Payable and Accrued Expenses		(35,718)
- Accrued Compensated Absences		(2,900)
- Net Pension and OPEB Liability		191,913
- Deferred Inflows		(172,301)
Net Cash Provided by Operating Activities	**$**	**78,733**

The accompanying notes are an integral part of the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low- and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, Determining Whether Organizations are Component Units, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)

Excluded Entity

The Authority leases office space from the Hidden Ridge Limited Partnership for $1 per year. The terms of the lease are described in Note 10.

Fund Accounting

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

Proprietary Fund Types:

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

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

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

Measurement Focus/Basis of Accounting

The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America. The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. In accordance with GABS Statement No. 34, the accompanying basic financial statements are reported on an Authority- wide basis. GASB Statement No. 34 (as amended by GASB Statement No. 63) requires the following, which collectively make up the Authority's basic financial statements:

Basic Financial Statements:

Statement of Net Position
Statement of Revenues, Expenses, and Changes in Net Position
Statement of Cash Flows
Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

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

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

Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform). Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as government-mandated or voluntary nonexchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

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

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

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)

Accounting and Reporting for Nonexchange Transactions (continued)

Deferred inflow/outflow of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 6 and 7.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. The deferred inflows of resources related to pension andOPEB are explained in Note 6 and 7.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/PEB 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 systems. 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 systems report investments at fair value.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold used by the Authority is $500. The following are the useful lives used for depreciation purposes:

Description	Estimated Useful Lives – Years
Furniture	7
Equipment	7
Computer hardware	3
Computer software	3
Vehicles	5

Total depreciation expense for the 2023 fiscal year was $9,976.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a current liability.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a current liability.

Net Position

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets consist of capital assets net of accumulated depreciation and net of related debt. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislature adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulation of other governments. The amount reported as restricted Net Position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments. When an expense is incurred for purposes which both restricted and unrestricted Net Position are available, the Authority first applies restricted Net Position. The Authority had a restricted net position for Housing Assistance Payment equity balance of $30,598 on September 30, 2023.

Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit beyond fiscal year-end are recorded as prepaid items. Payments are accounted for using the consumption method.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Family Self-Sufficiency Deposits of $2,553 and Housing Assistance Payment equity balance of $30,598. See Note 5 for additional information concerning Family Self-Sufficiency restricted assets.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are for Housing and Urban Development Grants and other revenues. Operating expenses are necessary costs to provide the goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as nonoperating revenues.

Accounts Receivable

Management considers all accounts receivable (excluding fraud recovery receivable) to be collected in full.

Accrued Interest Receivable

Accrued interest receivable represents the amount of interest earned but not collected on certificates of deposits as of the balance sheet date. Interest is collected upon maturity.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied.

Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal year.

NOTE 2 - CASH AND CASH EQUIVALENTS

The provisions of GASB Statement No. 40, Deposit, *and Investment Risk Disclosures*, require the disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Adoption of GASB Statement No. 40 had no effect on Net Position and change in Net Position in the prior or current year.

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits

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

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

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

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

All monies are deposited into banks as determined by the Authority. Funds are deposited in either interest bearing or non-interest-bearing accounts at the Authority's discretion. Security shall be furnished for all accounts in the Authority's name. Cash and cash equivalents included in the Authority's cash position at September 30, 2023 are $694,533.

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

Based on the Authority having only demand deposits at September 30, 2023, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

NOTE 3 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year 2023, the Authority purchased commercial insurance for public officials and employment practices liability for general insurance, property, crime, electronic equipment, and automobile insurance.

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

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

NOTE – 6 DEFINED BENEFIT PENSION PLANS — OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

NOTE 4 - CAPITAL ASSETS

The following is a summary of capital assets on September 30, 2023:

	Balance 9/30/2022	Additions	Disposals	Balance 9/30/2023
Capital Assets Depreciated:				
Furniture Machinery and Equipment	61,612	0	0	61,612
Leasehold Improvements	1,192	0	0	1,192
Intangle Right-of-Use Lease Asset	14,794	0	0	14,794
Total Capital Assets Being Depreciated	**77,598**	**0**	**0**	**77,598**
Accumulated Depreciation and Amortization:				
Accumulated Depreciation	(43,094)	(7,017)	0	(56,111)
Accumulated Amortization	(2,959)	(2,959)	0	(5,918)
Total Accumulated Depreciation	**(46,053)**	**(9,976)**	**0**	**(56,029)**
Total Capital Assets Depreciated, Net	**31,545**	**(9,976)**	**0**	**21,569**
Total Capital Assets, Net	**$31,545**	**($9,976)**	**$0**	**$21,569**

NOTE 5 - FSS ESCROW PAYABLE

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

NOTE – 6 DEFINED BENEFIT PENSION PLANS — OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

The net pension liability represents the Authority's proportionate share of the Ohio Public Employee Retirement System (OPERS) Pension Plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of its fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually. Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the OPERS to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the OPERS Board of Trustees must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual costs-of-living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

NOTE – 6 DEFINED BENEFIT PENSION PLANS — OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

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

The Authority's contractually required contribution to OPERS was $21,779 for fiscal year 2023. Of this amount $0 is reported as accounts payable

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

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

	Traditional Plan
Proportionate Share of the Net Pension Liability	$296,582
Proportion of the Net Pension Liability	0.001004%
Change in Proportion from Prior Measurement Date	0.000286%
Pension Expense	$43,097

On September 30, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Deferred Outflows
Difference between projected and actual investment earnings	$84,536
Changes of assumptions	3,133
Difference between expected and actual experience	9,851
Authority contributions subsequent to the measurement Measurement date	18,271
Total Deferred Outflows of Resources	$ 115,791

	Total Deferred Inflows
None	$ -0-

NOTE – 6 DEFINED BENEFIT PENSION PLANS — OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

The $18,271 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	
2024	$11,477
2025	19,748
2026	24,883
2027	41,412
2028	-0-
Total	$97,520

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requires of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below:

Actuarial Information	Traditional Pension Plan	Combined Plan	Member-Directed Plan
Measurement & Valuation Date	December 31, 2022	December 31, 2022	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions			
Investment Rate of Return	6.9%	6.9%	6.9%
Wage Inflation	2.75%	2.75%	2.75%
Projected Salary increases	2.75%-10.75% (includes wage inflation)	2.75%-8.25% (includes wage inflation)	2.75%-8.25% (includes wage inflation)
Cost of living Adjustments	3.00% Simple through 2023 then 2.05%	3.00% Simple through 2023 then 2.05%	3.00% Simple through 2023 then 2.05%

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

NOTE – 6 DEFINED BENEFIT PENSION PLANS — OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
	(5.9%)	**(6.9%)**	**(7.9%)**
Authority's proportionate share			
of the net pension liability(asset)	**$444,270**	**$ 296,581**	**$173,732**

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

Asset Class	**Allocation**	**Real Rate of Return**
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
TOTAL	**100.00%**	

NOTE – 6 DEFINED BENEFIT PENSION PLANS — OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

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

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2022, the average of the expected remaining service lives of all employees calculated by OPERS external actuaries for the Traditional Pension Plan was 2.4769 years. Employers should use these amounts when calculating elements of pension expense subject to amortization requirements as defined in GASB 68 and reported in the Schedule of Collective Pension Amounts.

NOTE - 7 OTHER POST EMPLOYMENT BENEFITS (OPEB)

Net OPEB Liability

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

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

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

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

NOTE - 7 OTHER POST EMPLOYMENT BENEFITS (continued)

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

Plan Description – OPERS

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

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

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

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

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

NOTE - 7 OTHER POST EMPLOYMENT BENEFITS (continued)

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

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for 2022. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2022 was 0%.

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

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

Proportionate Share of the Net OPEB Liability	$ 7,566
Proportion of the Net OPEB Liability	0.000935%
Change in Proportion from Prior Measurement Date	(0.000265%)
OPEB Expense	($ 13,244)

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

	Total Deferred Outflows
Difference between projected and actual investment earnings	$ 15,027
Changes of assumptions	7,390
Total Deferred Outflows of Resources	$ 22,417

	Total Deferred Inflows
Difference between expected and actual experience	$ 1,887
Change in assumptions	608
Total Deferred Inflows of Resources	$ 2,495

NOTE - 7 OTHER POST EMPLOYMENT BENEFITS (continued)

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

Fiscal Year Ending September 30:	
2024	($2,481)
2025	(5,495)
2026	(4,326)
2027	(7,259)
2028	(0)
Total	($ 19,561)

Actuarial Assumptions – OPERS

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability/asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used the following actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement:

Wage Inflation	2.75%
Future Salary Increases, including inflation	2.75% - 10.75%
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.05%
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females were then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

NOTE - 7 OTHER POST EMPLOYMENT BENEFITS (continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Average Remaining Service Life

GASB 75 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in OPEB expense over the average remaining service life of all employees provided with coverage through the health care plans (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2022, the average of the expected remaining service lives of all employees calculated by OPERS external actuaries was 2.6059 years. Employers should use this amount when calculating elements of OPEB expense subject to amortization requirements as defined in GASB 75 and reported in the Schedule of Collective OPEB Amounts.

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

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

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

NOTE - 7 OTHER POST EMPLOYMENT BENEFITS (continued)

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

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

	1% Decrease (4.22%)	Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB Liability	$25,752	$7,566	($ 7,440)

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 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Trend Rate	1% Increase
Authority's proportionate share of the net OPEB Liability	$7,092	$7,566	$8,100

NOTE – 8 COMPENSATED ABSENCES

Employees earn annual vacation and sick leave per anniversary year, based on years of service. Annual vacation leave may be carried forward to the next fiscal year and paid upon termination or retirement. Sick leave may be accumulated and is paid out based on Board policy upon termination or retirement. As of September 30, 2023, the accrual for compensated absences totaled $49,810 and has been included in the accompanying Statement of Net Position.

NOTE - 9 LONG-TERM LIABILITIES

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

	Balance At 10/1/22	Additions	Deletions	Balance At 9/30/23	Due in One year
Compensated Absences	$ 52,710		$(2,900)	$ 49,810	$ 4,981
Net Pension Liability	112,235	184,347		296,582	-
Net OPEB Liability		7,566		7,566	
Lease Liability	12,050		(2,813)	9,237	2,942
Total	$176,995	$ 191,913	$(5,713)	$363,195	$ 7,923

See Note 6 for information on the net pension liability and Note 7 for information on the net OPEB liability.

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

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

	Principal	Interest	Total
2024	2,942	356	3,298
2025	3,077	221	3,298
2026	3,218	80	3,298
Total	$9,237	$657	$9,894

NOTE 10 - LEASES

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

NOTE 11 - CONTINGENT LIABILITIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse effect on the overall financial position of the Authority on September 30, 2023.

Litigation

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

NOTE 12 – CHANGES IN ACCOUNTING PRINCIPLES

GASB Statement No. 91, "Conduit Debt Obligations": The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The Delaware Metropolitan Housing Authority does not have conduit debt, and therefore is not subject to this new standard.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements": The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

The Delaware Metropolitan Housing Authority does not participate in Public-Private nor Public-Public Partnerships and therefore is not subject to this standard. Furthermore, the Housing Authority does not participate in APA's.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements": This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

GASB 96 provides an exception to governments that are no longer under the initial noncancelable term of the SBITA contract. The Delaware Metropolitan Housing Authority is no longer under the initial term of the contract but renews on a year-to-year basis cancelable by either the SBITA vendor and/or the Housing Authority. In this case, GASB 96 does not apply.

GASB Statement No. 99, "Omnibus 2022": The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The Statement has been reviewed and does not have a material impact on the Delaware Metropolitan Housing Authority.

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

LAST TEN FISCAL YEARS

Traditional Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.001004%	0.001290%	0.001480%	0.001390%	0.001380%	0.001530%	0.001210%	0.001140%	0.001130%	0.001130%
Authority's Proportionate Share of the Net Pension Liability	$ 296,582	$112,235	$209,975	$273,952	$378,776	$239,870	$274,543	$198,155	$136,050	$132,977
Authority's Covered-Employee Payroll	$ 155,565	$158,179	$199,249	$199,230	$193,427	$202,400	$193,103	$145,501	$141,261	$136,493
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	190.65%	70.95%	105.38%	137.51%	195.82%	118.51%	142.17%	136.19%	96.31%	97.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	89.19%

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

DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.000935%	0.001200%	0.001320%	0.001290%	0.001290%	0.001430%	0.001430%
Authority's Proportionate Share of the Net OPEB Liability	$7,566	$(37,586)	$(23,535)	$ 178,321	$ 167,664	$ 155,287	$ 144,435
Authority's Covered Employee Payroll	$ 155,565	$ 158,179	$ 199,249	$ 199,230	$ 193,623	$ 202,400	$ 193,103
Authority's Proportionate Share of the Net OPEB Liability as a percentage of its covered employee payroll	4.86%	-23.76%	-11.81%	89.51%	86.59%	76.72%	74.80%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

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

2) Information prior to 2017 is not available.

DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contributior										
Pension	$ 21,779	$ 22,144	$ 27,892	$27,892	$ 27,080	$ 28,336	$ 27,035	$ 20,370	$19,777	$ 19,109
OPEB	$ -	$ -	$ -	$ -	$ -	$ 1,032	$ 3,862	$ 2,930	$ 2,825	$ 1,365
Contributions in relation to the contractually required contribution										
Pension	$(21,779)	$(22,144)	$(27,892)	$(27,892)	$(27,080)	$ (29,368)	$ (27.035)	$(20,370)	$(19,777)	$(19,109)
OPEB	$ -	$ -	$ -	$ -	$ -	$ -	$ (3,862)	$ (2,930)	$ (2,825)	$ (1,365)
Contribution deficiency (excess)										
Pension	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
OPEB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll	$155,565	$158,179	$199,249	$199,230	$193,427	$ 202,400	$ 193,103	$146,500	$141,264	$136,493
Contribution as a percentage of covered-employee payroll:										
Pension	14.00%	14.00%	14.00%	14.00%	14.00%	13.48%	12.52%	12.00%	12.00%	13.00%
OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%	1.49%	2.00%	2.00%	1.00%

Ohio Public Employees' Retirement System

Net Pension Liability

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

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

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, 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 single discount rate changed from 6.00% to 5.22%, the municipal bond rate changed from 1.84% to 4.05%.

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Delaware Metropolitan Housing Authority (OH079)

Delaware, OH

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2023

	1 Business Activities	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	Total
111 Cash - Unrestricted		$661,382		$661,382	$661,382
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		$27,599	$5,552	$33,151	$33,151
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	$0	$688,981	$5,552	$694,533	$694,533
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous		$4,853		$4,853	$4,853
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts -Tenants					
126.2 Allowance for Doubtful Accounts - Other		$0		$0	$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery		$15,020		$15,020	$15,020
128.1 Allowance for Doubtful Accounts - Fraud		-$15,020		-$15,020	-$15,020
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$4,853	$0	$4,853	$4,853
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		$436		$436	$436
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	$0	$694,270	$5,552	$699,822	$699,822
161 Land					
162 Buildings					
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration		$76,406		$76,406	$76,406
165 Leasehold Improvements		$1,192		$1,192	$1,192
166 Accumulated Depreciation		-$56,029		-$56,029	-$56,029
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$21,569	$0	$21,569	$21,569
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	$0	$21,569	$0	$21,569	$21,569
200 Deferred Outflow of Resources		$138,208		$138,208	$138,208
290 Total Assets and Deferred Outflow of Resources	$0	$854,047	$5,552	$859,599	$859,599

Delaware Metropolitan Housing Authority (OH079)

Delaware, OH

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2023

	1 Business Activities	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days		$3,522		$3,522	$3,522
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion		$4,981		$4,981	$4,981
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue					
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$2,942		$2,942	$2,942
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	$0	$11,445	$0	$11,445	$11,445
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$6,295		$6,295	$6,295
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		$2,553		$2,553	$2,553
354 Accrued Compensated Absences - Non Current		$44,829		$44,829	$44,829
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities		$304,148		$304,148	$304,148
350 Total Non-Current Liabilities	$0	$357,825	$0	$357,825	$357,825
300 Total Liabilities	$0	$369,270	$0	$369,270	$369,270
400 Deferred Inflow of Resources		$2,495		$2,495	$2,495
508.4 Net Investment in Capital Assets		$12,332		$12,332	$12,332
511.4 Restricted Net Position		$25,046	$5,552	$30,598	$30,598
512.4 Unrestricted Net Position	$0	$444,904	$0	$444,904	$444,904
513 Total Equity - Net Assets / Position	$0	$482,282	$5,552	$487,834	$487,834
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$854,047	$5,552	$859,599	$859,599

Delaware Metropolitan Housing Authority (OH079)
Delaware, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2023

	1 Business Activities	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	Total
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	$0	$0	$0	$0	$0
70600 HUD PHA Operating Grants		$3,323,336		$3,323,336	$3,323,336
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted		$1,264		$1,264	$1,264
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		$6,279		$6,279	$6,279
71500 Other Revenue	$85,779	$301	$5,552	$91,632	$91,632
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	$85,779	$3,331,180	$5,552	$3,422,511	$3,422,511
91100 Administrative Salaries	$61,761	$104,530		$166,291	$166,291
91200 Auditing Fees		$4,842		$4,842	$4,842
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing		$49		$49	$49
91500 Employee Benefit contributions - Administrative	$24,018	$44,528		$68,546	$68,546
91600 Office Expenses		$16,755		$16,755	$16,755
91700 Legal Expense		$2,188		$2,188	$2,188
91800 Travel					
91810 Allocated Overhead					
91900 Other		$74,655		$74,655	$74,655
91000 Total Operating - Administrative	$85,779	$247,547	$0	$333,326	$333,326
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	$0	$0	$0	$0	$0
93100 Water					
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	$0	$0	$0	$0	$0

Delaware Metropolitan Housing Authority (OH079)

Delaware, OH

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 09/30/2023

	1 Business Activities	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	Total
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and Other		$1,116		$1,116	$1,116
94300 Ordinary Maintenance and Operations Contracts					
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	$0	$1,116	$0	$1,116	$1,116
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	$0	$0	$0	$0	$0
96110 Property Insurance					
96120 Liability Insurance		$6,772		$6,772	$6,772
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	$0	$6,772	$0	$6,772	$6,772
96200 Other General Expenses		$1,307		$1,307	$1,307
96210 Compensated Absences		$6,400		$6,400	$6,400
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	$0	$7,707	$0	$7,707	$7,707
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		$485		$485	$485
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	$0	$485	$0	$485	$485
96900 Total Operating Expenses	$85,779	$263,627	$0	$349,406	$349,406
97000 Excess of Operating Revenue over Operating Expenses	$0	$3,067,553	$5,552	$3,073,105	$3,073,105
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		$2,911,640		$2,911,640	$2,911,640
97350 HAP Portability-In					
97400 Depreciation Expense		$9,976		$9,976	$9,976
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	$85,779	$3,185,243	$0	$3,271,022	$3,271,022
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					

Delaware Metropolitan Housing Authority (OH079)

Delaware, OH

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2023

	1 Business Activities	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	Total
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	$145,937	$5,552	$151,489	$151,489
11020 Required Annual Debt Principal Payments	$0	$816	$0	$816	$816
11030 Beginning Equity	$0	$336,345	$0	$336,345	$336,345
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		$457,236		$457,236	$457,236
11180 Housing Assistance Payments Equity		$25,046		$25,046	$25,046
11190 Unit Months Available		5364		5364	5364
11210 Number of Unit Months Leased		5380		5380	5380
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

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DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/ Pass Through Grantor/ Program/Cluster Title	Pass-Through Number	Federal ALN Number	Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs:			
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	N/A	14.871	$3,175,266
Total Housing Voucher Cluster			3,175,266
Total U.S. Department of Housing and Urban Development			**3,175,266**
Total Federal Expenditures			**$3,175,266**

The accompanying notes are an integral part of this schedule.

DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended September 30, 2023.

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended September 30, 2023.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended September 30, 2023.

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

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

To the Board of Directors:

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 Delaware Metropolitan Housing Authority, Delaware County, (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

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

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

To the Board of Directors:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Delaware Metropolitan Housing Authority's, Delaware 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 Delaware Metropolitan Housing Authority's major federal program for the year ended September 30, 2023. Delaware 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, Delaware Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2024

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DELAWARE METROPOLITAN HOUSING AUTHORITY
DELAWARE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

DELAWARE METROPOLITAN HOUSING AUTHORITY

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/25/2024

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