



OHIO AUDITOR OF STATE
KEITH FABER



**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
DECEMBER 31, 2024**

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**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
DECEMBER 31, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ashtabula Metropolitan Housing Authority, Ashtabula County, Ohio (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula Metropolitan Housing Authority, Ashtabula County, Ohio as of December 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 25, 2025

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

As management of the Ashtabula Metropolitan Housing Authority, we offer the readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements.

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following statements are included.

Statement of Net Position

This statement reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equals “Net Position”, similar to 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 and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net position is reported in three broad categories, as applicable:

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 do not meet the definition of “Net Investment in Capital Assets”, or “Restricted”.

The Authority’s financial statements include a Statement of Revenue, Expenses, and Change in Net Position, similar to an Income Statement. This Statement includes Operating Revenues, such as rental income, operating grants, and other revenues; Operating Expense, such as administrative, utilities, maintenance, general, insurance, housing assistance payments, and depreciation; and Non-Operating Revenues, such as capital grant revenue, investment/interest income, and gain on disposition of capital assets.

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

Statement of Cash Flows

Presents information on the effects changes in assets and liabilities have on cash during the course of the Fiscal Year.

Notes to the Financial Statements

Provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

The following is a brief description of the programs of the Authority which are consolidated into a single Enterprise Fund.

Housing Authority Programs

Public Housing

The Authority has 555 units in its Public Housing inventory. The Authority is responsible for the management and maintenance costs for all units. The units must be maintained in accordance with the U.S. Department of Housing and Urban Development (HUD) established housing quality standards. An annual inspection of each unit must be performed by the Authority to ensure that they meet these standards.

Each Authority Public Housing building, and the units that comprise those buildings, are subject to random third-party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has a Project Expense Level (PEL). The PEL reflects estimated allowable operating expenditures and is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD.

HUD funds the difference between these allowable costs incurred for all leased units and the actual tenant revenue generated. Tenant rent is based on 30 percent of their adjusted household income. Actual funding received from HUD is made by the results of this formula calculation, subject to pro-ration in accordance with total funds actually appropriated by Congress. Actual funding is made by HUD, by formula, in accordance with total funds appropriated by Congress.

Section 8 Housing Voucher Cluster

Under the Housing Choice Voucher and Mainstream Voucher programs, independent landlords rent their units to low-income program participants that are assigned a voucher. The Authority provides a monthly Housing Assistance Payment to the landlord that subsidizes the voucher holders rent. The Authority is responsible for verifying landlords are charging at or below fair market rent standards that are annually released by HUD.

The Housing Assistance Payment is the difference between the calculation of contract rent, voucher payment standard and utility allowance the landlord is charging for the unit and the portion of the rent that is calculated as the tenant payment responsibility based on 30 to 40% of their respective adjusted gross income.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the unit and properties associated with the Program; however, the Authority is responsible for inspecting the units upon initial participation in the program as well as annually or biennially based on inspection history to ensure units meet the National Standards for the Physical Inspection of Real Estate.

South Ridge Village

The Authority owns a 40-unit apartment complex providing housing for eligible low-income persons. Tenant rents are based on family income and composition to make them affordable. A loan issued by the U.S. Department of Agriculture (USDA) provided funding to develop the property and HUD provides rental assistance to the Authority through a project-based multi-family funding program in an amount equal to the difference between the affordable rent of the tenant family and the contract rent of the dwelling unit. The USDA provides an interest subsidy on the debt paid by the Authority.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Continuum of Care

This Authority assists the local mental health group in administering the Housing Assistance Payments (HAP) for their Continuum of Care program. This Program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immune deficiency syndrome (AIDS), and related diseases. Rental assistance must be matched by an equal value in cash or in-kind provided by the grantee from federal or private sources to be used for supportive services.

Capital Fund Program

Tenant revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day to day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance.

The purpose of the Capital Fund Program grants is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority.

This grant program is awarded by HUD, by formula allocation, on an annual basis. The Authority generally has two years to obligate the funds from these capital fund grants, and four years to fully expend them. As formal contracts are awarded from this Program, funds are requisitioned from HUD to pay periodic requests from the contractors.

Condensed Comparative Financial Statements

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

	2024	2023
<u>Assets and Deferred Outflows of Resources</u>		
<u>Assets</u>		
Cash and Cash Equivalents	\$ 5,187,125	\$ 4,492,524
Receivables	308,929	265,135
Other Current Assets	356,036	322,476
Capital Assets	9,943,431	7,965,666
Other Non-Current Assets	70,081	0
Total Assets	15,865,602	13,045,801
Deferred Outflows of Resources	741,142	1,191,573
Total Assets and Deferred Outflows of Resources	16,606,744	14,237,374
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
<u>Liabilities</u>		
Current Liabilities	342,710	364,111
Non-Current Liabilities	2,367,508	2,777,462
Total Liabilities	2,710,218	3,141,573
Deferred Inflows of Resources	107,878	123,185
<u>Net Position</u>		
Net Investment in Capital Assets	9,914,420	7,926,300
Restricted Net Position	193,256	116,139
Unrestricted Net Position	3,680,972	2,930,177
Total Net Position	13,788,648	10,972,616
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 16,606,744	\$ 14,237,374

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Cash and cash equivalents increased impressively by \$694,601 (or 15%), due to the favorable results from operations in the period. Additions in capital assets exceeded depreciation resulting in an increase in capital assets of \$1,977,765 in the period. This is the result of a normal fluctuation in the timing of when projects funded by the Capital Fund Program are carried out, as the Authority is carrying out multiple large improvement projects. Otherwise, as has been the case in recent years, the other balances that changed by larger amounts, deferred outflows of resources and noncurrent liabilities, were due to changes in balances reported in accordance with GASB 68 and GASB 75.

GASB 68 is an accounting standard that calls for Ashtabula MHA to report what is determined to be its estimated share of the unfunded pension liability of the retirement system, the Ohio Public Employees Retirement System (OPERS). And GASB 75 is an accounting standard that calls for Ashtabula MHA to report what is determined to be its estimated share of the unfunded OPEB (healthcare) liability/asset of OPERS. Employees of Ashtabula MHA are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to OPERS for all of its employees. The net pension liability reported as noncurrent liabilities is unlike other liabilities the Authority has in that the liability does not represent invoices or debts to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future pension obligations. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. In Ohio, there is no legal means to enforce the unfunded liability of the pension plan against a public employer like Ashtabula MHA. Some changes in the unfunded pension and OPEB liabilities/assets of the retirement system are amortized over a five-year period, and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. That means the larger changes to these balances also do not represent changes in operations at Ashtabula MHA, but rather reflect changes in the funding of future obligations by the retirement system.

The reporting of these balances in accordance with GASB 68 and GASB 75 has a significant impact on unrestricted net position. Many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows resources and the net pension liability to the reported net position, and subtracting the related deferred outflows or resources and the net OPEB asset. Reporting of these balances has the effect of lowering unrestricted net position at December 31, 2024 by \$1,476,960.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Table 2 - Change in Condensed Statement of Net Position Compared to Prior Year

	2024	2023
<u>Revenue</u>		
Total Tenant Revenue	\$ 1,676,528	\$ 1,688,536
HUD Operating Grants	7,181,276	6,500,274
HUD Capital Grants	2,717,488	1,369,244
Investment Income	50,753	2,366
Other Revenue	440,673	394,768
Total Revenue	12,066,718	9,955,188
<u>Expenses</u>		
Administrative	1,385,888	1,150,346
Utilities	774,934	751,661
Maintenance	1,693,577	1,687,252
Protective Services	195,328	237,241
General Expense	340,663	314,699
Housing Assistance Payments	3,854,638	3,308,697
Depreciation Expense	1,005,658	993,201
Total Expenses	9,250,686	8,443,097
Change in Net Position	2,816,032	1,512,091
Beginning Net Position	10,972,616	9,460,525
Ending Net Position	\$ 13,788,648	\$ 10,972,616

Total income increased \$2,111,530 (or 21%), with the largest change being to capital grants income which increased \$1,348,244 (a 98% increase over the prior fiscal period). HUD provides Capital Fund Program funding annually on a formula basis, and PHAs typically have 4 years to spend it to allow for time to plan and carry out improvement projects. The revenue is recognized when the funding is spent. This increase is due to a routine timing issue of when work projects are carried out. And this increase in revenue contributed to the increased capital additions in the period as noted in Table 1 of this MD&A.

Other HUD operating grants revenue also increased \$681,002 (or 10%) and that was largely due to the increase in funding received by the Authority to make Housing Assistance Payments (HAP) under the Housing Choice Voucher program. HUD provides HAP funding based on recent spending data provided by the Authority, so it is not just a coincidence that Housing Assistance Payments expense also increased notably in the period.

Expenses overall increased \$807,589 (or 10%), with larger increases being to Housing Assistance Payments expense and administrative expense. HAP expense increased \$545,941 (or 17%). While program utilization increased slightly, this change is more reflective of the increase in rental rates in the area. Rental assistance provided is the difference between what the family can afford to pay for rent and utilities based on Federal guidelines (generally 30% of family income), so as rental rates increase, so does the level of rental assistance needed to make renting affordable.

The other expense line reporting a larger increase over the prior fiscal year-end is administrative expense. Contributing to the increase in administrative expense were increases in staffing costs and other administrative expenses. Salaries and benefit costs increased due to the filling of a couple positions in the period that had not been filled in the past period, and the increase in other administrative expenses generally reflects inflationary pressures on costs.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

ANALYSIS OF CAPITAL ASSET ACTIVITY

The table below illustrates the changes in capital assets experienced from January 1, 2024 through December 31, 2024.

Table 3 - Changes in Capital Assets

	2024	2023
Land	\$ 1,132,718	\$ 1,132,718
Buildings	38,587,640	37,023,781
Furniture, Equipment, and Machinery -		
Dwelling	719,913	719,913
Administrative	1,425,471	1,159,536
Leasehold Improvements	21,820	21,820
Construction in Progress	2,639,976	1,486,347
Total Capital Assets	<u>44,527,538</u>	<u>41,544,115</u>
Accumulated Depreciation	<u>(34,584,107)</u>	<u>(33,578,449)</u>
Net Capital Assets	<u>\$ 9,943,431</u>	<u>\$ 7,965,666</u>

Increases in the various capital asset accounts in the amount of \$2,983,423, offset by depreciation expense in the amount of \$1,005,658, results in a net increase in capital assets of \$1,977,765 (or 25 percent).

Debt

As of year-end, the Authority had a loan payable to the Rural Economic and Community Development Services. The change in the Authority's outstanding debt was as follows:

Beginning Balance	\$ 21,513
Current Year Debt Retired	(2,911)
New Debt	<u>0</u>
Ending Balance	<u>\$ 18,602</u>

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

Equipment Lease Liability - December 31, 2023	\$ 17,853
Additions in Period	0
Retirements in Period	<u>(7,444)</u>
Equipment Lease Liability - December 31, 2024	<u>\$ 10,409</u>

Special Conditions and Economic Factors

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

Contacting the Authority

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to T. Sean Adams, Executive Director of the Ashtabula Metropolitan Housing Authority.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets

Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 4,972,304
Cash and Cash Equivalents - Restricted	214,821
Accounts Receivables, Net	308,929
Inventory, Net	301,790
Prepaid Expenses	54,246
Total Current Assets	5,852,090

Noncurrent Assets

Capital Assets:

Non-Depreciable Capital Assets	3,772,694
Depreciable Capital Assets, Net	6,170,737
Net Capital Assets	9,943,431
Net OPEB Asset	70,081
Total Noncurrent Assets	10,013,512
Total Assets	15,865,602

Deferred Outflows of Resources

Pension	676,272
OPEB	64,870
Total Deferred Outflows of Resources	741,142

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 16,606,744

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities

Current Liabilities

Accounts Payable	70,307
Accrued Wages and Payroll Taxes	74,894
Interest Payable	82
Accounts Payable - Other Governments	70,017
Tenant Security Deposits	91,646
Unearned Revenues	28,612
Current Portion Lease Liability	4,000
Current Portion of Long-Term Debt	3,152
Total Current Liabilities	342,710

Non-Current Liabilities

Accrued Compensated Absences, Net of Current Portion	165,344
Lease Liability, Net of Current	6,409
Long-Term Debt, Net of Current	15,450
Net Pension Liability	2,180,305
Total Non-Current Liabilities	2,367,508
Total Liabilities	2,710,218

Deferred Inflows of Resources

Pension	67,646
OPEB	40,232
Total Deferred Inflows of Resources	107,878

Net Position

Net Investment in Capital Assets	9,914,420
Restricted Net Position	193,256
Unrestricted Net Position	3,680,972
Total Net Position	13,788,648

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$ 16,606,744

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>OPERATING REVENUES</u>	
Governmental Grants	\$ 7,181,276
Tenant Revenue	1,676,528
Other Revenue	440,673
Total Operating Revenues	9,298,477
<u>OPERATING EXPENSES</u>	
Administrative	1,385,888
Utilities	774,934
Maintenance	1,693,577
Protective Services	195,328
Insurance and General	339,079
Housing Assistance Payments	3,854,638
Depreciation	1,005,658
Total Operating Expenses	9,249,102
Operating Income	49,375
<u>NON-OPERATING REVENUES/(EXPENSES)</u>	
Interest and Investment Revenue	50,753
Interest Expense	(1,584)
Total Non-Operating Revenues/(Expenses) without Capital Grants and Contributions	49,169
Change in Net Position before Capital Grants and Contributions	98,544
Capital Grants	2,717,488
Change in Net Position	2,816,032
Total Net Position - Beginning	10,972,616
Total Net Position - Ending	\$ 13,788,648

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from HUD	\$ 7,207,743
Cash Received from Tenants	1,637,756
Cash Received from Other Sources	425,469
Cash Payment for Housing Assistance	(3,854,638)
Cash Payment for Administrative and Operating Expenses	(4,481,616)
Net Cash Provided (Used) by Operating Activities	934,714

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received for Interest Income	37,799
Net Cash Provided (Used) by Investing Activities	37,799

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Capital Grant Funding Received from HUD	2,717,488
Property and Equipment Purchased	(2,983,423)
Right-to-Use Lease Retired	(7,444)
Payments of Debt	(2,911)
Payments for Interest on Debt	(1,622)
Net Cash Provided (Used) by Capital and Related Activities	(277,912)
Net Increase (Decrease) in Cash and Cash Equivalents	694,601

Cash and Cash Equivalents - Beginning of Year	4,492,524
Cash and Cash Equivalents - End of Year	\$ 5,187,125

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income	\$ 49,375
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating	
Depreciation	1,005,658
(Increase) Decreases in	
Receivables	(30,840)
Inventories	(32,076)
Prepaid Expenses and Other Assets	(1,484)
OPEB Asset	(70,081)
Deferred Outflows	450,431
(Decreases) Increase in	
Accounts Payable	(15,092)
Accrued Liabilities	12,176
Intergovernmental Payables	(1,510)
Tenant Security Deposits	7,819
Unearned Revenue	(4,488)
Accrued Compensated Absences	9,516
Net Pension / Net OPEB Liability	(429,383)
Deferred Inflows	(15,307)
Net Cash Provided (Used) by Operating Activities	\$ 934,714

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

Organization and Reporting Entity

The Ashtabula Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board. The Authority’s basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

Measurement Focus and Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

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

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Furniture, Machinery and Equipment	5-7 years
Autos *	5 years
Computers *	3 years

* Included in Furniture, Machinery and Equipment

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Compensated Absences

The Authority recognizes a liability for compensated absences for leave that that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

Compensated Absences (Continued)

Vacation - The Authority's policy permits employees to accumulate earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick - The Authority's policy permits employees to accumulate earned but unused sick leave. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the Authority's termination policy. The Authority adopted the last-in first-out (LIFO) method for sick time used.

Pensions / Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLES**

Change in Accounting Principle

GASB Statement No. 101, Compensated Absences The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

At December 31, 2024, the carrying amount of the Authority's cash deposits was \$5,187,125 and its bank balance was \$5,337,471. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2024, deposits totaling \$591,255 were covered by Federal Depository Insurance and deposits totaling \$4,746,216 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that ensure public deposits must maintain collateral in excess of 102 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 102 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held in the name of the Authority.

Investments

The Authority complies with HUD regulations that provide a list of financial instruments in which PHAs are permitted to invest. Investments are valued at market value. At December 31, 2024, the Authority had no investments.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

Restricted Cash

The restricted cash balance of \$214,821 on the financial statements represents the following:

South Ridge Village Reserve for Replacements	\$ 91,255
South Ridge Village Escrows	6,000
Unspent Funding Provided for Payment of Section 8 Housing Assistance Payments - Housing Choice Voucher and Mainstream Vouchers	25,920
Tenant Security Deposits	<u>91,646</u>
Total Restricted Cash	<u><u>\$ 214,821</u></u>

NOTE 4: **ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2024 consisted of the following:

HUD	\$ 14,156
Tenants, net of allowance of \$58,730	235,675
Accounts Receivable - Other Government	45,359
Interest Receivable	12,954
Other	785
Total Accounts Receivable, Net	<u><u>\$ 308,929</u></u>

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 5: CAPITAL ASSETS

A summary of capital assets at December 31, 2024 by class is as follows:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
<u>Capital Assets Not Being Depreciated/Amortized</u>				
Land	\$ 1,132,718	\$ 0	\$ 0	\$ 1,132,718
Construction in Progress	1,486,347	2,446,302	(1,292,673)	2,639,976
Total Capital Assets Not Being Depreciated/Amortized	2,619,065	2,446,302	(1,292,673)	3,772,694
<u>Capital Assets Being Depreciated/Amortized</u>				
Buildings and Improvements	37,023,781	1,563,859	0	38,587,640
Furniture, Machinery, and Equipment -				
Dwelling	719,913	0	0	719,913
Administrative	1,159,536	265,935	0	1,425,471
Intangible Right-to-use Lease - Equipment	21,820	0	0	21,820
Subtotal Capital Assets Being Depreciated/Amortized	38,925,050	1,829,794	0	40,754,844
<u>Accumulated Depreciation/Amortization</u>				
Buildings and Improvements	(31,871,136)	\$ (940,470)	0	(32,811,606)
Furniture, Machinery, and Equipment	(1,703,015)	(57,626)	0	(1,760,641)
Intangible Right-to-use Lease - Equipment	(4,298)	(7,562)	0	(11,860)
Total Accumulated Depreciation/Amortization	(33,578,449)	(1,005,658)	0	(34,584,107)
Depreciable Assets, Net	5,346,601	824,136	0	6,170,737
Total Capital Assets, Net	\$ 7,965,666	\$3,270,438	\$(1,292,673)	\$ 9,943,431

NOTE 6: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Net Pension Liability (Continued)

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

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

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

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

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

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

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

For fiscal year ending December 31, 2024, the Authority's contractually required contributions used to fund pension benefits was \$200,561 for the Traditional Pension Plan and \$4,339 for the Member-Directed Plan.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.008653%
Current Measurement Date	0.008328%
Change in Proportionate Share	-0.000325%
Proportionate Share of the Net Pension Liability	\$ 2,180,305
Pension Expense	\$ 143,405

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 440,076
Differences between expected and actual experience	35,635
Authority contributions subsequent to the measurement date	200,561
Total Deferred Outflows of Resources	\$ 676,272
Deferred Inflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	\$ 67,646
Total Deferred Inflows of Resources	\$ 67,646

\$200,561 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

Year Ending December 31:	<u>OPERS Traditional Pension Plan</u>
2025	\$ 53,909
2026	135,988
2027	280,832
2028	<u>(62,664)</u>
Total	<u>\$ 408,065</u>

Actuarial Assumptions – OPERS

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

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FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	\$ 3,432,385	\$ 2,180,305	\$ 1,138,937

ASHTABULA METROPOLITAN HOUSING AUTHORITY
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

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

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

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

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ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution allocated to health care was \$1,736 for the year ending December 31, 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

	OPERS
Proportion of the Net OPEB Liability/Asset:	
Prior Measurement Date	0.008499%
Current Measurement Date	0.007765%
Change in Proportionate Share	-0.000734%
Proportionate Share of the Net OPEB Liability (Asset)	\$ (70,081)
OPEB Expense	\$ (5,448)

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 42,089
Changes of assumptions	18,042
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,003
Authority contributions subsequent to the measurement date	1,736
Total Deferred Outflows of Resources	\$ 64,870
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 9,975
Changes of assumptions	30,125
Changes in proportion and differences between Authority contributions and proportionate share of contributions	132
Total Deferred Inflows of Resources	\$ 40,232

\$1,736 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

Year Ending December 31:	OPERS
2025	\$ 18
2026	4,333
2027	32,761
2028	(14,210)
Total	\$ 22,902

Actuarial Assumptions - OPERS

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

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

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

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ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00 %</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 38,514	\$ (70,081)	\$ (160,037)

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	\$ (72,991)	\$ (70,081)	\$ (66,779)

NOTE 8: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Commissioners based on local and state laws.

All permanent employees will earn 4.64 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated up to 960 hours. Upon separation employees are not paid for sick leave not taken, except for one-fourth (1/4) accumulated sick leave upon retirement. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation. Upon separation, no payment for unused vacation is made to employees.

At December 31, 2024, based on the vesting method, \$165,344 was accrued by the Authority for unused vacation and sick time.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 9: DEBT – DIRECT BORROWINGS

Changes in the Authority’s non-current liabilities during fiscal year 2024 are as follows:

	Balance at 1/1/2024	Additions	Deletions	Balance at 12/31/2024	Due Within One Year
Loan Payable - Rural Economic and Community Development - 8% Interest - \$37,926 dated January 1, 2016	\$ 21,513	\$ 0	\$ (2,911)	\$ 18,602	\$ 3,152
Compensated Absences *	155,828	9,516	0	165,344	0
Right-to-Use Lease Liability	17,853	0	(7,444)	10,409	4,000
Net Pension Liability	2,556,100	0	(375,795)	2,180,305	0
Net OPEB Liability	53,588	0	(53,588)	0	0
Total Long-Term Liabilities	\$ 2,804,882	\$ 9,516	\$ (439,738)	\$ 2,374,660	\$ 7,152

* - only net change in liability reported

Long-term debt consists of one term loan payable issued by Rural Housing Service. The debt was most recently re-amortized January 1, 2016 in the amount of \$37,926. The rate of the note is 8 percent, but the interest is subsidized in an amount of \$42 per month. The note is payable over a period of 15 years. Monthly payments made by the Authority are \$335. In the event of default, the government may declare all indebtedness to be immediately due and payable. The balance due at December 31, 2024 is \$18,602.

The following is a summary of the Authority’s future debt service requirements for mortgages payable as of December 31, 2024:

For the Year Ended December 31	Principal	Interest	Total Payments
2025	\$ 3,152	\$ 874	\$ 4,026
2026	3,414	612	4,026
2027	3,697	329	4,026
2028	4,004	22	4,026
2029	4,335	0	4,335
Total	\$ 18,602	\$ 1,837	\$ 20,439

Equipment Leases

The Authority entered into a twenty-four-month lease for printer equipment calling for monthly payments of \$463.00 beginning May 2023. The equipment is being amortized over the life of the lease. The estimated annual interest rate on the lease is 4.00 percent.

The Authority entered into a sixty-month lease for a postage machine calling for quarterly payments of \$618.33 beginning August 2023. The equipment is being amortized over the life of the lease. The estimated annual interest rate on the lease is 4.00 percent.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 9: **DEBT – DIRECT BORROWINGS** (Continued)

Equipment Leases (Continued)

Lease commitments for the fiscal years ending December 31 are as follows:

	Principal	Interest	Total
2025	4,000	325	4,325
2026	2,251	222	2,473
2027	2,342	131	2,473
2028	1,816	32	1,848
	<u>\$ 10,409</u>	<u>\$ 710</u>	<u>\$ 11,119</u>

NOTE 10: **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 period ending December 31, 2024, the Authority maintained comprehensive insurance coverage with private carriers for real estate property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

The Authority is a member of HARRG, which is a risk retention group operated as a joint venture by its more than 1,000 public housing authority members. Through HARRG, the Authority carries general liability coverage, public officials' liability coverage, and commercial auto coverage.

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its more than 1,000 public housing authority members. Through HAPI, the Authority carries commercial property and fidelity coverage.

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.

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

NOTE 11: **RESTRICTED NET POSITION**

The Authority's restricted Net Position is as follows:

Cash Held for South Ridge Village Reserve for Replacement	\$ 91,255
Cash Held for South Ridge Village Escrows	6,000
Unspent Funding Provided by HUD to pay Section 8 Housing Choice Voucher and Mainstream Voucher Housing Assistance Payments	25,920
Restricted for Net OPEB Asset	<u>70,081</u>
Total Restricted Net Position	<u>\$ 193,256</u>

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 12: CONTINGENCIES

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 13: CONSTRUCTION AND OTHER COMMITMENTS

The Authority has the below listed construction commitments at December 31, 2024.

Project	Total Contract	Balance Remaining
Gulfview Exteriors	\$ 589,115	\$ 62,916
Gulfview Elevator	492,649	200,210
Bonniewood Basements & Drainage	1,112,365	111,237
Bardmoor Basement & Drainage	1,077,665	<u>682,895</u>
		\$ 1,057,258

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's Proportion of the Net Pension Liability	0.008328%	0.008653%	0.009515%	0.009905%	0.009868%	0.010449%	0.010874%	0.011725%	0.011141%	0.010781%
Authority's Proportionate Share of the Net Pension Liability	\$ 2,180,305	\$ 2,556,100	\$ 827,844	\$ 1,466,715	\$ 1,950,477	\$ 2,861,770	\$ 1,705,920	\$ 2,662,546	\$ 1,929,761	\$ 1,300,309
Authority's Covered Payroll	\$ 1,370,857	\$ 1,341,350	\$ 1,380,871	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886	\$ 1,386,591	\$ 1,322,926
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.56%	59.95%	105.13%	132.64%	202.77%	118.72%	175.41%	139.17%	98.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

See accompanying notes to the required supplementary information.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 200,561	\$ 191,920	\$ 187,789	\$ 193,322	\$ 195,312	\$ 205,871	\$ 197,586	\$ 186,808	\$ 182,147	\$ 166,391
Contributions in Relation to the Contractually Required Contribution	<u>\$ (200,561)</u>	<u>\$ (191,920)</u>	<u>\$ (187,789)</u>	<u>\$ (193,322)</u>	<u>\$ (195,312)</u>	<u>\$ (205,871)</u>	<u>\$ (197,586)</u>	<u>\$ (186,808)</u>	<u>\$ (182,147)</u>	<u>\$ (166,391)</u>
Contribution Deficiency / (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Covered Payroll	\$ 1,432,579	\$ 1,370,857	\$ 1,341,350	\$ 1,380,871	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886	\$ 1,386,591
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/Asset	0.007765%	0.008499%	0.009285%	0.009225%	0.009190%	0.009730%	0.010140%	0.010970%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (70,081)	\$ 53,588	\$ (290,820)	\$ (164,351)	\$ 1,269,378	\$ 1,268,560	\$ 1,101,129	\$ 1,108,007
Authority's Covered Payroll	\$ 1,370,857	\$ 1,414,573	\$ 1,447,891	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%	86.32%	89.88%	76.63%	73.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ -	\$ -	\$ 2,929	\$ 2,681	\$ -	\$ -	\$ -	\$ 14,370	\$ 30,358	\$ 27,732
Contributions in Relation to the Contractually Required Contribution	-	-	(2,929)	(2,681)	-	-	-	(14,370)	(30,358)	(27,732)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Covered Payroll	\$ 1,432,579	\$ 1,370,857	\$ 1,414,573	\$ 1,447,891	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886	\$ 1,386,591
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.21%	0.19%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%

See accompanying notes to the required supplementary information

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPEB)

Net OPEB Liability

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

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

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**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Direct Program:</i>		
Public Housing Operating Fund	14.850	\$2,638,294
Public Housing Capital Fund	14.872	3,093,664
<i>Section 8 Project Based Cluster</i>		
Project Based Rental Assistance (PBRA)	*14.195	167,013
Total Section 8 Project Based Cluster		<u>167,013</u>
<i>Housing Voucher Cluster</i>		
Section 8 Housing Choice Vouchers	14.871	3,636,151
Mainstream Voucher Program	14.879	363,642
Total Housing Voucher Cluster		<u>3,999,793</u>
Total U.S. Department of Housing and Urban Development		<u>9,898,764</u>
U.S. DEPARTMENT OF AGRICULTURE		
<i>Direct Program:</i>		
Rural Rental Housing Loans	10.415	<u>0</u>
Total U.S. Department of Agriculture		<u>0</u>
Total Expenditures of Federal Awards		<u>\$9,898,764</u>

* Represents rental assistance to South Ridge Village Housing USDA Project #41-004-341031866

The accompanying notes are an integral part of this schedule.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Ashtabula Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – LOAN/LOAN GUARANTEE OUTSTANDING BALANCE

Rural Rental Housing Loans (AL #10.415) – Loans outstanding at the beginning of the period are included in federal expenditures presented in the Schedule. The balance of the loan outstanding at December 31, 2024 is \$18,602.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2024

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	3,518,945	432,424	66,479	303,043	-	651,413	4,972,304	-	4,972,304
113 Cash - Other Restricted	-	97,255	-	25,920	-	-	123,175	-	123,175
114 Cash - Tenant Security Deposits	82,078	9,568	-	-	-	-	91,646	-	91,646
100 Total Cash	3,601,023	539,247	66,479	328,963	-	651,413	5,187,125	-	5,187,125
122 Accounts Receivable - HUD Other Projects	-	-	14,156	-	-	-	14,156	-	14,156
124 Accounts Receivable - Other Government	-	-	-	-	45,359	-	45,359	-	45,359
125 Accounts Receivable - Miscellaneous	-	-	-	785	-	-	785	-	785
126 Accounts Receivable - Tenants	279,368	15,037	-	-	-	-	294,405	-	294,405
126.1 Allowance for Doubtful Accounts -Tenants	-55,730	-3,000	-	-	-	-	-58,730	-	-58,730
129 Accrued Interest Receivable	8,636	-	-	-	-	4,318	12,954	-	12,954
120 Total Receivables, Net of Allowances for Doubtful Accounts	232,274	12,037	14,156	785	45,359	4,318	308,929	-	308,929
142 Prepaid Expenses and Other Assets	-	-	-	3,633	-	50,613	54,246	-	54,246
143 Inventories	176,895	745	-	-	-	137,350	314,990	-	314,990
143.1 Allowance for Obsolete Inventories	-5,300	-	-	-	-	-7,900	-13,200	-	-13,200
144 Inter Program Due From	-	-	-	45,359	-	-	45,359	-45,359	-
150 Total Current Assets	4,004,892	552,029	80,635	378,740	45,359	835,794	5,897,449	-45,359	5,852,090
161 Land	872,035	128,500	-	10,243	-	121,940	1,132,718	-	1,132,718
162 Buildings	34,211,272	1,290,507	-	-	-	3,085,861	38,587,640	-	38,587,640
163 Furniture, Equipment & Machinery - Dwellings	481,036	170,177	-	-	-	68,700	719,913	-	719,913
164 Furniture, Equipment & Machinery - Administration	1,198,688	67,606	-	42,823	-	116,354	1,425,471	-	1,425,471
165 Leasehold Improvements	12,612	655	-	4,364	-	4,189	21,820	-	21,820
166 Accumulated Depreciation	-30,261,689	-1,449,990	-	-44,129	-	-2,828,299	-34,584,107	-	-34,584,107
167 Construction in Progress	2,639,976	-	-	-	-	-	2,639,976	-	2,639,976
160 Total Capital Assets, Net of Accumulated Depreciation	9,153,930	207,455	-	13,301	-	568,745	9,943,431	-	9,943,431
174 Other Assets	45,385	3,672	-	9,895	-	11,129	70,081	-	70,081
180 Total Non-Current Assets	9,199,315	211,127	-	23,196	-	579,874	10,013,512	-	10,013,512
200 Deferred Outflow of Resources	479,963	38,836	-	104,650	-	117,693	741,142	-	741,142
290 Total Assets and Deferred Outflow of Resources	13,684,170	801,992	80,635	506,586	45,359	1,533,361	16,652,103	-45,359	16,606,744
312 Accounts Payable <= 90 Days	-	-	-	-	-	70,307	70,307	-	70,307
321 Accrued Wage/Payroll Taxes Payable	24,269	1,886	-	5,394	-	43,345	74,894	-	74,894
325 Accrued Interest Payable	-	82	-	-	-	-	82	-	82
333 Accounts Payable - Other Government	70,017	-	-	-	-	-	70,017	-	70,017
341 Tenant Security Deposits	82,078	9,568	-	-	-	-	91,646	-	91,646
342 Unearned Revenue	25,484	3,128	-	-	-	-	28,612	-	28,612

ASHTABULA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2024

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	2,312	3,272	-	800	-	768	7,152	-	7,152
347 Inter Program - Due To	-	-	-	-	45,359	-	45,359	-45,359	-
310 Total Current Liabilities	204,160	17,936	-	6,194	45,359	114,420	388,069	-45,359	342,710
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	3,705	15,642	-	1,281	-	1,231	21,859	-	21,859
354 Accrued Compensated Absences - Non Current	84,182	14,103	-	15,522	-	51,537	165,344	-	165,344
357 Accrued Pension and OPEB Liabilities	1,411,966	114,248	-	307,859	-	346,232	2,180,305	-	2,180,305
350 Total Non-Current Liabilities	1,499,853	143,993	-	324,662	-	399,000	2,367,508	-	2,367,508
300 Total Liabilities	1,704,013	161,929	-	330,856	45,359	513,420	2,755,577	-45,359	2,710,218
400 Deferred Inflow of Resources	69,861	5,653	-	15,233	-	17,131	107,878	-	107,878
508.4 Net Investment in Capital Assets	9,147,913	188,541	-	11,220	-	566,746	9,914,420	-	9,914,420
511.4 Restricted Net Position	45,385	100,927	-	35,815	-	11,129	193,256	-	193,256
512.4 Unrestricted Net Position	2,716,998	344,942	80,635	113,462	-	424,935	3,680,972	-	3,680,972
513 Total Equity - Net Assets / Position	11,910,296	634,410	80,635	160,497	-	1,002,810	13,788,648	-	13,788,648
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	13,684,170	801,992	80,635	506,586	45,359	1,533,361	16,652,103	-45,359	16,606,744

ASHTABULA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	1,393,191	154,145	-	-	-	7,405	1,554,741	-	1,554,741
70400 Tenant Revenue - Other	118,003	3,784	-	-	-	-	121,787	-	121,787
70500 Total Tenant Revenue	1,511,194	157,929	-	-	-	7,405	1,676,528	-	1,676,528
70600 HUD PHA Operating Grants	3,014,470	167,013	363,642	3,636,151	-	-	7,181,276	-	7,181,276
70610 Capital Grants	2,717,488	-	-	-	-	-	2,717,488	-	2,717,488
70710 Management Fee	-	-	-	-	-	439,680	439,680	-439,680	-
70720 Asset Management Fee	-	-	-	-	-	66,600	66,600	-66,600	-
70730 Book Keeping Fee	-	-	-	-	-	99,120	99,120	-99,120	-
70700 Total Fee Revenue	-	-	-	-	-	605,400	605,400	-605,400	-
70800 Other Government Grants	-	-	-	-	422,069	-	422,069	-	422,069
71100 Investment Income - Unrestricted	32,846	300	-	-	-	17,516	50,662	-	50,662
71400 Fraud Recovery	-	-	-	4,650	-	-	4,650	-	4,650
71500 Other Revenue	305	6,595	-	5,124	-	1,930	13,954	-	13,954
72000 Investment Income - Restricted	-	91	-	-	-	-	91	-	91
70000 Total Revenue	7,276,303	331,928	363,642	3,645,925	422,069	632,251	12,672,118	-605,400	12,066,718
91100 Administrative Salaries	320,093	39,549	35,435	157,434	23,233	242,761	818,505	-	818,505
91200 Auditing Fees	6,191	372	-	5,324	-	987	12,874	-	12,874
91300 Management Fee	353,112	-	8,436	69,420	8,712	-	439,680	-439,680	-
91310 Book-keeping Fee	45,015	-	5,272	43,388	5,445	-	99,120	-99,120	-
91400 Advertising and Marketing	680	320	-	1,000	-	2,686	4,686	-	4,686
91500 Employee Benefit contributions - Administrative	102,878	11,095	12,574	44,008	8,244	82,989	261,788	-	261,788
91600 Office Expenses	96,524	6,252	1,419	25,011	-	63,656	192,862	-	192,862
91700 Legal Expense	33,826	107	-	-	-	3,190	37,123	-	37,123
91800 Travel	4,288	123	-	2,578	-	7,985	14,974	-	14,974
91900 Other	9,485	-	-	1,505	-	32,086	43,076	-	43,076
91000 Total Operating - Administrative	972,092	57,818	63,136	349,668	45,634	436,340	1,924,688	-538,800	1,385,888
92000 Asset Management Fee	66,600	-	-	-	-	-	66,600	-66,600	-
93100 Water	279,363	8,937	-	-	-	1,548	289,848	-	289,848
93200 Electricity	216,616	18,738	-	-	-	4,984	240,338	-	240,338
93300 Gas	71,020	13,086	-	-	-	1,777	85,883	-	85,883
93600 Sewer	128,210	30,125	-	-	-	530	158,865	-	158,865
93000 Total Utilities	695,209	70,886	-	-	-	8,839	774,934	-	774,934
94100 Ordinary Maintenance and Operations - Labor	671,005	40,717	-	-	-	-	711,722	-	711,722
94200 Ordinary Maintenance and Operations - Materials and Other	244,806	20,510	884	4,509	-	10,843	281,552	-	281,552
94300 Ordinary Maintenance and Operations Contracts	431,990	22,882	-	-	-	16,785	471,657	-	471,657

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
94500 Employee Benefit Contributions - Ordinary Maintenance	217,224	11,422	-	-	-	-	228,646	-	228,646
94000 Total Maintenance	1,565,025	95,531	884	4,509	-	27,628	1,693,577	-	1,693,577
95200 Protective Services - Other Contract Costs	176,285	3,070	-	5,774	-	10,199	195,328	-	195,328
95000 Total Protective Services	176,285	3,070	-	5,774	-	10,199	195,328	-	195,328
96110 Property Insurance	216,231	15,576	-	-	-	6,475	238,282	-	238,282
96120 Liability Insurance	-	-	-	9,184	-	-	9,184	-	9,184
96100 Total insurance Premiums	216,231	15,576	-	9,184	-	6,475	247,466	-	247,466
96200 Other General Expenses	2,455	139	-	366	-	50	3,010	-	3,010
96210 Compensated Absences	6,100	1,726	-	2,146	-	5,434	15,406	-	15,406
96300 Payments in Lieu of Taxes	70,017	-	-	-	-	-	70,017	-	70,017
96400 Bad debt - Tenant Rents	3,180	-	-	-	-	-	3,180	-	3,180
96000 Total Other General Expenses	81,752	1,865	-	2,512	-	5,484	91,613	-	91,613
96710 Interest of Mortgage (or Bonds) Payable	293	1,093	-	101	-	97	1,584	-	1,584
96700 Total Interest Expense and Amortization Cost	293	1,093	-	101	-	97	1,584	-	1,584
96900 Total Operating Expenses	3,773,487	245,839	64,020	371,748	45,634	495,062	4,995,790	-605,400	4,390,390
97000 Excess of Operating Revenue over Operating Expenses	3,502,816	86,089	299,622	3,274,177	376,435	137,189	7,676,328	-	7,676,328
97300 Housing Assistance Payments	-	-	291,865	3,181,463	376,435	-	3,849,763	-	3,849,763
97350 HAP Portability-In	-	-	-	4,875	-	-	4,875	-	4,875
97400 Depreciation Expense	944,239	23,135	-	2,827	-	35,457	1,005,658	-	1,005,658
90000 Total Expenses	4,717,726	268,974	355,885	3,560,913	422,069	530,519	9,856,086	-605,400	9,250,686
10010 Operating Transfer In	375,492	-	-	-	-	-	375,492	-375,492	-
10020 Operating transfer Out	-375,492	-	-	-	-	-	-375,492	375,492	-
10091 Inter Project Excess Cash Transfer In	272,553	-	-	-	-	-	272,553	-272,553	-
10092 Inter Project Excess Cash Transfer Out	-272,553	-	-	-	-	-	-272,553	272,553	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	2,558,577	62,954	7,757	85,012	-	101,732	2,816,032	-	2,816,032
11020 Required Annual Debt Principal Payments	4,302	10,354	-	1,489	-	1,429	17,574	-	17,574
11030 Beginning Equity	9,351,719	571,456	72,878	75,485	-	901,078	10,972,616	-	10,972,616

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
11170 Administrative Fee Equity	-	-	-	134,577	-	-	134,577	-	134,577
11180 Housing Assistance Payments Equity	-	-	-	25,920	-	-	25,920	-	25,920
11190 Unit Months Available	6605	468	720	5976	726	12	14507	-	14507
11210 Number of Unit Months Leased	5948	444	703	5885	726	8	13714	-	13714
11270 Excess Cash	3,314,738	-	-	-	-	-	3,314,738	-	3,314,738
11620 Building Purchases	2,717,488	-	-	-	-	-	2,717,488	-	2,717,488

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OHIO AUDITOR OF STATE KEITH FABER



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

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Ashtabula Metropolitan Housing Authority, Ashtabula County, Ohio (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements and have issued our report thereon dated September 25, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs and corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 25, 2025

OHIO AUDITOR OF STATE KEITH FABER



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

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Ashtabula Metropolitan Housing Authority's, Ashtabula County, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Ashtabula Metropolitan Housing Authority's major federal programs for the year ended December 31, 2024. Ashtabula Metropolitan Housing Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and question costs.

In our opinion, the Ashtabula Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*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 each 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 each major federal program as a whole.

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs and corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 25, 2025

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**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(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?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Housing Voucher Cluster Public Housing Capital Fund AL #14.872
(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?	No

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

FINDING NUMBER 2024-001

Noncompliance and Significant Deficiency

Ohio Rev. Code § 2921.42 Having an unlawful interest in a public contract

Ohio Rev. Code § 2921.42(A)(4) states no public official shall knowingly "have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which the public official is connected."

Ohio Rev. Code § 2921.42(C) provides that this section does not apply to a public contract in which a public official, member of a public official's family, or one of a public official's business associates has an interest, when all of the following apply:

1. The subject of the public contract is necessary supplies or services for the political subdivision or governmental agency or instrumentality involved;
2. The supplies or services are unobtainable elsewhere for the same or lower cost, or are being furnished to the political subdivision or governmental agency or instrumentality as part of a continuing course of dealing established prior to the public official's becoming associated with the political subdivision or governmental agency or instrumentality involved;
3. The treatment accorded the political subdivision or governmental agency or instrumentality is either preferential to or the same as that accorded other customers or clients in similar transactions;
4. The entire transaction is conducted at arm's length, with full knowledge by the political subdivision or governmental agency or instrumentality involved, of the interest of the public official, member of the public official's family, or business associate, and the public official takes no part in the deliberations or decision of the political subdivision or governmental agency or instrumentality with respect to the public contract.

For the year ended December 31, 2024, the Executive Director received Section 8 housing voucher payments totaling \$44,983 from the Authority for properties he owned within the program. While the Housing Assistance Payment Contracts between the Public Housing Authority and landlords were authorized and approved by a separate employee of the Authority, and while the Executive Director's spouse signed the contracts for the properties they jointly owned, the Executive Director still approved the payments for the Board of Commissioners to sign and process. Additionally, all exceptions within Section (C) were not met.

However, effective November 2024, the Executive Director recused himself from the approval of these payments, which are now reviewed and authorized by two designated Board members. Furthermore, the Executive Director has sold these properties for the fiscal year 2025 and no longer owns any properties that receive monies from the Authority. Therefore, we consider the payments to the Executive Director only prior to November, in the amount of \$37,662, to be those monies that constitute a conflict of interest.

Failure to have alternative controls in place for approval and policies governing such transactions allowed these activities to go undetected for the majority of the audit period. This lack of controls could have resulted in additional noncompliance, potential findings for recovery, and referrals to the Ohio Ethics Commission.

The Authority should review their administrative plan for their conflict of interest policy. The Authority should develop a formal policy regarding related party transactions to govern transactions in which employees of the Authority, including members of the Board, may have a personal interest and ensure they consult with legal counsel, Ohio Ethics Commission, and the Department of Housing and Urban Development when a potential conflict is identified.

See also Federal Finding 2024-002 in Section 3 below. Government Auditing Standards also requires us to report this finding in this section of this schedule.

Officials' Response: Refer to Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Allowable Costs

Finding Number:	2024-002
Assistance Listing Number and Title:	Housing Voucher Cluster: AL# 14.871 – Section 8 Housing Choice Vouchers; AL#14.879 – Mainstream Vouchers
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Allowable Costs/Cost Principles
Pass-Through Entity:	N/A
Repeat Finding from Prior Audit?	Yes
Prior Audit Finding Number:	2023-002

Noncompliance, Significant Deficiency, and Questioned Costs

2 CFR § 2400.101 provides that unless excepted under 24 CFR chapter I through IX, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth in 24 CFR part 200, shall apply to Federal Awards made by the Department of Housing and Urban Development to non-Federal entities.

2 CFR § 200.403 factors affecting allowability of costs states, in part, except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles...and
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

24 CFR § 982.161(a)(2) provides that neither the Public Housing Authority (PHA) nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the Housing Choice Voucher program in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter: Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the programs.

The Ashtabula Metropolitan Housing Authority's Administrative Plan for its Housing Choice Voucher program provides in section 3.4 that the Executive Director or designated representative reviews and provides decisions regarding grievances for a tenant's request for an auxiliary aid or services, provides in section 5.1.3 that the Executive Director, Resident Coordinator, or designated appointee will perform an informal review if an applicant is determined ineligible, and provides in section 9.3 that applicants being denied housing for abusive behavior must be reviewed and approved by the Executive Director. The Administrative Plan further provides in section 10.11 that only the Executive Director or his/her designee can grant an additional extension beyond suspension time for the term of a voucher, provides in section 11.3 that if the Resident Coordinator is not available or conflicted, the Executive Director will serve as the hearing officer and may also overturn or modify a decision in light of certain circumstances, and provides in section 18.1.4 that the Executive Director or his designee will perform quality control inspections on the number of participant files required by the Section 8 Management Assessment Program. Additionally, the Administrative Plan provides in section 18.1.6 that the Executive Director or his designee may approve an extension beyond thirty days for major repairs, provides in section 21.1.1 that the Executive Director or his/her designee may approve any terms allowing more time for repayment or for a lower down payment, provides in section 21.1.3 that if a family owes \$10,000.00 or more, the Executive Director and the Board of Commissioners may refer the case for criminal prosecution, and lastly provides that complaints from members of the public may file complaints against owners, tenants, and employees of the Authority to the Executive Director.

The following was noted for the year ended December 31, 2024:

- For 1 of 40 (2.5%) transactions tested, totaling \$3,767, the Executive Director approved/authorized payments for processing relating to housing he himself owned. Upon further review, it was noted that a total of \$44,983 was paid to the Executive Director through the Housing Voucher Cluster Program for the fiscal year. This issue was also noted in our prior year report, however as of November 2024, the Executive Director recused himself from the approval of these payments, and they are now reviewed and authorized by two designated Board members. Furthermore, the Executive Director has sold these properties for the fiscal year 2025 and no longer owns any properties that receive monies from the Authority. Therefore, we consider the payments to the Executive Director prior to November 2024, in the amount of \$37,662, to be those monies that constitute questioned costs.

The Executive Director influences decisions with regards to the Housing Choice Voucher program pursuant to the Ashtabula Metropolitan Housing Authority's Administrative Plan. The above payments to the Executive Director do not meet the criteria of being reasonable. In addition, with the Executive Director approving the payments, the control environment and processes for allowable costs are ineffective in preventing or detecting the above noncompliance and other potential noncompliance with the payments that are made through the program by the Authority.

Failure to have alternative controls in place for approval and failure to adhere to the Authority's policies governing such transactions allowed these activities to go undetected for the majority of the audit period. This lack of controls could have resulted in potential findings for recovery, additional questioned costs, and referrals to the Ohio Ethics Commission.

The Authority should review the Authority's administrative plan for their conflict of interest policy. The Authority should develop a formal policy regarding related party transactions to govern transactions in which employees of the Authority, including members of the Board, may have a personal interest and ensure they consult with legal counsel, Ohio Ethics Commission, and the Department of Housing and Urban Development when a potential conflict is identified.

See also Finding 2024-001 in Section 2 above.

Officials' Response: Refer to Corrective Action Plan.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
2 CFR § 200.511(b)
DECEMBER 31, 2024**

Finding Number	Finding Summary	Status	Additional Information
2023-001	Ohio Rev. Code § 2921.42 Having an unlawful interest in a public contract	Fully Corrected	Properties were sold in May 15th of 2025
2023-002	Allowable Costs/Cost Principles- Questioned Costs (Housing Voucher Cluster)	Fully Corrected	Properties were sold in May 15th of 2025

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Ashtabula

METROPOLITAN HOUSING AUTHORITY

3526 LAKE AVENUE, ASHTABULA, OHIO 44004

(OFFICE) 440 992 3156 (FAX) 440 992 7947

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

DECEMBER 31, 2024

Finding Number: 2024-001
Planned Corrective Action: All five (5) properties were SOLD
Anticipated Completion Date: May 15, 2025
Responsible Contact Person: Tatreko Sean Adams

Finding Number: 2024-002
Planned Corrective Action: All five (5) properties were SOLD
Anticipated Completion Date: May 15, 2025
Responsible Contact Person: Tatreko Sean Adams



OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA METROPOLITAN HOUSING AUTHORITY

ASHTABULA 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 9/30/2025

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

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