

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

CUYAHOGA COUNTY

REGULAR AND SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

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OHIO AUDITOR OF STATE KEITH FABER



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Management
Cuyahoga Metropolitan Housing Authority
8120 Kinsman Road
Cleveland, OH 44104

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

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

Keith Faber
Auditor of State
Columbus, Ohio

October 22, 2024

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INDEPENDENT AUDITORS' REPORT

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of the blended component units of Quarrytown Redevelopment, LLC, Severance Redevelopment, LLC, Ambleside Redevelopment, LLC, Riverside Park Homes, L.P. and 2045 Transformation, LLC. These blended component units represent 40.7% of assets, 42.7% of net position, and 14.6% of revenues of the business-type activities of the Authority. We also did not audit the financial statements of the 15 individual discretely presented component units, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to Quarrytown Redevelopment, LLC, Severance Redevelopment, LLC, Ambleside Redevelopment, LLC, Riverside Park Homes, L.P. and 2045 Transformation, LLC and the discretely presented component units is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of 2045 Transformation, LLC., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly Limited Partnership, Fairfax Intergenerational Housing, L.P., Riverside Park Phase II, L.P., Riverside Park Phase III, L.P., East Side Neighborhood Homes, L.P., Wade Park, L.P. and Carver Park III, L.P. were not performed in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial data schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of restricted and nonrestricted net revenues and the schedule of unrestricted net income but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024 on our consideration of the Cuyahoga Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cuyahoga Metropolitan Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cuyahoga Metropolitan Housing Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Maumee, Ohio
July 31, 2024

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

The Cuyahoga Metropolitan Housing Authority (CMHA or the Authority) owns and manages property and administers rent subsidy programs to provide eligible low-income persons good, safe and affordable housing. CMHA is a political subdivision of the State of Ohio, created under sections 3735.27 to 3735.50 of the Ohio Revised Code and serves the County of Cuyahoga primarily through three federally assisted programs administered by the U.S. Department of Housing and Urban Development (HUD): Conventional Low-Rent Public Housing, Rental Assistance Demonstration and Housing Choice Voucher programs.

The following discussion and analysis provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2023, and should be read in conjunction with the Authority's financial statements. If you have any questions, please contact the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

Overview of the Financial Statements

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including Governmental Accounting Standards Board (GASB) Statement No. 34 (as amended by GASB Statement No. 37). The Authority follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provide a comprehensive authority-wide look at the Authority's financial activities. The statements are:

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

The financial statements are prepared on the accrual basis of accounting and present all assets and deferred outflows plus liabilities and deferred inflows of the Authority, both financial and capital, and short and long term. They also present all revenues and expenses of the Authority during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Authority's financial condition as of December 31, 2023, and the results of its operations and cash flows for the year then ended.

Management of the Authority continued its efforts to strengthen internal controls and compliance of policies through its Departments of Compliance, Internal Audit and Risk Management. The Authority also has both a Finance Committee and Operations Committee that consist of a member of the Board of Commissioners, the Chief Executive Officer, Chief of Staff, Director of Finance and various other staff members with financial and operational expertise across the Authority's departments. These committees meet monthly and report its activities to the board of commissioners.

In addition, the Board of Commissioners has an audit committee to assist in fulfilling its oversight responsibilities for the financial reporting process, system of internal control, audit process, and the Authority's process for monitoring compliance with laws and regulations. The Audit Committee consists of up to five outside, independent members with collective knowledge of accounting and reporting principles applied by the Authority in preparing its financial statements. Working directly with the Director of Internal Audit, the Audit Committee meets regularly and reports its activities to the full Board.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

2023 Financial Highlights

For the year ended 2023, these audited financial statements are presented with Business-Type Activities and Discretely Presented Component units. The financial highlights and related analysis presented in the Management's Discussion and Analysis represents the Business-Type Activities only.

- The Authority's net position increased by \$11.9 million (4.8%) during 2023. Net position was \$259.7 million and \$247.8 million at December 31, 2023 and 2022, respectively.
- Total operating and nonoperating revenues decreased by \$17.9 million (6.4%) during 2023, and were \$262.1 million and \$280.0 million for 2023 and 2022, respectively.
- Total operating and nonoperating expenses of all Authority programs increased by \$1.9 million (0.8%). Total expenses were \$250.2 million and \$248.3 million for 2023 and 2022, respectively.
- The Authority's unrestricted net position increased by \$15.2 million (14.5%) during 2023, and was \$120.2 million and \$105.0 million for 2023 and 2022, respectively.

The Authority's Programs

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority maintains separate accounting records for each grant program or annual contributions contract, as required by HUD. A list of the more significant programs is as follows:

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

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

Housing Choice Voucher Program Project Based Voucher Program and Mainstream Voucher Program: Project Based vouchers are a component of the Authority's Housing Choice Voucher Program and Mainstream Voucher Program. Project Based assistance requires a resident to live in a housing unit at the property being subsidized.

Section 8 New Construction Housing Assistance Payment Programs: These programs account for the operation of low-income housing developments where the Authority, or its subsidiary, contract directly with HUD under a Housing Assistance Payment contract. The Authority, through its subsidiary, owns and manages all developments and handles all HUD funding and reporting.

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

AUTHORITY-WIDE FINANCIAL STATEMENT

Statement of Net Position

The Statement of Net Position includes all assets and liabilities of the Authority using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The following table reflects the condensed information from the Authority's Statement of Net Position compared to the prior year.

Table 1 – Condensed Statements of Net Position
(in millions)

| | December 31, | |
|--|------------------------|------------------------|
| | 2023 | 2022 |
| Assets | | |
| Current and Other Assets | \$ 291.2 | \$ 297.6 |
| Net Capital Assets | 179.5 | 167.3 |
| Total Assets | <u>470.7</u> | <u>464.9</u> |
| Deferred Outflows of Resources | <u>28.1</u> | <u>7.6</u> |
| Liabilities | | |
| Accounts Payable and Other Current Liabilities | 42.8 | 37.7 |
| Long-Term Liabilities: | | |
| Net Pension and OPEB Liability | 59.8 | 18.7 |
| Other Long-Term Liabilities | 131.0 | 134.4 |
| Total Liabilities | <u>233.6</u> | <u>190.8</u> |
| Deferred Inflows of Resources | <u>5.5</u> | <u>33.9</u> |
| Net Position | | |
| Net Investment in Capital Assets | 82.5 | 70.7 |
| Restricted | 57.0 | 72.1 |
| Unrestricted | 120.2 | 105.0 |
| Total Net Position | <u><u>\$ 259.7</u></u> | <u><u>\$ 247.8</u></u> |

For more detailed information, see the statement of net position.

Major Factors Affecting the Statement of Net Position

Current and Other Assets decreased by \$6.4 million and current liabilities increased by \$5.1 million. The Authority's current ratio decreased to 6.8 in 2023, compared to 7.9 in 2022. There are sufficient current assets (primarily cash, investments, and receivables from HUD) to extinguish current liabilities. Net Capital assets increased to \$179.5 million in 2023 from \$167.3 million in 2022. The \$12.2 million increase is attributed to net capital asset additions of \$22.4 million offset by depreciation expense of \$8.5 million and deletions of \$29.6 million. For additional detail, see "Capital Assets."

Long-term liabilities increased \$37.7 million, to \$190.8 million in 2023, from \$153.1 million in 2022.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Major Factors Affecting the Statement of Net Position (continued)

The net pension liability (NPL) is one of the largest liabilities reported by the Authority at December 31, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits. Most long-term liabilities have set repayment schedules, or in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the Authority, as well as the nonoperating revenues and expenses. Condensed information from the Authority's statements of revenue, expenses and changes in net position is as follows for the years ended December 31, 2023 and 2022:

Table 2 – Condensed Statements of Revenues, Expenses, and Changes in Net Position
(in millions)

| | December 31, | |
|--|-----------------|-----------------|
| | 2023 | 2022 |
| <u>Operating Revenues</u> | | |
| Dwelling Rent from Tenants | \$ 17.2 | \$ 16.6 |
| HUD Operating Subsidies and Grants | 205.5 | 194.3 |
| Grants - Other | 2.9 | 10.2 |
| Other Revenues | 7.0 | 19.4 |
| Total Operating Revenues | 232.6 | 240.5 |
| <u>Operating Expenses</u> | | |
| Housing Assistance Payments | 114.9 | 109.8 |
| Depreciation and Amortization | 8.5 | 12.7 |
| Administrative | 36.3 | 33.0 |
| Building Maintenance | 37.8 | 32.4 |
| Utilities | 21.5 | 24.7 |
| Tenant Services | 4.1 | 3.1 |
| General | 16.6 | 22.7 |
| Protective Services | 5.6 | 5.8 |
| Total Operating Expenses | 245.3 | 244.2 |
| Operating Income (Loss) | (12.7) | (3.7) |
| <u>Nonoperating Revenues (Expenses)</u> | | |
| Capital Grants from HUD | 23.5 | 27.8 |
| Interest Income | 2.5 | 0.6 |
| Interest Expense | (4.1) | (4.1) |
| Pension and OPEB Benefit Change | 3.1 | 17.4 |
| Special Items - Gain/(Loss) | 0.4 | (6.3) |
| Miscellaneous | (0.8) | - |
| Total Nonoperating Revenues - Net | 24.6 | 35.4 |
| <u>Change in Net Position</u> | 11.9 | 31.7 |
| Net Position - Beginning of Year | 247.8 | 216.1 |
| Net Position - End of Year | \$ 259.7 | \$ 247.8 |

For more detailed information, see the Statement of Net Position.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Major Factors Affecting the Statement of Revenues, Expenses, and Changes in Net Position

December 31, 2023 compared to December 31, 2022

Operating revenues decreased \$7.9 million or 3.3% in 2023. HUD Operating Subsidies and Grants increased \$11.2 million, Other Grants decreased by \$7.3 million and Other Revenues decreased by \$12.4 million. The overall decrease is attributed to an increase in operating subsidy from Rental Assistance Demonstration Program offset by decreased Capital Grants.

Operating expenses increased \$1.1 million or 0.5% with significant increases in HAP expenses (\$5.1 million) and Maintenance (\$5.4 million). These increases were offset by decreased Depreciation and Amortization (\$4.2 million) and General expenses (\$6.1 million). The overall increase is attributed to unit turnaround costs, rising utility costs and inflation due to supply chain.

Capital Grants from HUD decreased \$4.3 million or 15.5%. Interest income increased \$1.9 million while interest expense was flat.

The 2022 Actuarial report for the pension and other postemployment benefits resulted in a decrease of \$14.3 million over 2022, due to overall actuarial assumption changes in 2022 vs 2021.

Capital Assets

At December 31, 2023, the Authority had \$179.5 million invested in a variety of net capital assets (as reflected in the following schedule), which represents a net increase of \$12.2 million from December 31, 2022.

Table 3 – Capital Assets
(in millions)

| | December 31, | |
|--------------------------------|-----------------|-----------------|
| | 2023 | 2022 |
| Land | \$ 35.5 | \$ 32.9 |
| Buildings | 558.4 | 553.1 |
| Equipment - Administrative | 3.6 | 3.7 |
| Equipment - Dwelling | 10.7 | 16.4 |
| Right-of-Use Asset - Equipment | 4.8 | 4.8 |
| Leasehold Improvements | 0.4 | 0.4 |
| Construction in Progress | 19.8 | 29.0 |
| Total | 633.2 | 640.3 |
| Accumulated Depreciation | (453.7) | (473.0) |
| Capital Assets - Net | \$ 179.5 | \$ 167.3 |

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Capital additions in 2023 were primarily for housing stock improvements. Some of the major projects were at the following Asset Managed Properties (AMP):

- Roof Replacements – King Kennedy and Near West AMPs
- Elevator Replacements – Cedar and Hough AMPs
- Masonry Repairs – Near West AMP
- Fire Alarm Replacements – Downtown and Far West AMPs

Debt Outstanding

As of December 31, 2023, the Authority had \$132.2 million in long-term debt obligations compared to \$136.5 million at December 31, 2022, for a \$4.3 million decrease. The following summarizes these obligations:

Table 4 – Outstanding Debt at Year-End
(in millions)

| | December 31, | |
|--------------------------------|-----------------|-----------------|
| | 2023 | 2022 |
| Ambleside - Mortgage Note | \$ 5.8 | \$ 5.9 |
| Severance - Mortgage Note | 5.1 | 5.3 |
| Quarrytown - Mortgage Note | 3.7 | 3.7 |
| Riverview Tower | 15.8 | 16.1 |
| West Boulevard | 4.5 | 4.6 |
| Cedar Extension High Rise | 6.3 | 6.5 |
| Euclid Beach Gardens | 4.4 | 4.5 |
| Mount Auburn Manor | 3.3 | 3.4 |
| Ohio Bond Financing 2017 | 4.0 | 4.9 |
| CFFP 2009 Modernization Loan A | 5.8 | 6.5 |
| CFFP 2009 Modernization Loan B | 3.4 | 3.9 |
| 2020 CMHA Campus Bonds | 16.3 | 16.9 |
| 2045 Bond Series - 2021 | 32.0 | 32.0 |
| Riverside Park Homes, L.P. | 2.3 | 2.3 |
| Beachcrest | 7.3 | 7.5 |
| Apthorp Tower | 4.1 | 4.2 |
| Miles Elmarge | 3.6 | 3.7 |
| Union Square | 4.5 | 4.6 |
| Total | \$ 132.2 | \$ 136.5 |

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of HUD.
- Operating subsidy for the Conventional Low-Rent Housing Program was funded at 93.02%. Future years' funding levels were expected to be approximately 92% - 95%.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income. Inflationary pressure on utility rates, supplies and other costs, which affects the costs of the programs.
- Employee health insurance costs continue to rise.
- The Authority continues to see increasing prices for goods and services mainly due to the impact COVID continues to have on the supply chain.

Contacting the Authority

Questions concerning this report or requests for additional information should be directed to:

Director of Finance
8120 Kinsman Road
Cleveland, Ohio 44104

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

| | <u>Business-Type Activities</u> | <u>Discretely Presented Component Units</u> |
|---|---------------------------------|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 69,378,227 | \$ 2,317,307 |
| Restricted Cash and Cash Equivalents | 59,104,783 | 23,972,556 |
| Cash - Restricted for Tenant Security Deposits | 1,758,627 | 288,569 |
| Investments | - | 71,155,531 |
| Accounts Receivable Tenants, (Net of Allowance of \$3,857,399 at 2023) | 2,677,576 | 604,866 |
| Accounts Receivable - HUD | 7,287,944 | 3,052,200 |
| Accounts Receivable - Fraud Recovery, (Net of Allowance of \$287,611 at 2023) | 17,988 | - |
| Accounts Receivable - Other, (Net of Allowance of \$241,738 at 2023) | 9,881,488 | 1,586,412 |
| Current Portion of Notes Receivable | 164,755 | - |
| Inventories | 1,265,567 | 200,619 |
| Prepaid Expenses | 1,101,589 | 586,498 |
| Total Current Assets | 152,638,544 | 103,764,558 |
| NONCURRENT ASSETS | | |
| Notes Receivable, Net of Current Portion | 111,550,761 | - |
| Capital Assets - Depreciable and Amortizable | 124,153,801 | 216,198,573 |
| Capital Assets - Non-Depreciable or Amortizable | 55,360,957 | 38,582,587 |
| Capital Assets - Right-to-Use Asset, Net | - | 87,056,628 |
| Net Investment in Real Estate Partnerships | 4,566,334 | - |
| Developer Fees Receivable | 18,506,867 | - |
| Net Pension Asset | 525,769 | - |
| Other Noncurrent Assets | 3,456,915 | 1,804,385 |
| Total Noncurrent Assets | 318,121,404 | 343,642,173 |
| Total Assets | 470,759,948 | 447,406,731 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Related | 24,442,295 | - |
| Other Postemployment Benefits Related | 3,645,176 | - |
| Total Deferred Outflows of Resources | 28,087,471 | - |
| Total Assets and Deferred Outflows of Resources | \$ 498,847,419 | \$ 447,406,731 |

See accompanying Notes to Financial Statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2023

| | Business-Type Activities | Discretely Presented Component Units |
|---|-----------------------------|---|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts Payable - Vendors | \$ 10,284,375 | \$ 14,642,749 |
| Accounts Payable - HUD | 269,029 | - |
| Accounts Payable - PHA Projects | 59,722 | - |
| Accrued Wages/Taxes Payable | 3,299,253 | - |
| Accrued Compensated Absences, Current | 2,603,073 | - |
| Accrued Interest Payable | 282,630 | 131,408 |
| Unearned Revenues | 2,849,986 | 87,276 |
| Accrued Expenses | 17,403,891 | 763,207 |
| Security and Other Deposits | 1,248,294 | 320,642 |
| Current Portion of Long-Term Debt | <u>4,460,362</u> | <u>1,094,706</u> |
| Total Current Liabilities | <u>42,760,615</u> | <u>17,039,988</u> |
| NONCURRENT LIABILITIES | | |
| Long-Term Debt - Net of Current Portion | 127,721,884 | 252,690,104 |
| Accrued Compensated Absences | 361,360 | - |
| Workers' Compensation Liability | 150,291 | - |
| Net Pension Liability | 58,570,817 | - |
| Other Postemployment Benefits Liability | 1,230,332 | - |
| Developer Fees Payable | - | 19,851,084 |
| Right to Use Liability, Net | - | 85,714,171 |
| Other Noncurrent Liabilities | <u>2,783,480</u> | <u>3,356,971</u> |
| Total Noncurrent Liabilities | <u>190,818,164</u> | <u>361,612,330</u> |
| Total Liabilities | <u>233,578,779</u> | <u>378,652,318</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Related | 2,730,066 | - |
| Other Post Employment Benefits | 570,261 | - |
| Other | <u>2,197,895</u> | - |
| Total Deferred Inflows of Resources | <u>5,498,222</u> | - |
| NET POSITION | | |
| Net Investment in Capital Assets | 82,528,739 | 238,771,081 |
| Restricted | 57,048,209 | 95,096,014 |
| Unrestricted | <u>120,193,470</u> | <u>(265,112,682)</u> |
| Total Net Position | <u>259,770,418</u> | <u>68,754,413</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 498,847,419</u> | <u>\$ 447,406,731</u> |

See accompanying Notes to Financial Statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2023

| | Business-Type Activities | Discretely Presented Component Units |
|--|------------------------------|---|
| OPERATING REVENUES | | |
| Tenant Revenues | \$ 17,189,570 | \$ 6,029,355 |
| HUD Grants | 205,519,693 | - |
| Other Government Grants | 2,866,773 | 13,477,593 |
| Other Revenues | 7,048,548 | 5,904,747 |
| Total Operating Revenues | <u>232,624,584</u> | <u>25,411,695</u> |
| OPERATING EXPENSES | | |
| Administrative | 36,345,502 | 4,498,490 |
| Tenant Services | 4,053,584 | - |
| Utilities | 21,475,874 | 4,341,496 |
| Ordinary Maintenance and Operations | 37,815,464 | 5,889,197 |
| Protective Services | 5,554,145 | 852,849 |
| Insurance | 5,267,060 | 2,475,508 |
| General | 11,122,215 | 935,791 |
| Housing Assistance Payments | 114,884,639 | - |
| Depreciation and Amortization | 8,520,943 | 9,672,269 |
| Total Operating Expenses | <u>245,039,426</u> | <u>28,665,600</u> |
| OPERATING LOSS | (12,414,842) | (3,253,905) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 2,469,434 | 266,904 |
| Interest Expense | (4,142,565) | (3,789,338) |
| Pension and OPEB Benefit | 3,055,997 | - |
| Gain from Sale of Capital Assets | 361,859 | - |
| Net Nonoperating Revenues (Expenses) | <u>1,744,725</u> | <u>(3,522,434)</u> |
| LOSS BEFORE CONTRIBUTIONS AND TRANSFERS | (10,670,117) | (6,776,339) |
| Capital Contributions | 23,488,133 | - |
| Transfer of Assets | <u>(843,070)</u> | <u>843,070</u> |
| CHANGE IN NET POSITION | 11,974,946 | (5,933,269) |
| Total Net Position - Beginning of Year | <u>247,795,472</u> | <u>74,687,682</u> |
| TOTAL NET POSITION - END OF YEAR | <u>\$ 259,770,418</u> | <u>\$ 68,754,413</u> |

See accompanying Notes to Financial Statements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------------|
| Cash Received from HUD | \$ 204,899,075 |
| Cash Received from Other Governments | 4,612,925 |
| Cash Received from Tenants | 12,194,181 |
| Cash Received from Others | 7,648,391 |
| Cash Paid to Employees | (34,215,398) |
| Cash Paid to Vendors | (28,702,377) |
| Cash Paid for Housing, Operating and Tenant Services | (48,918,450) |
| Cash Paid for Housing Assistance Payments | (114,884,639) |
| Net Cash Flows Provided by Operating Activities | <u>2,633,708</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|--------------------|
| Purchases of Capital Assets | (22,460,422) |
| Proceeds on Sale of Capital Assets | 361,859 |
| Interest on Notes and Mortgage Payable | (4,187,832) |
| Payment on Notes and Mortgage Payable | (4,280,985) |
| Proceeds from Notes Payable | 115,243 |
| Capital Contributions | 23,488,133 |
| Net Cash Flows Used by Capital and Related Financing Activities | <u>(6,964,004)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|--------------------|
| Interest Received on Investments | 2,469,434 |
| Issuance of Notes Receivable | (8,691,179) |
| Payments on Notes Receivable | 923,950 |
| Purchase of Government Securities | (843,070) |
| Investment in Joint Venture | (1,582,452) |
| Net Cash Flows Used by Investing Activities | <u>(7,723,317)</u> |

NET DECREASE IN CASH AND CASH EQUIVALENTS

| | |
|--|------------------------------|
| Cash and Cash Equivalents - Beginning of Year | <u>142,295,250</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 130,241,637</u> |

**RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR
TO AMOUNTS IN THE STATEMENT OF NET POSITION**

| | |
|--|-----------------------|
| Cash and Cash Equivalents | \$ 69,378,227 |
| Restricted Cash and Cash Equivalents | 59,104,783 |
| Cash - Restricted for Tenant Security Deposits | <u>1,758,627</u> |
| Total Cash and Cash Equivalents | <u>\$ 130,241,637</u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|---------------------|
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities: | |
| Operating Loss | \$ (12,414,842) |
| Adjustments to Reconcile Cash and Cash Equivalents Provided by Operating Activities: | |
| Depreciation and Amortization | 8,520,943 |
| Loss on Disposal of Capital Assets | 1,746,152 |
| Bad Debt | 4,009,147 |
| Effects of Changes in Operating Assets, Liabilities, and Deferred Inflows and Outflows of Resources: | |
| Accounts Receivable - Tenants | (5,002,296) |
| Accounts Receivable - HUD | (840,440) |
| Accounts Receivable - Other | (2,296,975) |
| Prepaid Expenses | 1,459,301 |
| Inventory | (665,130) |
| Developer Fee Receivables | 2,414,872 |
| Other Assets | (2,425,329) |
| Accounts Payable - Vendors | 3,025,121 |
| Accounts Payable - HUD | 219,822 |
| Accrued Wages | 611,921 |
| Accrued Liabilities | 622,945 |
| Unearned Revenue | 481,946 |
| Security and Other Deposits | 6,907 |
| Workers' Compensation Liability | (190,387) |
| Net Pension Liability | (303,868) |
| Net OPEB Liability | 2,502,239 |
| Other Liabilities | <u>1,151,659</u> |
| Net Cash Provided by Operating Activities | <u>\$ 2,633,708</u> |

See accompanying Notes to Financial Statements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY

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

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority maintains separate accounting records for each grant program or Annual Contributions Contract, as required by HUD. A list of the various programs is as follows:

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

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

Housing Choice Voucher Program Project Based Voucher Program and Mainstream Voucher Program: Project Based vouchers are a component of the Authority's Housing Choice Voucher Program and Mainstream Voucher Program. Project Based assistance requires a resident to live in a housing unit at the property being subsidized.

Section 8 New Construction Housing Assistance Payment Programs: These programs account for the operation of low-income housing developments where the Authority, or its subsidiary, contracts directly with HUD under a Housing Assistance Payment contract. The Authority, through its subsidiary, owns and manages all developments and handles all HUD funding and reporting.

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements.

Local Fund: In 1998, a \$100,000 contribution of capital was made by Title V to a new Local Fund. This fund is to be used for expenditures necessary for the accomplishment of the Authority's mission but which do not fall under HUD oversight. All expenditures from the Local Fund must be approved by the Chief Executive Officer and Chief Financial Officer.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Other Grants: The Authority received state and local funding under the Community Based Services grant and private donations. Expenditures for these programs and grants must be made in accordance with the rules and regulations established by the grantors.

Component Units: Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The blended method includes the financial statements of the blended unit as part of the business-type activities. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the business-type activities.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests* — an amendment of GASB Statements No. 14 and No. 61. These include financial accountability, imposition of will, financial burden or benefit on the primary organization, and financial accountability as a result of fiscal dependency.

Through the application of these GASB criteria, management of the Authority determined that the following entities should be blended or discretely presented.

Blended Component Units

The Authority has four blended component units consisting of Western Reserve Revitalization and Management Company, Inc. (WRRMC), Riverside Park Homes, L.P., 2045 Transformation, LLC, and Cuyahoga Housing and Development, Inc. The Authority has an additional nonprofit, Cuyahoga Metropolitan Housing Charity Fund, Inc., which is a wholly owned nonprofit. The activity of Cuyahoga Metropolitan Housing Charity Fund, Inc. is not material to the overall financial statements and is not reported as a separate blended component unit.

Western Reserve Revitalization and Management Company, Inc. (WRRMC) — The Authority established Western Reserve Revitalization and Management Company, Inc., a 501(c)(3) corporation, as a wholly owned subsidiary. Accordingly, WRRMC is reported as a blended component unit of the Authority. WRRMC was established for public, charitable, educational, and governmental purposes: (a) to clear, plan, and rebuild areas with Cuyahoga County and in particular within the City of Cleveland; (b) to enter into contracts for the construction of housing for families within Cuyahoga County either to the lowest and best bidder or in conformity with the federal turnkey rules promulgates by the U.S. Department of Housing and Urban Development (“HUD”); and (c) to do all things necessary or convenient to aid and cooperate with the Authority in the planning, undertaking, developing, construction and operating of such housing.

The statements of WRRMC include the financial activity of Ambleside Redevelopment, LLC, Severance Redevelopment, LLC, Quarrytown Redevelopment, LLC, and 1701 Holdings, LLC, which are all wholly owned subsidiaries of WRRMC. WRRMC has separate audited financial statements, which may be obtained from the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Blended Component Units (Continued)

Riverside Park Homes, L.P. – The Partnership controls a property consisting of 90 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (IRC)(Section 42). The Partnership is 99.9% owned by 2045 Transformation, LLC, the limited partner (wholly owned by CMHA), and 0.1% owned by Riverside Park Homes, Inc., the General Partner. Riverside Park Homes, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Cuyahoga Housing and Development, Inc. (CHDI) – The Authority established CHDI, a 501(c)(3) corporation, as a wholly owned subsidiary. Accordingly, CHDI is reported as a blended component unit of the Authority. CHDI was established in 2006 to promote the welfare of the people of the state of Ohio by constructing, acquiring, equipping, furnishing, owning, operating, and maintaining reasonably priced rental housing to promote the educational, social, psychological, and physical well-being of the community.

2045 Transformation LLC – The Authority established 2045 Transformation LLC, a limited liability corporation, as a wholly owned subsidiary. Accordingly, 2045 Transformation LLC is reported as a blended component unit of the Authority. 2045 Transformation LLC was established on January 21, 2020. 2045 Transformation LLC was created to effectuate the Authority's 2045 Initiative. The 2045 Initiative has specific goals of: (i) implementing a comprehensive strategy that will provide safe, quality, affordable housing for qualified residents of Cuyahoga County; (ii) fostering neighborhood improvements in the communities that the Authority serves; (iii) attaining financial feasibility and sustainability across all of the Authority's programs; and (iv) converting the entire public housing portfolio to the Section 8 platform.

The statements of 2045 Transformation LLC include the financial activity of 2320 East 30th LLC, 16001 Euclid Beach LLC, Legacy Park LLC, Mount Auburn LLC, 1795 West 25th LLC, 1651 Ansel Rd LLC, 9520 Detroit LLC, Aphorp LLC, Beachcrest LLC, Fairway-Lorain LLC, Miles Elmarge LLC, Oakwood Villas LLC, Park Denison LLC, 1675 Ansel LLC, 3495 East 98th LLC, Addison Square LLC and Laronde LLC, which are all wholly owned subsidiaries of 2045 Transformation LLC. 2045 Transformation LLC has separate audited financial statements, which may be obtained from the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

Discretely Presented Component Units

The Authority has 15 discretely presented component units consisting of: Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Garden Valley Housing Partnership IV, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly, L.P., Fairfax Intergenerational Housing L.P., Bohn Tower Redevelopment, L.P., Carver Park Phase I, L.P., Carver Park Phase II, L.P., Carver Park Phase III, L.P., Riverside Park Phase II, L.P., Riverside Park Phase III, L.P., East Side Neighborhood Homes, L.P. and Wade Park, L.P.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

The Authority has a controlling minority interest in these real estate limited partnerships as of December 31, 2023. The majority interests are held by third parties unrelated to the Authority. CMHA, or a CMHA affiliate, operates as either General Partner, Special General Partner, Class B Limited Partner or Limited Partner in the limited partnerships. As such, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships.

The subsidiary of the Authority, Western Reserve Revitalization and Management Company, Inc. (WRRMC) is financially accountable for the limited partnerships as they are fiscally dependent on the Authority according to the terms of the partnership agreements. Additionally, in some cases, WRRMC is legally obligated to fund operating deficits. The Authority also has outstanding loans and net advances to the limited partnerships at December 31, 2023. The limited partnerships do not serve the business-type activities exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

Garden Valley Housing Partnership I, L.P. – The Partnership controls a property consisting of 81 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by investor limited partners, 0.037% owned by the Administrative General Partner, 0.038% owned by the Managing General Partner, and 0.025% owned by Garden Valley Redevelopment LLC, the Special General Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Garden Valley Housing Partnership II, L.P. – The Partnership controls a property consisting of 57 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 0.0095% owned by the Managing General Partner, 0.0095% owned by the Administrative General Partner, 99.98% owned by the Limited Partner, and 0.001% by Garden Valley Redevelopment, LLC, the Class B Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements. The Partnership has a fiscal year-end of November 30. Management believes there are no material transactions that would affect the financial position or results of the discretely presented component unit.

Garden Valley Housing Partnership III, L.P. – The Partnership controls a property consisting of 69 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the investor limited partners, 0.04845% by the Managing General Partner, 0.04655% by the Administrative General Partner, and 0.005% owned by Garden Valley Redevelopment LLC, the Special Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

Garden Valley Housing Partnership IV, L.P. – The Partnership controls a property consisting of 60 units of affordable housing financed with an FHA insured loan and operated with the assistance of a Section 8 project-based HAP Contract under the Rental Assistance Demonstration Program. The units will be operated as qualified Low-Income Housing Tax Credit units under Section 42 of the IRC (Section 42). The Partnership is 0.003825% owned by the Managing General Partner, 0.003675% owned by the Co-General Partner, 99.99% owned by the Limited Partner, and 0.0025% by Garden Valley Redevelopment, LLC, the Special Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Euclid-Lee Senior, L.P. – The Partnership controls a property consisting of 79 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the investor limited partners and 0.10% owned by Cleveland East LLC, the General Partner. Cleveland East LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Miles Pointe Elderly, L.P. – The Partnership controls a property consisting of 43 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the investor-limited partners and 0.10% owned by Miles Pointe GP, LLC, the General Partner. Miles Pointe GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Fairfax Intergenerational Housing, L.P. – The Partnership controls a property consisting of 40 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the limited partner and 0.1% owned by WRRMC Intergenerational Housing, Inc., the General Partner. WRRMC Intergenerational Housing, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Bohn Tower Redevelopment, L.P. – The Partnership controls a property consisting of 267 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.99% owned by the limited partners and 0.01% owned by Bohn Tower GP, Inc., the General Partner. Bohn Tower GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Carver Park Phase I, L.P. – The Partnership controls a property consisting of 279 units. The Partnership became a RAD property on October 1, 2017 that received 4% Low-Income Housing Tax Credits (LIHTC) and received 221(d)4 FHA financing. The Partnership is 99.90% owned by the limited partners and 0.10% owned by Carver Park Phase I GP, the General Partner. Carver Park Phase I GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

Carver Park Phase II, L.P. – The Partnership controls a property consisting of 74 units. The Partnership became a RAD property on October 1, 2017 that received 4% Low-Income Housing Tax Credits (LIHTC) and is projected to receive 221(d)4 FHA financing. The Partnership is 99.99% owned by the limited partners and 0.01% owned by Carver Park Phase II GP, the General Partner. Carver Park Phase II GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Carver Park Phase III, L.P. – The Partnership controls a property consisting of 143 housing units, developed and operated under the low-income housing tax credit program as provided in Section 42 of the IRC. The Partnership is 99.9% owned by investor limited partners and 0.1% owned by Carver Park Phase III GP, LLC. Carver Park Phase III GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Riverside Park Phase II, L.P. – The Partnership is 99.9% owned by the limited partners and 0.1% owned by Riverside Park Phase II GP, LLC, the General Partner. Riverside Park Phase II GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Riverside Park Phase III, L.P. – The Partnership controls a property consisting of 203 units. The Partnership became a RAD property on September 2019 that received 4% Low-Income Housing Tax Credits (LIHTC) and received 221(d)4 FHA financing. The Partnership is 99.9% owned by the limited partners and 0.1% owned by Riverside Park Phase III GP, LLC, the General Partner. Riverside Park Phase III GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

East Side Neighborhood Homes, L.P. – The Partnership was organized to develop, construct, own, maintain and operate 96 residential units for rental to low-income tenants. The General Partner is East Side Neighborhood Homes Corp., and the Limited Partners are Enterprise Housing Partners III L.P. and Enterprise Housing Partners XI L.P. The General Partner is owned by the CHN Housing Partners, the Authority, Burten, Bell, Carr Development, Inc. and Mount Pleasant Now Development Corporation. Each has a 25% ownership interest in East Side Neighborhood Homes Corp. Effective June 1, 2021, Enterprise Housing Partners XI L.P. and Enterprise Housing Partners III L.P. assigned 100% of their interest in the Partnership to Western Reserve Revitalization and Management Company, Inc.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

Wade Park, L.P. – The Partnership controls a property consisting of 229 housing units, developed and operated under the low-income housing tax credit program as provided in Section 42 of the IRC. The Partnership is 99.9% owned by investor limited partners and 0.1% owned by Wade Park GP LLC. Wade Park GP LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

All of the discretely presented component units listed above have separate audited financial statements, which may be obtained from the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America, as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's component units report under Financial Accounting Standards Board (FASB) guidance. As such, conversion adjustments to conform the presentation of the financial statements of the blended component unit and discretely presented components units have been made to conform those financial statements to accounting standards issued by the Government Accounting Standards Board. Other than the reclassification as noted, no modifications have been made to the component units' financial information in the Authority's financial reporting entity for any differences.

The Authority maintains its accounts in accordance with the chart of accounts prescribed by HUD and is organized utilizing the fund accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Each of the Authority's programs is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. All of the Authority's programs are accounted for as a single enterprise fund. An enterprise fund accounts for those operations financed and operated in a manner similar to a private business or where the Authority has decided that determination of revenue earned, costs incurred and net revenue over expense is necessary for management accountability.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Enterprise funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Proprietary funds are accounted for using the "economic resources measurement focus" and the accrual basis of accounting. Accordingly, all assets, deferred outflows, liabilities and deferred inflows (whether current or noncurrent) are included in the statement of net position. the statement of revenues, expenses, and changes in net position presents increases (revenue) and decreases (expense) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grants and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements. The unexpended portions of grants held by HUD for the Authority remain available for the Authority's use, subject to the terms of the grant agreements and other agreements with HUD. The unexpended portions of the grants held by HUD are not reflected in the Authority's financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. Cash and cash equivalents are stated at fair value.

Restricted Cash

Restricted cash is considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, insurance escrows, and repairs or improvements to the building, which extend their useful lives.

Investments

Investments of the Authority consist of those permitted by the investment policy and include certificates of deposit and money market funds. Investments are reported at fair value. Fair value is based upon quoted market prices.

Restricted Assets

Certain assets may be classified as restricted assets on the statement of net position because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Inter-Program Receivables and Payables

Inter-program receivables and payables are current and are the result of the use of a central fund as the common paymaster for centralized costs of the Authority. Cash settlements are made periodically. All inter-program balances net to zero and, therefore, are eliminated for financial statement presentation purposes.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Capital Assets

Capital assets (items with an individual cost greater than \$5,000, and a useful life exceeding two years), including land, property and equipment, are recorded at historical cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which are as follows:

| | |
|------------------------|----------------|
| Property | 15 to 40 Years |
| Equipment | 3 to 7 Years |
| Leasehold Improvements | 5 to 15 Years |

Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Mortgage Notes Receivable

The Authority has advanced loans to third-party developers in conjunction with various mixed finance projects. All principal and interest are due at maturity or based upon cash flow, and due to the uncertainty created by the extended period of time to repayment, interest income is recognized when cash payments are received. The Authority reviews Mortgage Notes Receivable for collectability whenever events or circumstances indicate that the carrying value of the receivable may not be recoverable. See Note 8 for further information on Mortgage Notes Receivable.

Developer Fees Receivable

Developer fees receivable are stated at the amount management expects to collect on balances outstanding at year end. Developer fees are due based upon terms of the related agreements. Management evaluates collectability based upon several factors, including historical collection experience and review and assessment of the financial condition of the debtor. At December 31, 2023, all amounts were deemed collectible.

Inventory

Inventory is valued using a weighted average costing method.

Compensated Absences

Vacation time may be accrued and carried over from year to year up to a maximum of 240 hours. Earned vacation time is due and payable to employees upon termination of employment. Sick time is accrued up to 120 hours per year and carried over from year to year. Upon retirement, employees can convert accumulated but unused sick time into a cash payment at the rate of one day for every two days accumulated.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Debt Amortization Funds

Debt amortization funds consist of restricted cash and investments held by fiscal agents. These funds are used to retire current installments of debt and to pay interest accrued thereon. Investments of debt amortization funds are carried at fair value.

Revenue Recognition

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which the grants relate. Tenant rental revenues are recognized during the period of occupancy. Receipts from CFP, Urban Revitalization Program and other reimbursement-based grants are recognized when the related expenses are incurred.

Indirect Costs

Certain indirect costs are charged to programs under a cost allocation plan.

Use of Estimates

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

Leases

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. A significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue.

The Authority is the lessee for noncancelable leases of office equipment and vehicles. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Statement of Net Position. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Pensions

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

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Other Postemployment Benefits (OPEB)

For purposes of measuring net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Health Benefit plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the 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 systems report investments at fair value.

Budgetary Accounting and Control

The Authority's annual budget is prepared on the accrual basis of accounting and approved by the Board of Commissioners. The budget includes anticipated amounts for current year revenues and expenses, as well as new capital projects.

The Board of Commissioners adopts the annual budget for the Authority following a review and approval process by the Finance Committee and Chief Executive Officer. Once adopted by the board the annual budget is implemented and monitored by the finance department on a monthly basis to address any variances against budget.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pensions and postemployment benefits.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow until that time. For the Authority, deferred inflows of resources are reported for pensions and postemployment benefits.

Net Position

Net position is the residual of assets and deferred outflows less liabilities and deferred inflows and is displayed in three components as follows:

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

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

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Net Position (continued)

Unrestricted Net Position – this component of net position consists of resources that do not meet the definition of net investment in capital assets or restricted net position.

It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

NOTE 3 DEPOSITS AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has a deposit policy that addresses custodial credit risk. At December 31, 2023, the carrying amount of the Authority's deposits was \$130,137,559 and the total balance of bank accounts held by the Authority was \$131,885,999. Of the bank balances held in various financial institutions, certain amounts were covered by federal depository insurance and the remainder was covered under the Ohio pooled collateral system.

Under Ohio law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require the security for public deposits and investments to be maintained in the Authority's name.

All deposits were fully collateralized as of December 31, 2023 with the exception of \$3,942,092 related to the Authority and \$71,731,230 related to the consolidated entities of WRRMC and 2045 Transformation LLC which were not insured or collateralized above the FDIC threshold.

Investments

The investment policy of the Authority's monies is governed by the provisions of the Ohio Revised Code and regulations established by the U.S. Department of HUD. The Authority is permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, state and local government investment pools, direct obligations of the federal government, obligations of federal government agencies, and securities of federal government agencies.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEPOSITS AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Investments (Continued)

These investments must mature within three years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding 30 days.

The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative).

The Authority is also prohibited from investing in reverse purchase agreements. Investments held by the Authority at December 31, 2023 are presented below, categorized by investment type and credit quality rating. Credit ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All investments mature within one year.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority staggers maturity dates of investments to avoid losses from rising interest rates and the investment policy generally limits the maturities of investments to not more than three years to reduce the risk of impact on the fair value of investments.

As of December 31, 2023, the value and maturities for these assets were as follows:

| Assets | Value | Maturities (in Years) | Less Than 1 |
|----------------------------|------------------------------|------------------------------|-------------|
| Cash and Cash Equivalents: | | | |
| Cash and Cash Equivalents | \$ 108,765,556 | \$ 108,765,556 | |
| Investment Type: | | | |
| Money Market Funds | 21,476,081 | 21,476,081 | |
| Total | <u><u>\$ 130,241,637</u></u> | <u><u>\$ 130,241,637</u></u> | |

Credit Risk

The Authority's investment policy limits investments to those backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. government, a government authority or issued by a government-sponsored authority, coupled with an appropriate maturity date.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 DEPOSITS AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Concentration of Credit Risk

The Authority does not allow more than 50% of its investment portfolio to be invested in a single security type or with a single financial institution or broker/dealer. There were no concentrations in any one investment greater than 5%.

| Description | Total Fair Value/ Carrying Value | Credit Quality Rating |
|--|---|--------------------------------------|
| Money Market Funds | \$ 21,476,081 | AAA |
| Total Business-Type Activities Investments | <u><u>\$ 21,476,081</u></u> | |

- Rating offered by Standard & Poor's

Concentration of Credit Risk

A reconciliation of cash and investments as shown on the statement of net position at December 31, 2023 to the deposits and investments included in this note is as follows:

| | |
|---------------------------|------------------------------|
| Cash and Cash Equivalents | \$ 69,378,227 |
| Cash - Restricted | 60,863,410 |
| Total | <u><u>\$ 130,241,637</u></u> |

| | |
|--------------------------------|------------------------------|
| Carrying Amount of Deposits | \$ 108,765,556 |
| Carrying Amount of Investments | 21,476,081 |
| Total | <u><u>\$ 130,241,637</u></u> |

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2023, the Authority had investments in money market funds. Market funds are recorded at amortized cost and are therefore not included within the fair value hierarchy established by generally accepted accounting principles.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 RESTRICTED CASH AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES

At December 31, 2023, the Authority had cash and investments, which was restricted under the terms of various grant programs, debt obligations, and other requirements as follows:

| | |
|---|-----------------------------|
| LRPH FSS Escrow Deposits | \$ 125,198 |
| HCVP FSS Escrow Deposits | 557,527 |
| FSS Forfeiture | 12,490 |
| Industrial Commission of Ohio Escrow Fund | 628,019 |
| Restricted Housing Assistance Payments | 1,000,492 |
| Debt Service Reserve | 2,498,122 |
| Local Advisory Council | 543,709 |
| Pledged Reserves | 2,617,492 |
| Replacement Reserves Escrow | 24,688,105 |
| Mortgage Reserves | 5,393,404 |
| Other Reserves | 4,987,117 |
| Bond Proceeds | 16,053,108 |
| Total | <u>\$ 59,104,783</u> |

NOTE 5 RESTRICTED CASH AND INVESTMENTS – DISCRETE COMPONENT UNITS

At December 31, 2023, the Discretely Presented Component Units had cash and investments, which was restricted under the terms of various regulatory and loan requirements, and other requirements as follows:

| Partnership Name | Tenant Security Deposits | Funded Reserves | Investments | Total |
|---|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| Garden Valley Housing Partnership I, LP | \$ 9,117 | \$ 1,390,476 | \$ - | \$ 1,399,593 |
| Garden Valley Housing Partnership II, LP | 10,194 | 806,528 | - | 816,722 |
| Garden Valley Housing Partnership III, LP | 15,423 | 929,300 | - | 944,723 |
| Garden Valley Housing Partnership IV, LP | 8,523 | 1,004,007 | - | 1,012,530 |
| Euclid-Lee Senior, LP | 20,023 | 153,354 | - | 173,377 |
| Miles Pointe Elderly, LP | 10,578 | 131,886 | - | 142,464 |
| Fairfax Intergenerational Housing, LP | 5,986 | 351,572 | - | 357,558 |
| Bohn Towers Redevelopment LP | 52,052 | 2,250,029 | - | 2,302,081 |
| Carver Park Phase I, LP | 52,896 | 3,065,638 | - | 3,118,534 |
| Carver Park Phase II, LP | 12,162 | 522,600 | - | 534,762 |
| Carver Park Phase III, LP | - | 2,957,647 | 34,488,588 | 37,446,235 |
| Wade Park, LP | - | 7,471,052 | 36,666,943 | 44,137,995 |
| Riverside Park Phase II, LP | 45,210 | 1,287,632 | - | 1,332,842 |
| Riverside Park Phase III, LP | 46,405 | 711,540 | - | 757,945 |
| East Side Neighborhood Homes, LP | - | 939,295 | - | 939,295 |
| Total | <u>\$ 288,569</u> | <u>\$ 23,972,556</u> | <u>\$ 71,155,531</u> | <u>\$ 95,416,656</u> |

The investments held by Carver Park Phase III, LP and Wade Park, LP are money market funds and fixed income bond funds that are considered Level I for fair value measurement at December 31, 2023.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6 CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES

The following is a summary of the changes in capital assets for the fiscal year ended December 31:

| | January 1, 2023 | Additions | Transfers/ Adjustments | Deletions | December 31, 2023 |
|--|------------------------------|-----------------------------|---------------------------|------------------------------|------------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 32,883,005 | \$ - | \$ 2,688,335 | \$ - | \$ 35,571,340 |
| Construction in Progress | 28,978,790 | 21,651,029 | (30,806,832) | (33,370) | 19,789,617 |
| Total Capital Assets Not Being Depreciated | <u>61,861,795</u> | <u>21,651,029</u> | <u>(28,118,497)</u> | <u>(33,370)</u> | <u>55,360,957</u> |
| Capital Assets Being Depreciated and Amortized: | | | | | |
| Buildings and Improvements | 553,112,590 | 228,508 | 28,211,953 | (23,190,909) | 558,362,142 |
| Equipment - Dwelling | 16,418,113 | 168,279 | (37,826) | (5,864,954) | 10,683,612 |
| Equipment - Administrative | 3,741,199 | 412,606 | (55,630) | (502,981) | 3,595,194 |
| Right-of-Use Asset - Equipment | 4,778,868 | - | - | - | 4,778,868 |
| Leasehold Improvements | 392,296 | - | - | - | 392,296 |
| Total Capital Assets Being Depreciated | <u>578,443,066</u> | <u>809,393</u> | <u>28,118,497</u> | <u>(29,558,844)</u> | <u>577,812,112</u> |
| Accumulated Depreciation and Amortization: | | | | | |
| Buildings and Improvements | (458,007,905) | (7,265,508) | - | 27,846,062 | (437,427,351) |
| Equipment - Dwelling | (12,495,688) | (426,747) | - | - | (12,922,435) |
| Equipment - Administrative | (1,353,469) | (118,208) | - | - | (1,471,677) |
| Right-of-Use Asset - Equipment | (734,072) | (707,182) | - | - | (1,441,254) |
| Leasehold Improvements | (392,296) | (3,298) | - | - | (395,594) |
| Total Accumulated Depreciation and Amortization | <u>(472,983,430)</u> | <u>(8,520,943)</u> | <u>-</u> | <u>27,846,062</u> | <u>(453,658,311)</u> |
| Depreciable and Amortizable Assets - Net | <u>105,459,636</u> | <u>(7,711,550)</u> | <u>28,118,497</u> | <u>(1,712,782)</u> | <u>124,153,801</u> |
| Total Capital Assets - Net | <u>\$ 167,321,431</u> | <u>\$ 13,939,479</u> | <u>\$ -</u> | <u>\$ (1,746,152)</u> | <u>\$ 179,514,758</u> |

NOTE 7 CAPITAL ASSETS – DISCRETE COMPONENT UNITS

The following is a summary of the changes in capital assets for the fiscal year ended December 31:

| | January 1, 2023 | Additions | Transfers | Deletions | December 31, 2023 |
|--|------------------------------|-----------------------------|--------------------|--------------------------|------------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 276,397 | \$ - | \$ - | \$ - | \$ 276,397 |
| Construction in Progress | 11,718,114 | 26,588,076 | - | - | 38,306,190 |
| Total Capital Assets Not Being Depreciated | <u>11,994,511</u> | <u>26,588,076</u> | <u>-</u> | <u>-</u> | <u>38,582,587</u> |
| Capital Assets Being Depreciated: | | | | | |
| Buildings and Improvements | 264,972,748 | 194,889 | - | (6,560) | 265,161,077 |
| Equipment - Dwelling | 3,192,560 | 15,758 | - | - | 3,208,318 |
| Leasehold Improvements | 18,052,129 | - | - | - | 18,052,129 |
| Total Capital Assets Being Depreciated | <u>286,217,437</u> | <u>210,647</u> | <u>-</u> | <u>(6,560)</u> | <u>286,421,524</u> |
| Accumulated Depreciation | | | | | |
| Buildings and Improvements | (58,816,420) | (8,549,187) | 11,142,646 | - | (56,222,961) |
| Equipment - Dwelling | (1,939,579) | (121,980) | (749,700) | - | (2,811,259) |
| Leasehold Improvements | - | (795,785) | (10,392,946) | - | (11,188,731) |
| Total Accumulated Depreciation | <u>(60,755,999)</u> | <u>(9,466,952)</u> | <u>-</u> | <u>-</u> | <u>(70,222,951)</u> |
| Depreciable Assets - Net | <u>225,461,438</u> | <u>(9,256,305)</u> | <u>-</u> | <u>(6,560)</u> | <u>216,198,573</u> |
| Total Capital Assets - Net | <u>\$ 237,455,949</u> | <u>\$ 17,331,771</u> | <u>\$ -</u> | <u>\$ (6,560)</u> | <u>\$ 254,781,160</u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 CAPITAL ASSETS – DISCRETE COMPONENT UNITS (CONTINUED)

The following is a summary of the right-to-use assets for the year ended December 31:

| Partnership Name | Ground Lease | Vehicle Lease | Accumulated Amortization | Right-of-Use Lease Asset, Net | Right-of-Use Lease Liability, Net | Lease Expense |
|---|----------------------|-------------------|--------------------------|-------------------------------|-----------------------------------|------------------|
| Riverside Park Homes, L.P. | \$ - | \$ 7,940 | \$ (7,925) | \$ 15 | \$ - | \$ 4,968 |
| Garden Valley Housing Partnership I, L.P. | 468,350 | 27,748 | (77,304) | 418,794 | 20,080 | 9,790 |
| Garden Valley Housing Partnership II, L.P. | 300,300 | 25,919 | (54,971) | 271,248 | 14,280 | 6,572 |
| Garden Valley Housing Partnership III, L.P. | 426,000 | 23,958 | (66,091) | 383,867 | 17,144 | 8,682 |
| Garden Valley Housing Partnership IV, L.P. | 171,000 | 19,867 | (17,407) | 173,460 | 14,284 | 5,517 |
| Euclid-Lee Senior, L.P. | - | 4,050 | (1,688) | 2,362 | 2,335 | 933 |
| Miles Pointe Elderly, L.P. | - | 2,203 | (918) | 1,285 | 1,270 | 508 |
| Faifax Intergenerational Housing, L.P. | 161,587 | 2,049 | (19,906) | 143,730 | 1,181 | 1,649 |
| Bohn Tower Redevelopment, L.P. | 1,800,000 | 15,696 | (5,212) | 1,810,484 | 1,810,484 | 3,735 |
| Carver Park Phase I, L.P. | 21,010,000 | 104,644 | (29,568) | 21,085,076 | 21,068,844 | 18,271 |
| Carver Park Phase II, L.P. | 5,390,000 | 90,690 | (70,884) | 5,409,806 | 5,409,047 | 4,628 |
| Riverside Park Phase II, L.P. | 12,950,000 | 97,433 | (17,900) | 13,029,533 | 13,029,208 | 19,859 |
| Riverside Park Phase III, L.P. | 14,960,000 | 76,393 | (22,271) | 15,014,122 | 15,013,168 | 14,565 |
| Carver Park Phase III, L.P. | 14,100,000 | 39,042 | (6,196) | 14,132,846 | 14,132,846 | - |
| Wade Park LP | 15,180,000 | - | - | 15,180,000 | 15,180,000 | - |
| Total | <u>\$ 86,917,237</u> | <u>\$ 537,632</u> | <u>\$ (398,241)</u> | <u>\$ 87,056,628</u> | <u>\$ 85,714,171</u> | <u>\$ 99,677</u> |

Future minimum lease payments are as follows for the years ending December 31:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|---------------------------------|----------------------|
| 2024 | \$ 199,062 |
| 2025 | 52,810 |
| 2026 | 52,597 |
| 2027 | 18,209 |
| 2028 | - |
| Thereafter | <u>85,391,493</u> |
| Total | <u>\$ 85,714,171</u> |

NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES

Notes and mortgages receivable are comprised of the following types of loans: Mixed Finance Construction Loans - the Authority advances loans to third-party developers in conjunction with multi-lender Mixed Finance arrangements for new construction. A lump-sum payment of principal and interest, if applicable, is due at maturity, which is 40 to 50 years. These loans are secured by the notes and mortgages on the respective properties. There are other loans where principal and interest are paid based on the cash flow of the respective properties.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Allowances – At December 31, 2023, Notes and Mortgages Receivable totaled \$124.8 million (before eliminations) and related accrued interest totals \$3.3 million. The balance includes amounts for construction loans. All notes and mortgages are collateralized by the respective properties. These loans are due at maturity ranging from 40 to 50 years. Allowances have been established for funds loaned from WRRMC to Cleveland Housing Network, Inc. and for some funds loaned from the Authority to other Partnerships, as these loans may be satisfied by transfer of property to the Authority.

Interest Income – Interest is due at the maturity date of these loans. Due to the length of time preceding the required payment of interest, interest earned on the notes and mortgage receivables has been deferred and not recognized in the statements of revenues, expenses, and changes in net position.

Notes and mortgages receivable at December 31, 2023 consisted of the following:

| Loaned To | Loaned From | Origination Date | Maturity Date | Original Balance | Interest Rate | 12/31/2023 Balance |
|--|----------------|------------------|---------------|------------------|------------------------------------|--------------------|
| Bohn Tower Redevelopment, LP | BUSA | 2/1/15 | 2/1/57 | 2,543,000 | 7.00% | \$ 2,543,000 |
| Cedar I (RAD) | BUSA | 11/24/15 | 11/24/65 | 8,512,041 | 1.00% | 7,174,877 |
| Cedar I (RAD) | BUSA | 11/24/15 | 11/24/33 | - | 0.00% | 15,313 |
| Cedar II (RAD) | BUSA | 2/4/16 | 2/4/56 | 4,633,943 | 2.25% | 4,633,943 |
| Cedar III (RAD) | BUSA | 11/1/20 | 11/1/62 | 1,700,000 | 5.00% | 1,700,000 |
| Garden Valley Housing Prtshp IV, LP | BUSA | 12/21/15 | 12/21/55 | 3,870,234 | 2.75% | 3,870,234 |
| Carver Park II, LP (RAD) | BUSA | 5/1/18 | 5/1/63 | 1,157,551 | 1.00% | 1,157,551 |
| Cedar I (RAD) | Public Housing | 11/24/15 | 11/24/65 | 8,512,041 | 1.00% | 478,885 |
| Cedar I (RAD) | Public Housing | 11/24/15 | 11/24/65 | 8,512,041 | 1.00% | 538,279 |
| Cedar Ground Lease Receivable | BUSA | | | | | 320,000 |
| Valleyview I (Tremont Point) | BCU | 12/22/06 | 12/31/52 | 7,273,213 | 0.25% | 7,273,213 |
| Valleyview I (Tremont Point) | BCU | 12/22/06 | 12/21/46 | 500,000 | 4.90% | 500,000 |
| Valleyview II (Tremont Point II) | Public Housing | 9/17/08 | 12/31/60 | 3,350,273 | 1.75% | 3,350,276 |
| Valleyview II (Tremont Point II) | Public Housing | 9/7/08 | 12/31/16 | 1,500,000 | 1.75% | 1,500,000 |
| Garden Valley Housing Prtshp I, LP | Public Housing | 11/18/09 | 4/1/62 | 11,700,000 | 0.20% | 11,700,000 |
| Garden Valley Housing Prtshp I, LP | Public Housing | 11/18/09 | 4/1/62 | 1,750,593 | 0.20% | 1,750,592 |
| Garden Valley Housing Prtshp II, LP | Public Housing | 3/17/10 | 12/31/60 | 10,209,408 | 0.00% | 10,209,408 |
| Garden Valley Housing Prtshp III, LP | Public Housing | 9/16/10 | 1/16/62 | 14,953,185 | 0.50% | 14,953,185 |
| Euclid Lee Senior, LP | Public Housing | 11/4/11 | 11/5/56 | 6,059,163 | 0.10% | 5,962,955 |
| Euclid Lee Senior, LP | Public Housing | 11/4/11 | 11/5/56 | 6,338,023 | 0.10% | 6,338,023 |
| Miles Pointe Elderly, LP | Public Housing | 8/16/12 | 8/16/57 | 300,000 | 0.25% | 3,000,000 |
| MF Property | | | | | | |
| Fairfax International Housing, LP | Disposition | 10/22/12 | 10/22/62 | 1,400,000 | 0.25% | 1,400,000 |
| Carver Park II, LP (RAD) | BCU | 5/1/18 | 5/1/63 | 2,485,263 | 1.00% | 2,008,034 |
| Riverside Park Phase III, LP | BCU | 4/1/20 | 4/1/65 | 7,405,851 | 4.03% | 6,665,266 |
| Riverside Park Phase II, LP | BCU | 3/26/19 | 2/26/64 | 1,592,482 | 3.22% | 1,180,826 |
| Cedar Redevelopment Phase III, LLC | BCU | 12/23/21 | 11/1/62 | 1,988,522 | 5.00% | 1,988,521 |
| WRRMC | BCU | 11/17/22 | | 1,731,550 | | 1,731,550 |
| WRRMC | BCU | 11/21/22 | 11/21/78 | 3,000,000 | 0.25% | 3,000,000 |
| 2045 Initiative Bonds (Springbrook High-Rise) | BUSA | 1/20/22 | 4/1/32 | 3,850,737 | 3.25% | 3,263,800 |
| 2045 Initiative Bonds (Oakwood Villa) | BUSA | 5/25/22 | 7/1/32 | 1,806,562 | 6.00% | 1,599,473 |
| 2045 Initiative Bonds (Park Denison) | BUSA | 3/31/22 | 6/1/47 | 645,199 | 1.75% | 612,164 |
| 2045 Initiative Bonds (Fairway-Lorain) | BUSA | 11/28/22 | 1/1/33 | 2,805,628 | 3.00% | 2,561,361 |
| Wade Park | BUSA | 11/21/22 | 11/21/77 | 1,500,000 | 5.00% | 1,500,000 |
| 2045 Initiative Bonds (Legacy Park) | BUSA | 11/15/21 | 1/1/34 | 501,040 | 2.50% | 427,616 |
| 2045 Initiative Bonds (Addison Square) | BUSA | 10/31/23 | 12/1/30 | 5,253,279 | 2.88% | 5,196,747 |
| 2045 Initiative Bonds (Laronde Apt) | BUSA | 1/26/23 | 3/1/33 | 555,000 | 3.00% | 514,834 |
| YMCA Lease Receivable | Public Housing | | | | | 2,224,947 |
| | | | | | | |
| | | | | | Total Notes Receivables | 124,844,873 |
| | | | | | Elimination of Related Party Notes | (13,129,357) |
| | | | | | Net Loans Receivable - Noncurrent | \$ 111,715,516 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES (CONTINUED)

WRRMC loaned funds to various Partnerships. As of December 31, 2023, the notes receivable terms are summarized as follows:

| Partnership Name | Original Date of Loan | *Maturity Date | Original Balance of Loan | Balance at 12/31/2023 | Interest Rate |
|---|-----------------------|----------------|--------------------------|-----------------------|---------------|
| Cleveland New Construction, LP III | 12/31/2003 | 12/31/2024 | \$ 1,343,000 | \$ 81,000 | 0.25% |
| Cleveland New Construction, LP IV | 9/4/2007 | 12/31/2038 | 1,400,000 | 375,000 | 2.50% |
| East Cleveland Homes, LP | 3/11/2004 | 3/11/2024 | 1,480,000 | 370,000 | 4.68% |
| Hough Homes, LP | 12/1/2005 | 12/31/2037 | 2,327,273 | 640,000 | 5.25% |
| Hough Homes II, LP | 12/9/2004 | 12/31/2036 | 1,492,475 | 570,000 | 4.68% |
| Stockyard Homes, LP | 12/20/2006 | 12/31/2038 | 1,497,636 | 150,000 | 1.00% |
| Total Notes Receivable, Including Deferred Interest | | | | | 2,186,000 |
| Allowance for Notes Receivable, Including Deferred Interest | | | | | (2,186,000) |
| Notes Receivable, Net | | | | | \$ - |

No principal and interest payments are received on the notes receivable until each note's maturity date. The notes are secured by a mortgage on each respective Partnership.

CMHA loaned funds to various Partnerships. As of December 31, 2023, the notes receivable terms are summarized as follows:

| Partnership Name | Original Date of Loan | *Maturity Date | Original Balance of Loan | Balance at 12/31/2023 | Interest Rate |
|---|-----------------------|----------------|--------------------------|-----------------------|---------------|
| East Side Neighborhood Homes LP | 11/15/2004 | 11/15/2050 | \$ 8,450,000 | \$ 9,203,356 | 0.25% |
| OCDS LP | 9/16/2004 | 9/16/2049 | 2,040,000 | 5,269,963 | 5.03% |
| OCDS LP | 9/16/2004 | 9/16/2049 | 261,480 | 273,756 | 0.25% |
| Gordon Square LP | 12/22/2005 | 3/31/2047 | 1,670,000 | 5,576,119 | 4.79% |
| Gordon Square LP | 12/22/2005 | 3/31/2047 | 800,000 | 862,861 | 0.25% |
| Total Notes Receivable, Including Deferred Interest | | | | | 21,186,055 |
| Allowance for Notes Receivable, Including Deferred Interest | | | | | (21,186,055) |
| Notes Receivable, Net | | | | | \$ - |

* The maturity date, as defined in each Loan Agreement, is the earliest of 20 or 30 years from the date the last unit in the Partnership is leased to a tenant meeting all LIHTC and HUD requirements, but in no event later than the maturity date in the above schedule.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES (CONTINUED)

CMHA loaned funds to various partnerships related to ground leases of CMHA land. As of December 31, 2023, the following ground lease notes receivable have been offset against the corresponding unearned deferred ground lease revenue as summarized as follows:

| Partnership Name | Original Date of Loan | Maturity Date | Ground Lease Notes Receivable 12/31/2023 |
|-----------------------------|-----------------------|---|--|
| Carver Park Phase I, LP | 9/8/2016 | 9/7/2061 | \$ 21,010,000 |
| Carver Park Phase II, LP | 5/1/2018 | 5/1/2063 | 5,390,000 |
| Carver Park Phase III, LP | 12/14/2022 | 12/14/2072 | 14,100,000 |
| Bohn Towers GP | 2/1/2015 | 1/31/2047 | 1,800,000 |
| Riverside Park Phase II, LP | 3/26/2019 | 3/26/2064 | 12,950,000 |
| Riverside Park Phase III LP | 3/31/2020 | 3/31/2065 | 14,960,000 |
| Wade Park, LP | 11/21/2022 | 11/21/2077 | <u>15,180,000</u> |
| | | Total Notes Receivable | 85,390,000 |
| | | Unearned Ground Lease Revenue | (85,390,000) |
| | | Amount Reported on Financial Statements | \$ - |

NOTE 9 DEVELOPER FEES RECEIVABLE – BUSINESS-TYPE ACTIVITIES

In connection with the development of various mixed finance projects, the Authority has development fees receivable from the discretely presented component units totaling \$18.5 million. These receivables are payable based upon the respective partnership agreements and are due to WRRMC.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 INVESTMENT IN REAL ESTATE PARTNERSHIPS – BUSINESS-TYPE ACTIVITIES

The Authority's blended component unit, WRRMC, includes investments in real estate partnerships. Riverside Park Homes, LP is also included as a blended component unit of the Authority, so WRRMC's investment has been eliminated. Investments in real estate partnerships are as follows:

| | |
|--|----------------------------|
| Riverside Park Homes, L.P. | \$ 10,749,288 |
| Carve Park III, L.P. | 1,584,196 |
| Fairfax Intergenerational, L.P. | 917,361 |
| Garden Valley Housing Partnership II, L.P. | 404,015 |
| Bohn Tower Redevelopment, L.P. | 225,350 |
| Euclid-Lee Senior, L.P. | 523,307 |
| Miles Pointe Elderly, L.P. | 106,796 |
| Garden Valley Housing Partnership I, L.P. | <u>805,754</u> |
| Total Investment in Real Estate Partnerships | <u>15,316,067</u> |
| Less: Elimination of WRRMC Investment in | |
| Riverside Park Homes, LP | <u>(10,749,733)</u> |
| Net Investment in Real Estate Partnerships | <u><u>\$ 4,566,334</u></u> |

NOTE 11 ACCRUED EXPENSES – BUSINESS-TYPE ACTIVITIES

Current accrued expenses at December 31 consist of the following items:

| | |
|---|-----------------------------|
| Workers' Compensation - Current Portion | \$ 550,291 |
| Litigation Reserves | 703,100 |
| Lease Liability | 554,947 |
| Insurance Premium | 4,050,605 |
| Accrued Construction Liability | 44,629 |
| Other | <u>11,500,319</u> |
| Total | <u><u>\$ 17,403,891</u></u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES

A summary of the Authority's long-term debt consisted of the following as of December 31:

| | January 1, 2023 | Increase | Decrease | December 31, 2023 | Due Within One Year |
|----------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|----------------------------|
| Direct Borrowings | | | | | |
| Ambleside - Mortgage Note | \$ 5,889,279 | \$ 6,552 | \$ (154,197) | \$ 5,741,634 | \$ 158,460 |
| Severance - Mortgage Note | 5,275,610 | 4,451 | (136,690) | 5,143,371 | 140,498 |
| Quarrytown - Mortgage Note | 3,740,002 | 3,194 | (79,155) | 3,664,041 | 82,216 |
| Riverside Park Homes, L.P. | 2,260,659 | 9,916 | (47,816) | 2,222,759 | 49,262 |
| Riverview Tower | 16,078,572 | 22,003 | (343,977) | 15,756,598 | 351,657 |
| West Boulevard | 4,585,042 | 7,124 | (98,636) | 4,493,530 | 100,838 |
| Cedar Extension High Rise | 6,451,200 | 8,802 | (130,410) | 6,329,592 | 133,628 |
| Euclid Beach Gardens | 4,468,067 | 6,414 | (89,838) | 4,384,643 | 92,110 |
| Mount Auburn Manor | 3,412,059 | 6,048 | (69,436) | 3,348,671 | 71,120 |
| Beachcrest | 7,454,365 | 11,617 | (148,726) | 7,317,256 | 152,412 |
| Aphorp Tower | 4,217,325 | 13,506 | (86,198) | 4,144,633 | 88,405 |
| Miles Elmarge | 3,669,919 | 6,202 | (66,355) | 3,609,766 | 68,311 |
| Union Square | 4,582,665 | 9,414 | (91,211) | 4,500,868 | 93,545 |
| Bonds Payable | | | | | |
| Ohio Bond Financing 2017 | 4,900,000 | - | (905,000) | 3,995,000 | 940,000 |
| CFFP 2009 Modernization Loan A | 6,534,070 | - | (766,560) | 5,767,510 | 816,410 |
| CFFP 2009 Modernization Loan B | 3,893,570 | - | (456,780) | 3,436,790 | 486,490 |
| 2020 CMHA Campus Bonds | 14,590,000 | - | (610,000) | 13,980,000 | 635,000 |
| Unamortized Premium - 2020 Bonds | 2,345,584 | - | - | 2,345,584 | - |
| 2045 Bond Series - 2021 | 32,000,000 | - | - | 32,000,000 | - |
| Total | <u>\$ 136,347,988</u> | <u>\$ 115,243</u> | <u>\$ (4,280,985)</u> | <u>\$ 132,182,246</u> | <u>\$ 4,460,362</u> |

First Mortgage Note – Ambleside

On January 1, 2021, the Partnership entered into a first mortgage note payable with ORIX Real Estate Capital LLC, in the amount of \$6,262,300. Commencing March 1, 2021, monthly principal and interest payments totaling \$26,318 are due. The first mortgage bears an interest at 2.73% per annum and is due August 1, 2049, its maturity date. At December 31, 2023, \$5,741,634 in debt remained outstanding. Obligations under the agreement are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------------|----------------------------|----------------------------|
| 2024 | \$ 158,460 | \$ 157,353 | \$ 315,813 |
| 2025 | 162,840 | 152,972 | 315,812 |
| 2026 | 167,342 | 148,471 | 315,813 |
| 2027 | 171,968 | 143,844 | 315,812 |
| 2028 | 176,722 | 139,091 | 315,813 |
| 2029-2033 | 959,647 | 619,415 | 1,579,062 |
| 2034-2038 | 1,099,829 | 479,233 | 1,579,062 |
| 2039-2043 | 1,260,489 | 318,573 | 1,579,062 |
| 2044-2048 | 1,444,618 | 134,444 | 1,579,062 |
| 2049 | 139,719 | 2,672 | 142,391 |
| Total | <u>\$ 5,741,634</u> | <u>\$ 2,296,068</u> | <u>\$ 8,037,702</u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

First Mortgage Note – Severance

On January 1, 2021, the Partnership entered into a first mortgage note payable with ORIX Real Estate Capital LLC, in the amount of \$5,613,600. Commencing on March 1, 2021, monthly principal and interest payments totaling \$23,560 are due. The first mortgage bears an interest of 2.75% per annum and is due November 1, 2049, its maturity date. At December 31, 2023, \$5,143,371 in debt remained outstanding. Obligations under the agreement are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 140,498 | \$ 142,224 | \$ 282,722 |
| 2025 | 144,410 | 138,311 | 282,721 |
| 2026 | 148,432 | 134,289 | 282,721 |
| 2027 | 152,566 | 130,156 | 282,722 |
| 2028 | 156,815 | 125,907 | 282,722 |
| 2029-2033 | 852,065 | 561,543 | 1,413,608 |
| 2034-2038 | 977,507 | 436,101 | 1,413,608 |
| 2039-2043 | 1,121,416 | 292,191 | 1,413,607 |
| 2044-2048 | 1,286,513 | 127,095 | 1,413,608 |
| 2049 | 163,149 | 3,528 | 166,677 |
| Total | \$ 5,143,371 | \$ 2,091,345 | \$ 7,234,716 |

First Mortgage Note – Quarrytown

On September 1, 2021, the Partnership entered into a first mortgage note payable with ORIX Real Estate Capital LLC, in the amount of \$3,930,000. Commencing on November 1, 2021, monthly principal and interest payments totaling \$15,288 are due. The first mortgage bears an interest of 2.72% per annum and is due December 1, 2053, its maturity date. At December 31, 2023, \$3,663,041 in debt remained outstanding. Obligations under the agreement are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 82,216 | \$ 101,234 | \$ 183,450 |
| 2025 | 84,480 | 98,970 | 183,450 |
| 2026 | 86,807 | 96,643 | 183,450 |
| 2027 | 89,198 | 94,252 | 183,450 |
| 2028 | 91,655 | 91,796 | 183,451 |
| 2029-2033 | 497,558 | 419,694 | 917,252 |
| 2034-2038 | 569,955 | 347,297 | 917,252 |
| 2039-2043 | 652,887 | 264,365 | 917,252 |
| 2044-2048 | 747,885 | 169,367 | 917,252 |
| 2049-2053 | 761,400 | 60,545 | 821,945 |
| Total | \$ 3,664,041 | \$ 1,744,163 | \$ 5,408,204 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Riverside Park Homes, L.P.

On May 1, 2020, the Partnership entered into a loan agreement with ORIX Real Estate Capital LLC in the amount of \$2,694,800. The mortgage is insured by the Federal Housing Administration and bears interest at a rate of 2.98% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Interest only payments are due and payable on the first day of each month. Beginning on July 1, 2020, consecutive monthly principal and interest payments of \$10,341 are due, with the unpaid principal balance due on the maturity date of June 1, 2055. As of December 31, 2023, the outstanding balance of the mortgage payable was \$2,222,759.

| <u>Year Ending December 31.</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 49,262 | \$ 74,829 | \$ 124,091 |
| 2025 | 50,750 | 73,340 | 124,090 |
| 2026 | 52,284 | 71,807 | 124,091 |
| 2027 | 53,863 | 70,228 | 124,091 |
| 2028 | 55,490 | 68,600 | 124,090 |
| 2029-2033 | 303,634 | 316,820 | 620,454 |
| 2034-2038 | 352,354 | 268,100 | 620,454 |
| 2039-2043 | 460,587 | 159,866 | 620,453 |
| 2044-2048 | 474,502 | 145,952 | 620,454 |
| 2049-2053 | 370,033 | 69,814 | 439,847 |
| 2054-2055 | - | 4,319 | 4,319 |
| | <u>\$ 2,222,759</u> | <u>\$ 1,323,675</u> | <u>\$ 3,546,434</u> |

Riverview Tower

On April 1, 2021, the Company entered into a mortgage loan agreement with Orix Real Estate Capital, LLC in the amount of \$17,345,000. The mortgage is insured by the Federal Housing Administration (FHA) and bears interest at a rate of 2.21% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Interest only payments are due and payable on the first day of each month. Beginning on June 1, 2021, consecutive monthly principal and interest payments of \$59,344 are due, with the final payment on May 31, 2056, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$15,756,598.

| <u>Year Ending December 31.</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------|---------------------|----------------------|
| 2024 | \$ 351,657 | \$ 360,477 | \$ 712,134 |
| 2025 | 359,508 | 352,626 | 712,134 |
| 2026 | 367,534 | 344,600 | 712,134 |
| 2027 | 375,739 | 336,394 | 712,133 |
| 2028 | 384,128 | 328,006 | 712,134 |
| 2029-2033 | 2,053,168 | 1,507,499 | 3,560,667 |
| 2034-2038 | 2,292,819 | 1,267,848 | 3,560,667 |
| 2039-2043 | 2,560,443 | 1,000,224 | 3,560,667 |
| 2044-2048 | 2,859,306 | 701,361 | 3,560,667 |
| 2049-2053 | 3,193,052 | 367,615 | 3,560,667 |
| 2054-2056 | 959,244 | 46,651 | 1,005,895 |
| Total | <u>\$ 15,756,598</u> | <u>\$ 6,613,300</u> | <u>\$ 22,369,898</u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

West Boulevard

On April 1, 2021, the Company entered into a mortgage loan agreement with Orix Real Estate Capital, LLC in the amount of \$4,973,700. The mortgage is insured by the Federal Housing Administration (FHA) and bears interest at a rate of 2.21% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Interest only payments are due and payable on the first day of each month. Beginning on June 1, 2021, consecutive monthly principal and interest payments of \$17,017 are due, with the final payment on May 1, 2056, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$4,493,530.

| <u>Year Ending December 31.</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 100,838 | \$ 103,367 | \$ 204,205 |
| 2025 | 103,089 | 101,116 | 204,205 |
| 2026 | 105,391 | 98,814 | 204,205 |
| 2027 | 107,744 | 96,461 | 204,205 |
| 2028 | 110,149 | 94,056 | 204,205 |
| 2029-2033 | 588,748 | 432,277 | 1,021,025 |
| 2034-2038 | 657,468 | 363,557 | 1,021,025 |
| 2039-2043 | 734,210 | 286,815 | 1,021,025 |
| 2044-2048 | 819,909 | 201,116 | 1,021,025 |
| 2049-2053 | 915,610 | 105,414 | 1,021,024 |
| 2054-2056 | 250,374 | 13,377 | 263,751 |
| Total | \$ 4,493,530 | \$ 1,896,370 | \$ 6,389,900 |

Cedar Extension High Rise

On August 1, 2021, the Company entered into a mortgage loan agreement with ORIX Real Estate Capital, LLC in the amount of \$6,905,400. The mortgage is insured by the Federal Housing Administration (FHA) and bears interest at a rate of 2.44% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Monthly interest only payments are due and payable on the first day of each month. Commencing October 1, 2021, consecutive monthly principal and interest payments of \$24,465 are due, with the final payment due on September 1, 2056, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$6,329,592.

| <u>Year Ending December 31.</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 133,628 | \$ 159,952 | \$ 293,580 |
| 2025 | 136,925 | 156,655 | 293,580 |
| 2026 | 140,303 | 153,276 | 293,579 |
| 2027 | 143,765 | 149,814 | 293,579 |
| 2028 | 147,313 | 146,267 | 293,580 |
| 2029-2033 | 792,914 | 674,983 | 1,467,897 |
| 2034-2038 | 895,688 | 572,210 | 1,467,898 |
| 2039-2043 | 1,011,780 | 456,116 | 1,467,896 |
| 2044-2048 | 1,142,923 | 324,976 | 1,467,899 |
| 2049-2053 | 1,291,061 | 176,837 | 1,467,898 |
| 2054-2056 | 493,292 | 27,257 | 520,549 |
| Total | \$ 6,329,592 | \$ 2,998,343 | \$ 9,327,935 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Euclid Beach Gardens

On July 1, 2021, the Company entered into a mortgage loan agreement with ORIX Real Estate Capital, LLC in the amount of \$4,799,300. The mortgage is insured by the Federal Housing Administration (FHA) and bears interest at a rate of 2.50% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Commencing July 1, 2021, interest only payments are due and payable on the first day of each month. Beginning September 1, 2021, consecutive monthly principal and interest payments of \$17,157 are due, with the final payment on August 1, 2056, its maturity date. The mortgage payable did not close until July 27, 2021. As of December 31, 2023, the outstanding balance of the mortgage payable was \$4,384,643.

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 92,110 | \$ 113,777 | \$ 205,887 |
| 2025 | 94,439 | 111,448 | 205,887 |
| 2026 | 96,828 | 109,060 | 205,888 |
| 2027 | 99,276 | 106,611 | 205,887 |
| 2028 | 101,787 | 104,101 | 205,888 |
| 2029-2033 | 548,871 | 480,565 | 1,029,436 |
| 2034-2038 | 621,872 | 407,564 | 1,029,436 |
| 2039-2043 | 704,581 | 324,855 | 1,029,436 |
| 2044-2048 | 798,292 | 231,146 | 1,029,438 |
| 2049-2053 | 904,464 | 124,971 | 1,029,435 |
| 2054-2056 | 322,123 | 18,435 | 340,558 |
| Total | \$ 4,384,643 | \$ 2,132,533 | \$ 6,517,176 |

Mount Auburn

On December 15, 2021, the Company entered into a mortgage loan agreement with ORIX Real Estate Capital, LLC in the amount of \$3,679,400. The mortgage is insured by the Federal Housing Administration (FHA) and bears interest at a rate of 2.40% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Commencing January 1, 2022, interest only payments are due on the first day of each month. Beginning February 1, 2022, consecutive monthly principal and interest payments of \$12,597 are due, with the final payment on January 1, 2057, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$3,348,671.

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 71,120 | \$ 84,367 | \$ 155,487 |
| 2025 | 72,846 | 82,642 | 155,488 |
| 2026 | 74,614 | 80,874 | 155,488 |
| 2027 | 76,424 | 79,063 | 155,487 |
| 2028 | 78,279 | 77,209 | 155,488 |
| 2029-2033 | 420,825 | 356,613 | 777,438 |
| 2034-2038 | 474,421 | 303,016 | 777,437 |
| 2039-2043 | 534,845 | 242,593 | 777,438 |
| 2044-2048 | 602,964 | 174,474 | 777,438 |
| 2049-2053 | 679,759 | 97,679 | 777,438 |
| 2054-2056 | 262,574 | 17,753 | 280,327 |
| Total | \$ 3,348,671 | \$ 1,596,283 | \$ 4,944,954 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Beachcrest

On January 1, 2022, the Company entered into a mortgage loan agreement with Orix Real Estate Capital, LLC in the amount of \$7,970,500. The mortgage is insured by the Federal Housing Administration ("FHA") and bears interest at a rate of 2.45% per annum. The mortgage is secured by the property and all rents and leases of the property. Interest payments are due and payable on the first day of each month, up until February 28, 2022. Commencing March 1, 2022, consecutive monthly principal and interest payments of \$28,281 are due, with the final payment on February 1, 2057, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$7,317,256.

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|----------------------|
| 2024 | \$ 152,412 | \$ 186,960 | \$ 339,372 |
| 2025 | 156,188 | 183,184 | 339,372 |
| 2026 | 160,058 | 179,314 | 339,372 |
| 2027 | 164,023 | 175,349 | 339,372 |
| 2028 | 168,087 | 171,285 | 339,372 |
| 2029-2033 | 905,010 | 791,850 | 1,696,860 |
| 2034-2038 | 1,022,823 | 674,038 | 1,696,861 |
| 2039-2043 | 1,155,972 | 540,888 | 1,696,860 |
| 2044-2048 | 1,306,454 | 390,406 | 1,696,860 |
| 2049-2053 | 1,476,525 | 220,335 | 1,696,860 |
| 2054-2056 | 649,704 | 41,645 | 691,349 |
| Total | \$ 7,317,256 | \$ 3,555,255 | \$ 10,872,511 |

Apthorp Tower

On April 1, 2022, the Company entered into a mortgage loan agreement with Orix Real Estate Capital, LLC in the amount of \$4,718,600. The mortgage is insured by the Federal Housing Administration ("FHA") and bears interest at a rate of 2.53% per annum. The mortgage is secured by the property and all rents and leases of the property. Interest payments are due and payable on the first day of each month, up until May 31, 2022. Beginning June 1, 2022, consecutive monthly principal and interest payments of \$16,945 are due, with the final payment on May 1, 2057, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$4,144,633.

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 88,405 | \$ 114,932 | \$ 203,337 |
| 2025 | 90,667 | 112,670 | 203,337 |
| 2026 | 92,988 | 110,349 | 203,337 |
| 2027 | 95,368 | 107,969 | 203,337 |
| 2028 | 97,809 | 105,528 | 203,337 |
| 2029-2033 | 527,903 | 488,781 | 1,016,684 |
| 2034-2038 | 599,011 | 417,674 | 1,016,685 |
| 2039-2043 | 679,697 | 336,988 | 1,016,685 |
| 2044-2048 | 771,251 | 245,434 | 1,016,685 |
| 2049-2053 | 875,137 | 141,548 | 1,016,685 |
| 2054-2057 | 226,397 | 29,851 | 256,248 |
| Total | \$ 4,144,633 | \$ 2,211,724 | \$ 6,356,357 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Miles Elmarge

On May 1, 2022, the Company entered into a mortgage loan agreement with Orix Real Estate Capital, LLC in the amount of \$3,915,300. The mortgage is insured by the Federal Housing Administration ("FHA") and bears interest at a rate of 2.91% per annum. The mortgage is secured by the property and all rents and leases of the property. Interest payments are due and payable on the first day of each month, up until June 30, 2022. Beginning July 1, 2022, consecutive monthly principal and interest payments of \$14,872 are due, with the final payment on June 1, 2057, its maturity date. The loan closed on May 24, 2022. As of December 31, 2023, the outstanding balance of the mortgage payable was \$3,609,766.

| <u>Year Ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 68,311 | \$ 110,154 | \$ 178,465 |
| 2025 | 70,326 | 108,139 | 178,465 |
| 2026 | 72,400 | 106,065 | 178,465 |
| 2027 | 74,535 | 103,930 | 178,465 |
| 2028 | 76,733 | 101,732 | 178,465 |
| 2029-2033 | 418,976 | 473,348 | 892,324 |
| 2034-2038 | 484,510 | 407,814 | 892,324 |
| 2039-2043 | 560,294 | 332,030 | 892,324 |
| 2044-2048 | 647,932 | 244,393 | 892,325 |
| 2049-2053 | 749,277 | 143,047 | 892,324 |
| 2054-2057 | 386,472 | 31,439 | 417,911 |
| <u>Total</u> | <u>\$ 3,609,766</u> | <u>\$ 2,162,091</u> | <u>\$ 5,771,857</u> |

Union Square

On February 1, 2022, the Company entered into a mortgage loan agreement with Orix Real Estate Capital, LLC in the amount of \$4,972,000. The mortgage is insured by the Federal Housing Administration ("FHA") and bears interest at a rate of 2.53% per annum. The mortgage is secured by the property and all rents and leases of the property. Interest payments are due and payable on the first day of each month, up until March 30, 2022. Beginning April 1, 2022, consecutive monthly principal and interest payments of \$17,855 are due, with the final payment on March 1, 2057, its maturity date. As of December 31, 2023, the outstanding balance of the mortgage payable was \$4,500,868.

| <u>Year Ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------|---------------------|
| 2024 | \$ 93,545 | \$ 120,711 | \$ 214,256 |
| 2025 | 95,939 | 118,317 | 214,256 |
| 2026 | 98,395 | 115,861 | 214,256 |
| 2027 | 100,914 | 113,343 | 214,257 |
| 2028 | 103,497 | 110,760 | 214,257 |
| 2029-2033 | 558,601 | 512,682 | 1,071,283 |
| 2034-2038 | 633,843 | 437,439 | 1,071,282 |
| 2039-2043 | 719,221 | 352,062 | 1,071,283 |
| 2044-2048 | 816,099 | 255,184 | 1,071,283 |
| 2049-2053 | 926,026 | 145,257 | 1,071,283 |
| 2054-2057 | 354,788 | 28,534 | 383,322 |
| <u>Total</u> | <u>\$ 4,500,868</u> | <u>\$ 2,310,150</u> | <u>\$ 6,811,018</u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Ohio Bond Financing – CFFP

On July 17, 2007, the Authority issued a Capital Fund backed bond with three other housing authorities. The Authority's debt from the bond issuance is \$15,315,000 and after providing for a debt service reserve and upfront costs, the Authority will have \$14,003,165 to spend on improvements to facilities. The bonds have a 20-year term with interest rates from 3.90% to 4.67%. A bond premium was also received and will be amortized over the life of the bonds on a straight-line basis. Payments will be made in April and October starting in October of 2007 and will be made directly from HUD. On March 13, 2018, the debt was re-financed when the Authority issued a Capital Fund backed bond with three other housing authorities. The Authority's debt from the bond issuance is \$9,045,000. The bond has a 10-year term with interest rates from 3.00% to 4.00%. Payments will be made in April and October starting in April 2018 and will be made directly from HUD. At December 31, 2023, \$3,995,000 in debt remained outstanding. Obligations under the agreement are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------------|--------------------------|----------------------------|
| 2024 | \$ 940,000 | \$ 120,250 | \$ 1,060,250 |
| 2025 | 980,000 | 81,850 | 1,061,850 |
| 2026 | 1,020,000 | 46,950 | 1,066,950 |
| 2027 | 1,055,000 | 15,825 | 1,070,825 |
| Total | <u>\$ 3,995,000</u> | <u>\$ 264,875</u> | <u>\$ 4,259,875</u> |

Capital Fund Financing – CFFP 2009

On November 18, 2009, the Authority issued Capital Fund backed debt in the form of two loans (Loans A and B). The Authority's debt for both loans is \$20,878,960. Loan A in the amount of \$13,082,970 provided \$11,700,426 net proceeds after debt service reserves and up-front costs. These proceeds were used for Phase III of the Garden Valley Mixed Finance redevelopment after being loaned to the Garden Valley Housing Partnership I, LP. The maturity date for the loan is October 1, 2029, and it has an interest rate of 6.40%. Loan B in the amount of \$7,795,990 provided \$7,000,256 net proceeds after debt service reserves and up-front costs. These proceeds were used at various Authority properties to fund the implementation of Uniform Federal Accessibility Standards (UFAS) improvements. The maturity date for the loan is October 1, 2029, and it has an interest rate of 6.40%. Payments are made in April and October each year and began in April 2010. The payments are made directly from HUD. At December 31, 2023, \$9,204,300 in debt remained outstanding for these two loans. Combined obligations for both loans under the agreements are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------|----------------------------|----------------------------|-----------------------------|
| 2024 | \$ 1,302,900 | \$ 568,229 | \$ 1,871,129 |
| 2025 | 1,387,640 | 483,488 | 1,871,128 |
| 2026 | 1,477,900 | 393,234 | 1,871,134 |
| 2027 | 1,574,030 | 297,110 | 1,871,140 |
| 2028 | 1,676,400 | 194,735 | 1,871,135 |
| 2029 | 1,785,430 | 85,701 | 1,871,131 |
| Total | <u>\$ 9,204,300</u> | <u>\$ 2,022,497</u> | <u>\$ 11,226,797</u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

2020 General Revenue Refunding Bonds

On February 20, 2020, the Authority issued General Revenue Refunding Bonds, Series 2020 in the amount of \$16,320,000. The bonds will bear interest from February 20, 2020, payable on June 1 and December 1 of each year, beginning June 1, 2020. The interest rate is 3.00-5.00%, with a maturity at December 1, 2039. At December 31, 2023, \$6,325,584 in debt remained outstanding. Obligations under the agreement are as follows:

| <u>Year Ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|---------------------|----------------------|
| 2024 | \$ 635,000 | \$ 567,250 | \$ 1,202,250 |
| 2025 | 660,000 | 541,850 | 1,201,850 |
| 2026 | 690,000 | 515,450 | 1,205,450 |
| 2027 | 715,000 | 487,850 | 1,202,850 |
| 2028 | 745,000 | 459,250 | 1,204,250 |
| 2029-2033 | 4,220,000 | 1,799,700 | 6,019,700 |
| 2034-2038 | 5,155,000 | 867,000 | 6,022,000 |
| 2039 | 1,160,000 | 25,500 | 1,185,500 |
| Total Payments | 13,980,000 | 5,263,850 | 19,243,850 |
| Unamortized Bond Premium | 2,345,584 | - | 2,345,584 |
| Total | \$ 16,325,584 | \$ 5,263,850 | \$ 21,589,434 |

2045 Bond Series – 2021

On April 29, 2021, the Authority issued General Revenue Refunding Bonds, Series 2021 in the amount of \$32,000,000. The bonds will bear interest from April 29, 2021, payable on June 1 and December 1 of each year beginning December 1, 2021. The interest rate is 2.0%, with a maturity at December 1, 2031. At December 31, 2023, \$32,000,000 in debt remained outstanding. Obligations under the agreement are as follows:

| <u>Year Ending December 31</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------|----------------------|---------------------|----------------------|
| 2024 | \$ - | \$ 640,000 | \$ 640,000 |
| 2025 | - | 640,000 | 640,000 |
| 2026 | - | 640,000 | 640,000 |
| 2027 | - | 640,000 | 640,000 |
| 2028-2031 | 32,000,000 | 2,560,000 | 34,560,000 |
| Total | \$ 32,000,000 | \$ 5,120,000 | \$ 37,120,000 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS

Debt Summary

A summary of the discrete component unit long-term debt in 2023 follows:

| | January 1, 2023 | Increase | Decrease | December 31, 2023 | Due Within One Year | Debt Issuance Costs |
|--------------------------------|-----------------------|----------------------|-----------------------|-----------------------|------------------------|------------------------|
| Bohn Tower Mortgage/Bonds | \$ 12,840,213 | \$ - | \$ (414,935) | \$ 12,425,278 | \$ 140,622 | \$ (280,396) |
| Carver Park I Mortgage/Bonds | 12,928,246 | - | (731,671) | 12,196,575 | 208,290 | (529,752) |
| Carver Park II Mortgage/Bonds | 8,454,306 | - | (243,138) | 8,211,168 | 69,032 | (176,708) |
| Carver Park III Mortgage/Bonds | 37,281,971 | 7,677,289 | (614,676) | 44,344,584 | - | (614,676) |
| Euclid-Lee Mortgages | 12,300,978 | - | - | 12,300,978 | - | - |
| Fairfax Mortgage/Construction | 6,389,811 | - | (44,236) | 6,345,575 | 33,656 | (12,068) |
| Garden Valley I Mortgages | 15,700,593 | - | (57,639) | 15,642,954 | - | (57,639) |
| Garden Valley II Mortgages | 10,209,408 | - | (61,607) | 10,147,801 | - | (61,607) |
| Garden Valley III Mortgages | 15,553,185 | - | (146,241) | 15,406,944 | - | (146,241) |
| Garden Valley IV Mortgages | 8,565,715 | - | (548,573) | 8,017,142 | 33,984 | (140,919) |
| Miles Pointe Mortgage | 3,000,000 | - | (7,821) | 2,992,179 | - | (7,821) |
| Riverside Park Phase II | 17,706,221 | - | (745,869) | 16,960,352 | 402,648 | (393,808) |
| Riverside Park Phase III | 25,565,430 | - | (682,067) | 24,883,363 | 206,474 | (503,259) |
| Wade Park | 43,456,029 | 11,611,476 | (143,161) | 54,924,344 | - | - |
| East Side Neighborhood | 8,985,573 | - | - | 8,985,573 | - | - |
| Total | \$ 238,937,679 | \$ 19,288,765 | \$ (4,441,634) | \$ 253,784,810 | \$ 1,094,706 | \$ (2,924,894) |

Obligations under the debt agreements are as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> |
|---------------------------------|-----------------------|
| 2024 | \$ 1,094,706 |
| 2025 | 40,907,703 |
| 2026 | 1,257,379 |
| 2027 | 1,305,189 |
| 2028 | 1,354,933 |
| Thereafter | 207,864,900 |
| Total | \$ 253,784,810 |

The following notes payable are between the Authority and related entities of 2045 Transformation, LLC, and are fully eliminated:

| Project Name | 2023 | Maturity Date | Interest Rate per Annum |
|---------------------------------------|----------------------|---------------|----------------------------|
| Legacy Park | \$ 427,610 | 1/1/2034 | 2.50% |
| Fairway Manor/Lorain Square | 2,561,361 | 1/1/2033 | 3.00% |
| Oakwood Villas | 1,599,473 | 7/1/2032 | 6.00% |
| Park Denison | 612,164 | 6/1/2047 | 1.75% |
| Springbrook high Rise | 3,263,800 | 4/1/2032 | 3.25% |
| Addison Square | 5,196,747 | 12/1/2030 | 2.88% |
| LaRonde Apartments | 514,834 | 3/1/2033 | 3.00% |
| Total | 14,175,989 | | |
| Less: Unamortized Debt Issuance Costs | (1,046,632) | | |
| Mortgage Payable - CMHA, Net | \$ 13,129,357 | | |

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Bohn Tower Redevelopment, L.P.

On February 1, 2015, the Partnership entered into a mortgage loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed \$11,000,000. The maturity date is November 1, 2056. Principal and interest, at 4.40%, are to be paid monthly. At December 31, 2023, \$9,882,278 in debt remained outstanding and unamortized debt issuance costs totaled \$280,396.

On February 1, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of \$2,543,000. Interest accrues at 7.00%. Principal and interest payments are subject to surplus cash, and are deferred until its maturity date, February 1, 2057. Due to the uncertainty of future principal and interest payments on the loan, interest expense will be recorded consistent with principal payments on the note. At December 31, 2023, \$2,543,000 and \$868,460 in debt and deferred interest, respectively, remained outstanding.

Carver Park Phase I, L.P.

On September 1, 2016, the Partnership entered into a Leasehold Multifamily Mortgage with Red Mortgage Capital, LLC, in the amount of \$13,700,000. Interest will accrue at 3.56% annually. The maturity date for this debt is July 1, 2058. At December 31, 2023, the outstanding debt is \$12,196,575 and the unamortized debt issuance costs totaled \$529,752.

Carver Park Phase II, L.P.

On May 1, 2018, the Partnership signed an Authority Funds Note for \$1,157,551 with the Authority. The maturity date will be no later than April 30, 2063. Interest will accrue at 1.00% annually. Interest and principal will be due and payable on the maturity date. At December 31, 2023, \$1,157,551 and \$34,727 in debt and deferred interest, respectively, remained outstanding.

On May 1, 2018, the Partnership signed an FHA Loan in the amount not to exceed \$5,483,000 from Red Mortgage Capital LLC. The maturity date is October 1, 2059. The loan bears interest at 3.85% per annum. At December 31, 2023, \$5,045,583 and \$-0- in debt and deferred interest, respectively, remained outstanding.

On May 1, 2018, the Partnership entered into a pledged fee note in the amount not to exceed \$2,485,263 from WRRMC. The maturity date is May 1, 2063. The loan bears interest at 1.00% per annum. At December 31, 2023, \$2,008,034 and \$60,241 in debt and deferred interest, respectively, remained outstanding.

Euclid-Lee Senior, L.P.

On November 4, 2011, the Partnership entered into a loan Agreement with the Authority in the amount not to exceed \$6,059,163. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2023, \$5,962,955 and \$40,345 in debt and accrued interest payable, respectively, remained outstanding.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Euclid-Lee Senior, L.P. (Continued)

On November 4, 2011, the Partnership entered into a promissory note with the Authority in the amount not to exceed \$6,338,348. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2023, \$6,338,023 and \$40,680 in debt and accrued interest payable, respectively, remained outstanding.

Fairfax Intergenerational Housing, L.P.

On October 22, 2012, the Partnership entered into a loan agreement with the Authority in the amount of \$1,400,000. The loan is secured by a mortgage on the rental property and is due 50 years after construction of the Project has been completed and a final occupancy certificate has been issued. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date on October 24, 2062. At December 31, 2023, \$1,400,000 and \$21,681 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a promissory note with Fairfax Renaissance Development Corporation (FRDC), an affiliate of the General Partner, in the amount of \$998,000. The loan is secured by the rental property and bears interest at the rate of 0.25% per annum. No principal or interest payments are required until its maturity date of June 30, 2059. At December 31, 2023, \$998,000 and \$28,118 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a loan agreement with FRDC in the amount of \$3,202,000. The loan is secured by the rental property and interest accrues at a rate of 0.25. No principal or interest payments are required until its maturity date of June 30, 2059. At December 31, 2023, \$3,202,000 and \$82,038, in debt and accrued interest payable, respectively, remained outstanding.

On October 22, 2012, the Partnership entered into a Construction Loan Agreement with PNC Bank in an amount not to exceed \$1,000,000, with the option to convert the loan into a permanent loan not to exceed \$1,000,000. Commencing May 1, 2015 the loan bears interest at 3.95% per annum. At December 31, 2023, \$745,575 was outstanding. Interest incurred and expensed during 2023 was \$31,204.

Garden Valley Housing Partnership I, L.P.

On November 18, 2009, the Partnership entered into a loan agreement with the Authority in the amount of \$11,700,000. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2023, \$11,642,361 and \$187,200 in debt and accrued interest payable, respectively, remained outstanding. Unamortized debt issuance costs totaled \$57,639 at December 31, 2023.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Garden Valley Housing Partnership I, L.P. (Continued)

On November 18, 2009, the Partnership entered into a promissory note with the Authority in the amount of \$1,750,593. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2023, \$1,750,593 and \$28,008 in debt and accrued interest payable, respectively, remained outstanding.

On September 23, 2009, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of \$2,250,000. The loan is secured and interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of December 31, 2060. At December 31, 2023, \$2,250,000 and \$72,139 in debt and accrued interest payable, respectively, remained outstanding.

Garden Valley Housing Partnership II, L.P.

On March 17, 2010, the Partnership entered into a loan agreement with the Authority in the amount of \$10,209,408. The loan is secured by a second mortgage on the rental property and is due on its maturity date of December 31, 2060. The loan is noninterest bearing and no principal payments are required until its maturity date. At November 30, 2023, \$10,147,807 in debt remained outstanding. Unamortized debt issuance costs totaled \$61,607 at November 30, 2023.

Garden Valley Housing Partnership II, L.P. has a fiscal year-end of November 30. Management believes there are no material transactions that would affect the financial position of operations of the LIHTC Partnership.

Garden Valley Housing Partnership III, L.P.

On September 16, 2010, the Partnership entered into a Capital Competitive Recovery Act Fund Loan Agreement with the Authority in the amount of \$14,953,185. The loan is secured by a mortgage on the rental property and is due 50 years after the first day of the month following construction completion, or January 2062. Interest accrues at a rate of 0.50% per annum. No principal or interest payments are required until its maturity date. At December 31, 2023, \$14,806,944 and \$525,042 in debt and accrued interest payable, respectively, remained outstanding. Unamortized Debt issuance costs totaled \$193,276 at December 31, 2023.

On September 16, 2010, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of \$600,000. The loan is secured by the rental property and is noninterest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 10% per annum. No principal or interest payments are required until its maturity date of December 31, 2061. At December 31, 2023, \$600,000 in debt remained outstanding.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
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DECEMBER 31, 2023**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Garden Valley Housing Partnership IV, L.P.

On December 21, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority, in the amount not to exceed \$3,870,234. The funds will be used for the development of Heritage View Homes IV, which includes 60 units of housing, all of which will be Rental Assistance Demonstration Project-Based units (RAD). Interest will accrue at 2.75% per annum. Principal and interest will be payable December 21, 2057, the maturity date. At December 31, 2023, \$3,870,234 and \$382,210 in debt and accrued interest, respectively, remained outstanding.

On December 21, 2015, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of \$600,000. The loan is secured by the rental property and is noninterest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 2% per annum. No principal or interest payments are required until its maturity date of May 1, 2057. At December 31, 2023, \$600,000 and \$60,000 in debt and accrued interest, respectively, remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$1,500,000. The interest rate is 0.0% and payments of \$375,000 are due in four installments as outlined in the loan agreement. At December 31, 2023, \$375,000 in debt remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$1,000,000. This loan is secured by the Project. The loan bears interest at 2.0%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, December 21, 2055. As of December 31, 2023, the outstanding principal balance was \$1,000,000 and deferred interest as of December 31, 2023 was \$184,304.

On December 23, 2015, the Partnership entered into a loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed \$2,509,900. The maturity date is March 1, 2057. Principal and interest, at 4.0%, are to be paid monthly; however, only interest is paid through March 1, 2017 with principal payments beginning April 1, 2017. At December 31, 2023, \$2,171,908 and \$7,007 in debt and accrued interest, respectively, remained outstanding, and unamortized debt issuance costs totaled \$140,919.

Miles Pointe Elderly, L.P.

On August 16, 2012, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of \$3,000,000. The loan is secured by a mortgage on the rental property and is due in 45 years. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of August 16, 2057. At December 31, 2023, \$2,992,179 and \$37,126 in debt and accrued interest payable, respectively, remained outstanding. Unamortized debt issuance costs totaled \$7,821 at December 31, 2023.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Riverside Park Homes II, L.P.

On March 1, 2019, the Partnership entered into a loan agreement with ORIX Real Estate Capital, LLC in the amount of \$13,750,000. This loan is secured by the Project. The loan bears interest at 4.90%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2061. On February 1, 2022, the Partnership entered into a modification of the original mortgage loan agreement to reduce the interest rate to 3.90% per annum commencing March 1, 2022. Beginning April 1, 2022, consecutive monthly principal and interest payments of \$56,737 are due. The Partnership included a prepayment penalty of \$1,356,580 related to the interest rate reduction which was reimbursed by the lender resulting in no additional interest expense. As of December 31, 2023, the outstanding principal balance was \$13,224,287. Unamortized debt issuance costs totaled \$393,808 at December 31, 2023.

On March 26, 2019, the Partnership entered into a loan agreement with WRRMC, an affiliate of the General Partner, in the amount of \$1,592,482. The loan is secured by the Property, including improvements and tenant leases. The loan bears interest at a fixed rate of 3.22% per annum. The entire unpaid principal balance and any accrued interest is due on March 26, 2064, the maturity date. As of December 31, 2023, \$1,180,826 has been drawn on the loan. For the year ended December 31, 2023, interest incurred and expensed was \$-0-. As of December 31, 2023, accrued interest totaled \$-0-.

On March 26, 2019, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$500,000. This loan is secured by the Project. The loan bears interest at 0.0%. Principal payments are subject to surplus cash and are deferred until its maturity date, March 26, 2059. As of December 31, 2023, the outstanding principal balance was \$500,000.

On March 26, 2019, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$1,000,000. This loan is secured by the Project. The loan bears interest at 2.00%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, March 26, 2059. As of December 31, 2023, the outstanding principal balance was \$1,000,000.

On March 25, 2019, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$2,000,000. This loan is secured by the Project. The loan bears interest at 0.00%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 15, 2028. As of December 31, 2023, the outstanding principal balance was \$1,055,236.

Riverside Park Homes III, L.P.

On March 1, 2020, the Partnership entered into a note agreement with The Huntington National Bank in the amount of \$35,000,000. This loan is secured by the Project. The loan bears interest at 1.48%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2023. As of December 31, 2023, the outstanding principal balance was \$-0- and accrued interest as of December 31, 2023 was \$-0-.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Riverside Park Homes III, L.P. (Continued)

On April 1, 2020, the Partnership entered into a note agreement with ORIX Real Estate Capital, LLC in the amount of \$19,000,000. This loan is secured by the Project. The loan bears interest at 4.03%. Principal and interest payments are not subject to surplus cash and will be due in monthly payments upon construction completion, until its maturity date, July 1, 2062. As of December 31, 2023, the outstanding principal balance was \$18,218,097 and deferred interest was \$-0-. Unamortized debt issuance costs totaled \$503,259 at December 31, 2023.

On April 1, 2020, the Partnership entered into a note agreement with WRRMC in the amount of \$7,405,851. This loan is secured by the Project. The loan bears interest at 4.03%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2065. As of December 31, 2023, the outstanding principal balance was \$6,665,266.

East Side Neighborhood Homes, LP

The mortgage note payable to the Authority, which is secured by mortgages on property and improvements, is due in 2050 with principal payments deferred until that time. The agreement allows the Partnership to borrow up to \$8,450,000. Interest is accrued at the rate of 0.25 percent per annum, compounded annually. As of December 31, 2023, the principal balance was \$8,450,000. Interest incurred during 2023 was \$22,067. Deferred interest as of December 31, 2023 was \$398,678.

The note payable to Mount Pleasant Now Development Corporation bears interest at 1 percent per annum, compounded annually, and is secured by a mortgage on property and improvements. The note will mature in March 2049 when the entire outstanding principal and interest will be due and payable. As of December 31, 2023, the principal balance was \$300,000. Interest incurred during 2023 was \$3,568. Deferred interest as of December 31, 2023 was \$60,406.

The note payable to CHN bears interest at 2 percent per annum, compounded annually, and is secured by mortgages on property and improvements. This note is due in 2049 and the agreement allows the Partnership to borrow up to \$250,000. On April 30 of each year during the term of the note, the Partnership is to make payments equal to 50% of the Project's cash flow, as defined in the note agreement, to the extent that cash flow exceeds \$10,000. In any year that payment is made on the deferred developer fee, the Project must make a minimum payment of \$500 on the note. As of December 31, 2023, the principal balance was \$235,573. Interest incurred during 2023 was \$5,115. During 2023, there were no payments made on deferred interest. As of December 31, 2023, deferred interest was \$25,275.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Carver Park Phase III, LP

On December 1, 2022, the Partnership entered into a loan agreement with CMHA to obtain tax-exempt Housing Revenue Bonds, Series 2022 totaling \$34,062,000. The Bonds are subject to a Trust Indenture agreement from CMHA and the Huntington National Bank (the Trustee). Interest only payments are made semi-annually in June and December. The Bonds are used to fund construction and development of the Property and are due and payable with any accrued interest to the Trustee on June 1, 2025, the initial mandatory tender date. The Bonds are secured by the Trust Indenture and bear interest at a rate of 4% per annum. For the year ended December 31, 2023, interest incurred on the Bonds was \$1,309,495, of which \$755,657 was capitalized into construction in progress on the accompanying balance sheet and \$553,838 was expensed and included in interest expense – mortgage and bonds payable on the accompanying statement of operations. As of December 31, 2023, the outstanding balance of the bonds was \$34,062,000 and accrued interest totaled \$0. Unamortized debt issuance costs totaled \$172,511 at December 31, 2023.

On December 14, 2022, Carver Park Phase III, L.P. entered in a loan agreement with Lument Real Estate Capital, LLC (formerly known as ORIX Real Estate Capital, LLC) in the amount of \$14,010,000. The mortgage is insured by the Federal Housing Administration (FHA) and bears interest at a rate of 6.40% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Commencing January 1, 2023, interest only payments are made on the first day of each month thereafter up to and including April 1, 2025. Beginning May 1, 2025, monthly principal and interest payments of \$81,026 are due, with the unpaid principal due on April 1, 2065, its maturity date. For the year ended December 31, 2023, interest incurred on the mortgage totaled \$99,968, of which \$89,759 was capitalized into construction in progress on the accompanying balance sheet and \$10,209 was expensed and is included in interest expense. As of December 31, 2023, the outstanding balance of the note was \$4,942,404. As of December 31, 2023, accrued interest totaled \$0. Unamortized debt issuance costs totaled \$358,047 at December 31, 2023.

On December 14, 2022, Carver Park Phase III, L.P. entered in loan agreements with Ohio Capital Finance Corporation in the amounts of \$13,000,000. The loan is secured by the Limited Partner capital contributions and the partnership interest pledged by the General Partner. The notes bear a variable interest rate per annum. The entire unpaid principal and interest are due on October 14, 2025, its maturity date. As of December 31, 2023, the outstanding balance of the note was \$5,340,180. Unamortized debt issuance costs totaled \$84,118 at December 31, 2023.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Wade Park, L.P.

On November 21, 2021, Wade Park, L.P. entered in a loan agreement with Orix Real Estate Capital, LLC in the amounts of \$9,550,000. The note is secured by the property, including improvements and tenant leases. The notes bear interest at 5.00% per annum. The entire unpaid principal and interest are due on September 1, 2065, its maturity date. As of December 31, 2023, the outstanding balances of the notes were \$5,420,261.

On November 21, 2021, Wade Park, L.P. entered in a loan agreement with Ohio Capital Finance Corporation in the amounts of \$19,000,000. The note is secured by the property, including improvements and tenant leases. The notes bear a variable interest rate per annum. The entire unpaid principal and interest are due on September 1, 2025, its maturity date. As of December 31, 2023, the outstanding balances of the notes were \$7,135,694.

On November 1, 2022, Wade Park, L.P. entered in a loan agreement with Huntington National Bank in the amount of \$36,280,000. The note is secured by the property, including improvements and tenant leases. The note bears interest at 4.75% per annum. The entire unpaid principal and interest are due on June 1, 2026, its maturity date. As of December 31, 2023, the outstanding balance of the note was \$36,280,000.

On November 21, 2022, Wade Park, L.P. entered in a loan agreement with The Authority in the amount of \$1,500,000. The note is secured by the property, including improvements and tenant leases. The note bears interest at 5.00% per annum. The entire unpaid principal and interest are due on November 21, 2077, its maturity date. As of December 31, 2023, the outstanding balance of the note was \$1,500,000.

On November 21, 2022, Wade Park, L.P. entered in a loan agreement with Western Reserve Revitalization and Management Company, Inc. in the amount of \$6,926,198. The note is secured by the property, including improvements and tenant leases. The note bears interest at 3.50% per annum. The entire unpaid principal and interest are due on November 21, 2077, its maturity date. As of December 31, 2023, the outstanding balance of the note was \$4,731,550.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14 LONG-TERM OBLIGATIONS

Changes in the Authority's long-term obligations for the year ended December 31, 2023 was as follows:

| | Business-Type Activities | | | | |
|--------------------------------------|--------------------------|----------------------|------------------------|-----------------------|---------------------|
| | January 1, 2023 | Increase | Decrease | December 31, 2023 | Due Within One Year |
| Long-Term Debt Obligations | \$ 136,347,988 | \$ 115,243 | \$ (4,280,985) | \$ 132,182,246 | \$ 4,460,362 |
| Compensated Absences | 2,832,791 | 3,476,300 | (3,344,658) | 2,964,433 | 2,603,073 |
| Other Noncurrent Liabilities | 1,631,821 | 2,285,755 | (1,134,096) | 2,783,480 | - |
| Total | \$ 140,812,600 | \$ 5,877,298 | \$ (8,759,739) | \$ 137,930,159 | \$ 7,063,435 |
| Discretely Presented Component Units | | | | | |
| | January 1, 2023 | Increase | Decrease | December 31, 2023 | Due Within One Year |
| Long-Term Debt Obligations | \$ 238,937,679 | \$ 19,288,765 | \$ (4,441,634) | \$ 253,784,810 | \$ 1,094,706 |
| Developer Fee Payable | 21,345,665 | 3,886,569 | (5,381,150) | 19,851,084 | - |
| Other Noncurrent Liabilities | 1,288,935 | 3,389,281 | (1,321,245) | 3,356,971 | - |
| Total | \$ 261,572,279 | \$ 26,564,615 | \$ (11,144,029) | \$ 276,992,865 | \$ 1,094,706 |

NOTE 15 CONDUIT DEBT OBLIGATIONS

Conduit (no-commitment) debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and is therefore not reported on the balance sheet.

As of December 31, 2023, CMHA has authorized the issuance of the following Multifamily Housing Revenue Bonds (MHRB) for the Partnerships listed below:

| Partnership Name | Original Date of Loan | Bond Name | Balance Outstanding at 12/31/2022 |
|-----------------------|-----------------------|--------------------|-----------------------------------|
| Wade Park Apartments | 11/1/2022 | MFHRB, Series 2022 | \$ 36,870,274 |
| Carver Park Phase III | 12/1/2022 | MFHRB, Series 2022 | 34,200,449 |
| Woodhill Center East | 12/1/2022 | MFHRB, Series 2022 | 17,000,000 |
| Total | | | \$ 88,070,723 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
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NOTE 16 RETIREMENT AND OTHER BENEFIT PLANS

Plan Description

The Authority contributes to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiemployer public employee retirement system, which administers three separate pension plans: the Traditional Pension Plan, the Combined Plan, and the Member-Directed Plan. All public employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplemental information, and detailed information about OPERS' fiduciary net position. That report can be obtained on the OPERS website 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.

Benefits Provided

Traditional Pension Plan – The Traditional Pension Plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and final average salary. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The Combined Plan – The Combined Plan is a defined benefit plan with elements of a defined contribution plan. Under the Combined Plan, members earn a formula benefit similar to, but at a smaller factor than, the Traditional Pension Plan benefit. This plan is funded by employer contributions and associated investment earnings. Additionally, member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment earnings (or losses) on those contributions. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

The Member-Directed Plan – The Member-Directed Plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The retirement distribution under this plan is equal to the sum of member and vested employer contributions, plus investment earnings (or losses) on those contributions. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% per year. Upon retirement or termination, the member may choose a defined contribution retirement distribution or may elect to use his or her defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Plan benefits, and any benefit increases, are established by legislature pursuant to Chapter 145 of the Ohio Revised Code. The board of trustees, pursuant to Chapter 145, has elected to maintain funds to provide healthcare coverage to eligible Traditional Pension and Combined Plan retirees and survivors of members. Healthcare coverage does not vest and is not required under Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the board.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

Senate Bill (SB) 343 enacted into law new legislation with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members who were eligible to retire under law in effect prior to SB 343 or will be eligible to retire no later than five years after January 7, 2013 comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

Age and Service Defined Benefits – Benefits in the Traditional Pension Plan for members are calculated on the basis of age, final average salary, and service credit. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343:

| Group A | Group B | Group C |
|--|--|--|
| Age and Service Requirements: Age 60 with 60 months of service credit of age 55 with 25 years for service credit | Age and Service Requirements: Age 60 with 60 months of service credit of age 55 with 25 years for service credit | Age and Service Requirements: Age 57 with 25 years of service credit of age 62 with 5 years for service credit |
| 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 | 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 | 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 |

The 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 an 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 benefit 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 annual cost-of-living adjustment.

Benefits in the Combined Plan consist of both an age and service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, final average salary, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan.

The benefit formula for the defined benefit component of the plan for members in transition Groups A and B applies a factor of 1.0% to the member's final average salary for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's final average salary for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
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NOTE 16 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions, plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Defined contribution plan benefits are established in the plan documents, which may be amended by the board. The Member-Directed Plan and Combined Plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan was discussed above. Member-Directed 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 member's contributions, vested employer contributions, and investment gains and losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% each year.

At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts. Options include the purchase of a monthly annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance, net of taxes withheld, or a combination of these options. Additional information on other benefits available can be found in the OPERS ACFR.

Funding Policy

The OPERS funding policy provides for periodic employee and employer contributions to all three plans at rates established by the board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of OPERS' external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code. Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2021. Plan members were required to contribute 10% of covered payroll while the Authority's contribution rate was 14% of covered payroll. The Authority's contractually required contributions to OPERS were \$4,808,523 for the year ended December 31, 2023.

Net Pension Liability

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans, due to insignificance of the amounts that related to the Combined Plan.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Net Pension Liability (Continued)

The Authority reported a net pension liability of \$58,570,817 as its proportionate share of the Traditional Plan and a net pension asset of \$525,769 as its proportionate share for the Combined Plan. The Authority's proportion was 0.198276% for the Traditional Plan and 0.223077% for the Combined Plan for FY 2022. The Authority's proportion was 0.214691% for the Traditional Plan and 0.223981% for the Combined Plan for FY 2021.

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

For the year ended December 31, 2023, the Authority recognized pension revenue of \$3.1M. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred (Inflows) of Resources |
|---|--------------------------------------|---------------------------------------|
| Difference Between Expected and Actual Experience | \$ 1,977,801 | \$ 75,126 |
| Net Difference Between Projected and Actual | | |
| Earnings on Pension Plan Investments | 16,886,136 | - |
| Change in Assumptions | 653,568 | - |
| Contributions Subsequent to Measurements Date | 4,808,523 | - |
| Change in Proportionate Share | 116,268 | 2,654,940 |
| Total | <u>\$ 24,442,296</u> | <u>\$ 2,730,066</u> |

(1) - *Information provided by OPERS*

The \$4,808,523 reported 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending December 31,</u> | <u>Pension Expense</u> |
|---------------------------------|-----------------------------|
| 2024 | \$ 203,720 |
| 2025 | 3,398,893 |
| 2026 | 4,985,820 |
| 2027 | 8,281,716 |
| 2028 | 15,549 |
| Thereafter | 18,009 |
| Total | <u>\$ 16,903,707</u> |

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Actuarial Assumptions

Total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------|--|
| Valuation date: | December 31, 2022 |
| Actuarial cost method: | Individual entry age |
| Cost-of-living adjustments: | 3.00% through 2023, then 2.05% |
| Wage Inflation: | 2.75% |
| Investment rate of return: | 6.9% |
| Experience study date: | Period of 5 years ended December 31, 2020 |
| Mortality basis: | PubNS-2010 Disabled Retiree Mortality Tables |

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The allocation of investment assets within the defined benefit portfolio is approved by the board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major class.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Investment Rate of Return (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return as of the December 31, 2021, measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the table below:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return |
|------------------------|-------------------|---|
| Fixed Income | 22.00 % | 2.62 % |
| Domestic Equities | 22.00 | 4.60 |
| Real Estate | 13.00 | 3.27 |
| Private Equity | 15.00 | 7.53 |
| International Equities | 21.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other Investments | 5.00 | 3.27 |
| Total | <u>100.00 %</u> | <u> </u> |

Sensitivity of the Authority's Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following table represents the Authority's proportionate share of net pension (asset) liability at the 6.90% discount rate as well as the sensitivity to a 1.00% increase and a 1.00% decrease in the current discount rate:

| | | | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|------------------|---|--|------------------------|-------------------------------------|------------------------|
| | | | \$ 87,737,130 | \$ 58,570,817 | \$ 34,309,679 |
| Traditional Plan | Authority's Proportionate Share of the Net Pension Liability | | | | |
| Combined Plan | Authority's Proportionate Share of the Net Pension Asset | | (274,385) | (525,769) | (725,000) |

Source: OPERS 2022 ACFR multiplied by Authority's proportionate share

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA). In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust), was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts (RMA) for participants of the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. The 115 Trust is now the funding vehicle for all health care plans.

The health care plans funded through the 115 Trust are reported as other postemployment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). The plans are cost-sharing, multiple employer plans. Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Upon termination or retirement, Member-Directed Plan participants can use vested RMA funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015, will vest over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest over a five-year period at a rate of 20% per year. 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. Health care coverage is neither guaranteed nor statutorily required.

Participants in the Member-Directed Plan are not eligible for the health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a RMA, previously funded through the VEBA Trust established under IRC 501(c)(9). As previously noted, the VEBA Trust was closed as of June 30, 2016, and the net position transferred to the 115 Trust on July 1, 2016. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from their RMA funds, now funded through the 115 Trust.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://wwwopers.org/financial/reports.shtml#ACFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

With the assistance of the System's actuary and Board approval, a portion of each employer's contribution to OPERS may be set aside for the funding of postemployment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0.0% for 2020. The employer contribution as a percent of covered payroll deposited for RMA participants in the Member-Directed Plan for 2020 was 4.0%.

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

As of December 31, 2023, the Authority reported a liability of \$1,230,332 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's share of contributions to the retirement system relative to the contributions of all participating entities. On December 31, 2022, the Authority's proportion was 0.19513% of the total net OPEB liability.

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

| | Deferred Outflows of Resources | Deferred (Inflows) of Resources |
|--|--------------------------------------|---------------------------------------|
| Difference Between Expected and Actual Experience | \$ - | \$ (306,893) |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | 2,443,483 | . |
| Change in Assumptions | 1,201,693 | (98,880) |
| Change in Proportionate Share | - | (164,488) |
| Total | <u>\$ 3,645,176</u> | <u>\$ (570,261)</u> |

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

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|---------------------------------|----------------------------|
| 2024 | \$ 242,720 |
| 2025 | 889,834 |
| 2026 | 761,957 |
| 2027 | 1,180,404 |
| Total | <u>\$ 3,074,915</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.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions – OPERS (Continued)

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 benefits provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

| | |
|-----------------------------|---|
| Valuation date: | December 31, 2021 (rolled forward to December 31, 2022) |
| Actuarial cost method: | Individual entry age normal |
| Wage Inflation: | 2.75% |
| Projected Salary Increases | 2.75%-10.75% (includes wage inflation at 2.75%) |
| Health Care Cost Trend Rate | 5.50% initial, 3.50% ultimate in 2036 |
| Investment rate of return: | 6.00% |
| Experience study date: | Period of five years ended December 31, 2020 |
| Mortality basis: | PubG-2010 Retiree Mortality Tables |

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.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions – OPERS (Continued)

A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022. 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) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return |
|----------------------|------------------------|---|
| Fixed Income | 34.00 % | 2.56 % |
| Domestic Equity | 26.00 | 4.60 |
| Real Estate | 7.00 | 4.70 |
| International Equity | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other Investments | 6.00 | 1.84 |
| Total | <u><u>100.00 %</u></u> | <u><u></u></u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The single discount rate used to measure the total OPEB liability was 5.22%. 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 discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the Authority's proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 5.22%, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage-point lower (5%) or one-percentage-point higher (7%) than the current rate:

| | Current | | |
|--------------------|------------------------|--------------------------|------------------------|
| | 1% Decrease (4.22%) | Discount Rate (5.22%) | 1% Increase (6.22%) |
| Net OPEB Liability | \$ 4,187,490 | \$ 1,230,332 | \$ (1,209,806) |

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

| | Current Health Care | | |
|--------------------|------------------------|----------------------------|------------------------|
| | 1% Decrease (4.50%) | Cost Trend Rate (5.50%) | 1% Increase (6.50%) |
| Net OPEB Liability | \$ 1,153,218 | \$ 1,230,332 | \$ 1,317,128 |

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 17 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS ACFR.

NOTE 18 INSURANCE COVERAGE AND RISK RETENTION

The Authority adheres to a Risk Management Policy adopted by the board of commissioners that seeks to incorporate risk management principles into the management and operation of business activities and through purposefully making risk management a valued aspect of the organization. The Executive Team oversees the Authority's implementation of an effective system of risk management, compliance and control through purposefully integrating risk principles with business decisions. These principles include value creation, continuous improvement, transparency, inclusiveness, responsiveness to change, and explicit consideration of uncertainty. The Office of Legal Affairs/Risk Management is responsible for serving as the lead resource for the Authority's risk program and acting as a consultant to all constituent groups. This is accomplished by developing consensus with leadership to reduce exposures and losses, reviewing the effectiveness of existing risk management practices, controls, and compliance systems, and through crafting innovative approaches to manage the Authority's risks.

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

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 \$5,000,000 of general liability coverage, with a \$25,000 deductible, and \$2,000,000 of public officials' liability coverage, with a \$25,000 deductible.

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 coverage with a per occurrence loss limit of \$100,000,000 and with a \$10,000 deductible.

The Authority's commercial automobile coverage includes liability insurance with a combined single limit of \$2,000,000 per accident with a \$1,000 deductible. The Authority is self-insured for the following risks:

Workers' Compensation Benefits – The Authority is self-insured for workers' compensation benefits provided to its employees. An excess liability policy provides coverage for individual claims that are greater than \$500,000 per individual occurrence with a \$10,000,000 limit in the aggregate. The Authority has recorded a \$740,678 liability for self-insured workers' compensation claims in its Central Office Cost Center and is fully funded at December 31, 2023. \$400,000 of this amount is recorded as a current liability in accrued expenses on the Statement of Net Position, while the remaining \$340,678 is reported as a noncurrent liability.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 18 INSURANCE COVERAGE AND RISK RETENTION (CONTINUED)

The changes in the Authority's self-insured funds' unpaid claims liability in fiscal years 2023, 2022, and 2021 are presented below:

| | Beginning of Year | Current Year Claims and Changes in Estimates | | | Expected Amount Due Within One Year |
|------|----------------------|---|----------------|-------------|---|
| | | | Claims Payouts | End of Year | |
| 2023 | \$ 740,678 | 96,180 | (286,567) | \$ 550,291 | \$ 400,000 |
| 2022 | 848,869 | 144,075 | (252,266) | 740,678 | 400,000 |
| 2021 | 1,116,511 | (13,163) | (254,479) | 848,869 | 400,000 |

The liabilities above represent the Authority's best estimates based upon available information and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic factors. The Authority strictly adheres to a Risk Control Work Plan policy that incorporates nine standards for risk management. The policy, passed by resolution of the Board of Commissioners and supported by HARRG, seeks to implement risk management activities that include the assignment of a full time risk control administrator, establishment of an active risk control committee, together with a formal self-inspection and preventive maintenance program. Other standards include conducting on-site risk control training and education, the development of emergency action plans and property conservation programs, and the establishment of an accident and incident investigation program. During 2023, there were no significant reductions in the Authority's insurance coverage.

Settled claims have not exceeded the Authority's insurance coverage in any of the past three years.

NOTE 19 CONTINGENCIES

The Authority is a defendant in several lawsuits, including construction claims. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. The ultimate outcome of these matters is not presently determinable.

NOTE 20 COMMITMENTS – BUSINESS-TYPE ACTIVITIES

In 2019, the Authority entered into a five-year put contract to purchase retail electric service from 2022 through 2026 in an amount not to exceed \$25,000,000.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 20 COMMITMENTS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Construction Commitments

Project Type:

| | |
|--------------------------------|-----------------------------|
| Elevators | \$ 3,196,553 |
| Fire Alarm | 1,451,617 |
| Envelope Repairs | 3,452,573 |
| Roofs | 3,675,700 |
| Electrical Upgrades | 1,567,914 |
| Common Areas | 3,144,001 |
| Total Construction Commitments | <u><u>\$ 16,488,358</u></u> |

NOTE 21 RESTRICTED NET POSITION – BUSINESS-TYPE ACTIVITIES AND DISCRETELY PRESENTED COMPONENT UNITS

Below is a summary of restricted net position at December 31, 2023:

| | Business-Type Activities | Discretely Presented Component Units |
|--|-----------------------------|--------------------------------------|
| Restricted Reserves and Deposits | \$ 54,028,129 | \$ 95,096,014 |
| Housing Choice Voucher Restricted Reserves | 15,592 | - |
| Section 8 Moderate Rehabilitation Reserves | 269,958 | - |
| Emergency Housing Voucher Restricted Reserves | 232,553 | - |
| Restricted Cash for Development Activities | 2,501,977 | - |
| Total Restricted Net Position at December 31, 2023 | <u><u>\$ 57,048,209</u></u> | <u><u>\$ 95,096,014</u></u> |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 22 BLENDED COMBINING SCHEDULE

| Western Reserve Revitalization and Management Company, Inc. | | | | | | | | | | | | |
|--|---|--------------------|-----------------------------|-----------------------------|------------------------------|-------------------------|---------------------------------------|---|------------------------|-----------------------|-----------------------|-----------------------|
| | Western Reserve Revitalization and Management Company, Inc. | 1701 Holdings, LLC | Severance Redevelopment LLC | Ambleside Redevelopment LLC | Quarrytown Redevelopment LLC | Riverside Park Homes LP | Cuyahoga Housing and Development Inc. | 2045 Transformation, LLC and Subsidiaries | Eliminations | Total Blended | Primary Government | Total |
| ASSETS AND DEFERRED OUTFLOWS | | | | | | | | | | | | |
| Current Assets | \$ 9,552,950 | \$ 110,132 | \$ 2,397,810 | \$ 2,160,401 | \$ 1,279,978 | \$ 996,997 | \$ - | \$ 68,267,887 | \$ - | \$ 84,766,155 | \$ 67,872,389 | \$ 152,638,544 |
| Capital Assets | 12,712 | 782,482 | 4,361,265 | 3,182,113 | 3,573,954 | 11,091,935 | - | 45,957,831 | - | 68,962,292 | 110,552,466 | 179,514,758 |
| Other Assets | 51,162,834 | - | 39,324 | 7,457 | 4,153 | 15 | 7,773,213 | 395,689 | (10,749,288) | 48,633,397 | 89,973,249 | 138,606,646 |
| Deferred Outflow of Resources | - | - | - | - | - | - | - | - | - | - | 28,087,471 | 28,087,471 |
| Total Assets and Deferred Outflows | \$ 60,728,496 | \$ 892,614 | \$ 6,798,399 | \$ 5,349,971 | \$ 4,858,085 | \$ 12,086,947 | \$ 7,773,213 | \$ 114,621,407 | \$ (10,749,288) | \$ 202,361,844 | \$ 296,485,575 | \$ 498,847,419 |
| LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | | | | | | | | | | | | |
| Current Liabilities | \$ 661,789 | \$ 457,172 | \$ 560,022 | \$ 397,552 | \$ 594,082 | \$ 223,150 | \$ - | \$ 7,694,156 | \$ 445 | \$ 10,588,368 | \$ 32,172,247 | \$ 42,760,615 |
| Noncurrent Liabilities | - | - | 5,034,733 | 5,588,737 | 3,584,558 | 2,173,497 | - | 64,554,378 | - | 80,935,903 | 109,882,261 | 190,818,164 |
| Deferred Inflows of Resources | - | - | - | - | - | - | - | - | - | - | 5,498,222 | 5,498,222 |
| Net Position | 60,066,707 | 435,442 | 1,203,644 | (636,318) | 679,445 | 9,692,300 | 7,773,213 | 42,372,873 | (10,749,733) | 110,837,573 | 148,932,845 | 259,770,418 |
| Total Liabilities, Deferred Inflows and Net Position | \$ 60,728,496 | \$ 892,614 | \$ 6,798,399 | \$ 5,349,971 | \$ 4,858,085 | \$ 12,086,947 | \$ 7,773,213 | \$ 114,621,407 | \$ (10,749,288) | \$ 202,361,844 | \$ 296,485,575 | \$ 498,847,419 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION | | | | | | | | | | | | |
| Operating Revenues | \$ 2,523,046 | \$ 228,665 | \$ 2,583,257 | \$ 2,564,197 | \$ 1,689,701 | \$ 845,481 | \$ - | \$ 26,382,066 | \$ - | \$ 36,816,413 | \$ 195,808,171 | \$ 232,624,584 |
| Operating Expenses | (1,960,579) | (212,499) | (2,042,786) | (2,132,611) | (1,660,221) | (1,208,552) | - | (26,131,017) | - | (35,348,265) | (209,691,161) | (245,039,426) |
| Operating Income (Loss) | 562,467 | 16,166 | 540,471 | 431,586 | 29,480 | (363,071) | - | 251,049 | - | 1,468,148 | (13,882,990) | (12,414,842) |
| Nonoperating Revenues | 15,926 | - | 26,194 | 20,272 | 7,533 | 4,299 | - | 971,209 | - | 1,045,433 | 28,329,990 | 29,375,423 |
| Nonoperating Expenses | - | - | (150,482) | (168,167) | (106,632) | (86,189) | - | (1,968,959) | - | (2,480,429) | (1,662,136) | (4,142,665) |
| Change in Net Position | 578,393 | 16,166 | 416,183 | 283,691 | (69,619) | (444,961) | - | (746,701) | - | 33,152 | 12,784,864 | 12,818,016 |
| Beginning Net Position | 59,488,314 | 419,276 | 787,461 | (920,009) | 749,064 | 10,137,261 | 7,773,213 | 37,007,720 | - | 115,442,300 | 132,353,172 | 247,795,472 |
| Capital Contributions (Distributions) | - | - | - | - | - | - | - | 6,111,854 | - | 6,111,854 | (6,111,854) | - |
| Prior Period Adjustment/Equity Transfer | - | - | - | - | - | - | - | - | (10,749,733) | (10,749,733) | 9,906,663 | (843,070) |
| Ending Net Position | \$ 60,066,707 | \$ 435,442 | \$ 1,203,644 | \$ (636,318) | \$ 679,445 | \$ 9,692,300 | \$ 7,773,213 | \$ 42,372,873 | \$ (10,749,733) | \$ 110,837,573 | \$ 148,932,845 | \$ 259,770,418 |
| CASH FLOWS | | | | | | | | | | | | |
| Net Cash Provided (Used) By | | | | | | | | | | | | |
| Operating Activities | \$ 382,453 | \$ 17,735 | \$ 640,003 | \$ 247,704 | \$ 111,061 | \$ 19,290 | \$ - | \$ 6,917,955 | \$ - | \$ 8,336,201 | \$ (5,702,493) | \$ 2,633,708 |
| Investing Activities | (1,628,437) | - | (224,251) | (144,589) | (96,266) | - | - | (6,560,451) | - | (8,654,014) | 930,697 | (7,723,317) |
| Financing Activities | 1,806,149 | 52,205 | (136,690) | (154,197) | (80,013) | (47,817) | - | 27,253,708 | - | 28,693,345 | (35,657,349) | (6,964,004) |
| Net Increase (Decrease) in Cash | \$ 560,165 | 69,940 | 279,062 | (51,082) | (65,238) | (28,527) | - | 27,611,212 | - | 28,375,532 | (40,429,145) | (12,053,613) |
| Cash and Cash Equivalents - Beginning of Year | 6,743,110 | 40,192 | 1,934,318 | 2,000,718 | 1,215,054 | 910,191 | - | 37,723,482 | - | 50,567,065 | 91,728,185 | 142,295,250 |
| Cash and Cash Equivalents - End of Year | \$ 7,303,275 | \$ 110,132 | \$ 2,213,380 | \$ 1,949,636 | \$ 1,149,816 | \$ 881,664 | \$ - | \$ 65,334,694 | \$ - | \$ 78,942,597 | \$ 51,299,040 | \$ 130,241,637 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 23 DISCRETELY PRESENTED COMPONENT UNIT COMBINING SCHEDULE

| | Garden Valley Housing Partnership I, LP | Garden Valley Housing Partnership II, LP | Garden Valley Housing Partnership III, LP | Garden Valley Housing Partnership IV, LP | Euclid-Lee Senior, LP | Miles Point Elderly, LP | Fairfax Intergenerational Housing, LP |
|---|---|--|---|--|--------------------------|----------------------------|---|
| ASSETS | | | | | | | |
| Current Assets | \$ 1,554,404 | \$ 983,553 | \$ 1,050,979 | \$ 1,110,112 | \$ 582,040 | \$ 231,864 | \$ 432,425 |
| Capital Assets | 12,170,625 | 6,870,645 | 12,950,037 | 9,669,548 | 13,159,890 | 6,931,543 | 8,528,498 |
| Other Assets | 439,524 | 297,268 | 404,719 | 312,767 | 31,047 | 29,161 | 167,482 |
| Total Assets | \$ 14,164,553 | \$ 8,151,466 | \$ 14,405,735 | \$ 11,092,427 | \$ 13,772,977 | \$ 7,192,568 | \$ 9,128,405 |
| | | | | | | | |
| Current Liabilities | \$ 418,953 | \$ 376,526 | \$ 180,975 | \$ 359,485 | \$ 88,894 | \$ 206,802 | \$ 219,862 |
| Noncurrent Liabilities | 15,950,381 | 10,162,081 | 16,627,207 | 8,687,305 | 13,369,327 | 3,110,675 | 7,249,918 |
| Total Liabilities | 16,369,334 | 10,538,607 | 16,808,182 | 9,046,790 | 13,458,221 | 3,317,477 | 7,469,780 |
| Net Position | (2,204,781) | (2,387,141) | (2,402,447) | 2,045,637 | 314,756 | 3,875,091 | 1,658,625 |
| Total Liabilities & Net Position | \$ 14,164,553 | \$ 8,151,466 | \$ 14,405,735 | \$ 11,092,427 | \$ 13,772,977 | \$ 7,192,568 | \$ 9,128,405 |
| | | | | | | | |
| Operating Revenues | \$ 957,312 | \$ 487,462 | \$ 727,014 | \$ 974,785 | \$ 571,015 | \$ 325,013 | \$ 471,964 |
| Operating Expenses | (1,760,033) | (1,299,859) | (1,580,765) | (944,336) | (1,165,503) | (709,709) | (883,333) |
| Operating Income (Loss) | \$ (802,721) | \$ (812,397) | \$ (853,751) | \$ 30,449 | \$ (594,488) | \$ (384,696) | \$ (411,369) |
| Nonoperating Revenues | \$ 13,236 | \$ 15,485 | \$ 9,375 | \$ 13,962 | \$ 9,784 | \$ 3,332 | \$ 10,217 |
| Nonoperating Expenses | (8,835) | (1,650) | (3,868) | (132,857) | - | (1,579) | (46,494) |
| Income (Loss) Before Capital Contributions | (798,320) | (798,562) | (848,244) | (88,446) | (584,704) | (382,943) | (447,646) |
| Capital Contributions/Syndication Costs | - | - | - | - | - | - | - |
| Beginning Net Position | (1,406,461) | (1,588,579) | (1,554,203) | 2,134,083 | 899,460 | 4,258,034 | 2,106,271 |
| Ending Net Position | \$ (2,204,781) | \$ (2,387,141) | \$ (2,402,447) | \$ 2,045,637 | \$ 314,756 | \$ 3,875,091 | \$ 1,658,625 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 23 DISCRETELY PRESENTED COMPONENT UNIT COMBINING SCHEDULE (CONTINUED)

| | Bohn Tower Redevelopment, LP | Carver Park I, LP | Carver Park II, LP | Carver Park III, LP | Wade Park, LP | Riverside Park Phase II, LP | Riverside Park Phase III, LP | East Side Neighborhood Homes, LP | Total |
|---|---------------------------------|-----------------------|----------------------|----------------------|----------------------|--------------------------------|---------------------------------|--|-----------------------|
| ASSETS | | | | | | | | | |
| Current Assets | \$ 2,661,276 | \$ 4,433,886 | \$ 931,173 | \$ 38,390,057 | \$ 45,493,077 | \$ 2,200,963 | \$ 2,636,947 | \$ 1,071,802 | \$ 103,764,558 |
| Capital Assets | 19,214,228 | 27,704,890 | 14,280,528 | 20,430,524 | 17,665,152 | 31,479,281 | 45,460,084 | 8,265,687 | 254,781,160 |
| Other Assets | 1,965,500 | 21,329,082 | 5,520,060 | 14,317,669 | 15,353,437 | 13,326,386 | 15,366,911 | - | 88,861,013 |
| Total Assets | \$ 23,841,004 | \$ 53,467,858 | \$ 20,731,761 | \$ 73,138,250 | \$ 78,511,666 | \$ 47,006,630 | \$ 63,463,942 | \$ 9,337,489 | \$ 447,406,731 |
| | | | | | | | | | |
| Current Liabilities | \$ 1,074,521 | \$ 1,699,355 | \$ 777,615 | \$ 5,196,552 | \$ 3,458,537 | \$ 1,843,925 | \$ 873,480 | \$ 264,506 | \$ 17,039,988 |
| Noncurrent Liabilities | 16,327,132 | 34,560,655 | 15,590,746 | 60,743,659 | 71,773,802 | 33,190,699 | 44,798,744 | 9,469,999 | 361,612,330 |
| Total Liabilities | 17,401,653 | 36,260,010 | 16,368,361 | 65,940,211 | 75,232,339 | 35,034,624 | 45,672,224 | 9,734,505 | 378,652,318 |
| Net Position | 6,439,351 | 17,207,848 | 4,363,400 | 7,198,039 | 3,279,327 | 11,972,006 | 17,791,718 | (397,016) | 68,754,413 |
| Total Liabilities & Net Position | \$ 23,841,004 | \$ 53,467,858 | \$ 20,731,761 | \$ 73,138,250 | \$ 78,511,666 | \$ 47,006,630 | \$ 63,463,942 | \$ 9,337,489 | \$ 447,406,731 |
| | | | | | | | | | |
| Operating Revenues | \$ 2,635,421 | \$ 3,370,855 | \$ 1,022,356 | \$ 5,484,453 | \$ 1,445,122 | \$ 3,626,457 | \$ 2,653,572 | \$ 658,894 | \$ 25,411,695 |
| Operating Expenses | (2,882,320) | (4,423,473) | (1,703,861) | (854,476) | (1,331,767) | (3,782,137) | (4,130,825) | (1,213,203) | (28,665,600) |
| Operating Income (Loss) | \$ (246,899) | \$ (1,052,618) | \$ (681,505) | \$ 4,629,977 | \$ 113,355 | \$ (155,680) | \$ (1,477,253) | \$ (554,309) | \$ (3,253,905) |
| Nonoperating Revenues | \$ 25,503 | \$ 37,348 | \$ 6,484 | \$ 385,100 | \$ 547,669 | \$ 3,694 | \$ 28,785 | \$ - | \$ 1,109,974 |
| Nonoperating Expenses | (459,181) | (414,847) | (214,154) | (572,572) | (613,565) | (516,639) | (772,347) | (30,750) | (3,789,338) |
| Income (Loss) Before Capital Contributions | \$ (680,577) | \$ (1,430,117) | \$ (889,175) | \$ 4,442,505 | \$ 47,459 | \$ (668,625) | \$ (2,220,815) | \$ (585,059) | \$ (5,933,269) |
| Capital Contributions/Syndication Costs | - | - | - | - | - | - | - | - | - |
| Beginning Net Position | 7,119,928 | 18,637,965 | 5,252,575 | 2,755,534 | 3,231,868 | 12,640,631 | 20,012,533 | 188,043 | 74,687,682 |
| Ending Net Position | \$ 6,439,351 | \$ 17,207,848 | \$ 4,363,400 | \$ 7,198,039 | \$ 3,279,327 | \$ 11,972,006 | \$ 17,791,718 | \$ (397,016) | \$ 68,754,413 |

REQUIRED SUPPLEMENTARY INFORMATION

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS (1)(2)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Authority's Proportion of the Net Pension Liability | | | | | | | | | |
| Traditional Plan | 0.198276% | 0.214691% | 0.240571% | 0.246808% | 0.259005% | 0.283163% | 0.317163% | 0.308500% | 0.312972% |
| Combined Plan | 0.223077% | 0.223981% | 0.239890% | 0.268190% | 0.322611% | 0.362293% | 0.404353% | 0.427760% | 0.377704% |
| Authority's Proportionate Share of the Net Pension Liability (Asset), Net | \$ 58,045,048 | \$ 17,796,489 | \$ 34,930,853 | \$ 48,224,034 | \$ 70,575,466 | \$ 43,929,587 | \$ 71,797,274 | \$ 53,436,109 | \$ 37,602,496 |
| Authority's Covered Payroll (3) | \$ 29,261,327 | \$ 32,094,379 | \$ 35,968,721 | \$ 36,924,914 | \$ 37,352,579 | \$ 40,722,840 | \$ 44,241,700 | \$ 40,192,267 | \$ 39,751,167 |
| Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 198.37% | 55.45% | 97.11% | 130.60% | 188.94% | 107.87% | 162.28% | 132.95% | 94.59% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | | | | | | | | |
| Traditional Plan | 75.74% | 92.62% | 86.88% | 86.88% | 74.70% | 77.25% | 77.25% | 81.08% | 86.45% |
| Combined Plan | 137.14% | 169.88% | 152.09% | 157.67% | 126.64% | 116.55% | 116.55% | 116.90% | 114.83% |

Source: OPERS information with exception of covered payroll which was derived from the Authority's financial records.

(1) Information presented based on fiscal years ended December 31.
 (2) Information prior to 2013 is not available.
 (3) Covered payroll broken down by plan (Traditional vs. Combined) was not available.

See accompanying Note to Required Supplementary Information.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1) (2)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contributions (2) | \$ 4,808,523 | \$ 4,096,586 | \$ 4,493,213 | \$ 5,035,621 | \$ 5,169,488 | \$ 5,229,361 | \$ 5,580,777 | \$ 5,309,004 | \$ 4,823,072 | \$ 4,770,140 |
| Contributions in Relation to the Contractually Required Contributions | (4,808,523) | (4,096,586) | (4,493,213) | (5,035,621) | (5,169,488) | (5,229,361) | (5,580,777) | (5,309,004) | (4,823,072) | (4,770,140) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Authority Covered Payroll | \$ 34,346,593 | \$ 29,261,327 | \$ 32,094,379 | \$ 35,968,721 | \$ 36,924,914 | \$ 37,352,579 | \$ 42,929,054 | \$ 44,241,700 | \$ 40,192,267 | \$ 39,751,167 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% |

Source: Authority's financial records.

(1) Represents employer's calendar year. Information prior to 2013 was not practically available. The Authority will continue to present information for years available until a full ten-year trend is compiled.

(2) Information broken down by plan type (Traditional vs. Combined) was not available.

See accompanying Note to Required Supplementary Information.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|----------------|----------------|---------------|---------------|
| Authority's Proportion of the Net OPEB Liability (Asset) | 0.19513% | 0.21075% | 0.23743% | 0.24469% | 0.25752% |
| Authority's Proportionate Share of the Net OPEB Liability (Asset) | \$ 1,230,332 | \$ (6,600,918) | \$ (4,230,023) | \$ 48,224,034 | \$ 33,574,529 |
| Authority's Covered-Employee Payroll | \$ 29,261,327 | \$ 32,094,379 | \$ 35,968,721 | \$ 36,924,914 | \$ 43,578,011 |
| Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll | 4.20% | -20.57% | -11.76% | 130.60% | 77.04% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 94.79% | 128.23% | 115.57% | 47.80% | 46.33% |

Source: OPERS information with exception of covered employee payroll which was derived from the Authority's financial records.

See accompanying Note to Required Supplementary Information.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
DECEMBER 31, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contributions | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in Relation to the Contractually Required Contributions | - - | - - | - - | - - | - - |
| Contribution Deficiency (Excess) | <u>\$ - -</u> |
| Authority Covered-Employee Payroll | \$ 34,346,593 | \$ 29,261,327 | \$ 32,094,379 | \$ 35,968,721 | \$ 36,924,914 |
| Contributions as a Percentage of Covered-Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: OPERS decides on the allocation of contributions to the OPEB plan after contributions are collected from CMHA. This amount was taken from the Schedule of Employer Allocations - Defined Benefit -Pension and is reported in the Contributions Subsequent to Measurement Date for the Pension Plan.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTE 1 PENSION

Ohio Public Employees Retirement System (OPERS)

Changes in Benefit Terms

There were no changes in benefit terms from the amounts reported.

Changes in Assumptions

There was no change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financials for the methods and assumptions in this calculation.

NOTE 2 OPEB

Ohio Public Employees Retirement System (OPERS)

Changes in Benefit Terms

See the notes to the financial statements for the change in benefit terms.

Changes in Assumptions

There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financials for the methods and assumptions in this calculation.

SUPPLEMENTARY INFORMATION

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
DECEMBER 31, 2023

| Line Item# | Accounts Description | Project Total | EFA FSS | Emergency Housing Voucher | Multifamily Property Disposition | ROSS | HCVP | Mainstream Vouchers | Blended Component Unit |
|--------------------------|--|-----------------------|------------------|---------------------------------|--|-------------------|---------------------|------------------------|---------------------------|
| CURRENT ASSETS | | | | | | | | | |
| | Cash: | | | | | | | | |
| 111 | Unrestricted | \$ 18,973,773 | \$ - | \$ - | \$ - | \$ 4,297,688 | \$ 577,285 | \$ 40,232,155 | |
| 112 | Restricted - modernization and development | 2,501,977 | - | - | - | - | - | - | - |
| 113 | Other restricted | 121,081 | 12,940 | 730,534 | - | - | 613,883 | - | 37,629,493 |
| 114 | Tenant security deposits | 1,139,455 | - | - | - | - | - | - | 619,172 |
| 100 | Total cash | 22,736,286 | 12,940 | 730,534 | - | - | 4,911,571 | 577,285 | 78,480,820 |
| | Accounts and notes receivable: | | | | | | | | |
| 121 | Accounts Receivable - PHA Projects | - | - | - | - | - | 53,095 | - | - |
| 122 | HUD other projects | 4,898,457 | 4,973 | - | - | 129,703 | 47,987 | - | 991,591 |
| 124 | Other Government | - | - | - | - | - | - | - | - |
| 125 | Miscellaneous | 400,128 | - | - | - | - | 446,274 | - | 3,674,985 |
| 126 | Tenants | 5,256,967 | - | 2,157 | - | - | 434,706 | 984 | 838,373 |
| 126.1 | Allowance for doubtful accounts - tenants | (3,857,339) | - | - | - | - | - | - | - |
| 126.2 | Allowance for doubtful accounts - other | (97,790) | - | - | - | - | (143,948) | - | - |
| 127 | Notes, loans, & mortgages receivable - current | 164,755 | - | - | - | - | - | - | - |
| 128 | Fraud recovery | 14,669 | - | - | - | - | 285,613 | 5,317 | - |
| 128.1 | Allowance for doubtful accounts - fraud | - | - | - | - | - | (285,613) | (1,998) | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - | - |
| 120 | Total receivables, net of allowances for uncollectibles | 6,779,847 | 4,973 | 2,157 | - | 129,703 | 838,114 | 4,303 | 5,504,949 |
| 132 | Investments - restricted | - | - | - | - | - | - | - | - |
| 142 | Prepaid expenses and other assets | 163,015 | - | - | - | 355 | 156,788 | - | 248,718 |
| 143 | Inventories | 96,088 | - | - | - | - | - | - | 531,668 |
| 144 | Inter-program - due from | - | - | - | - | - | - | - | - |
| 150 | Total current assets | 29,775,236 | 17,913 | 732,691 | - | 130,058 | 5,906,473 | 581,588 | 84,766,155 |
| NONCURRENT ASSETS | | | | | | | | | |
| | Fixed assets: | | | | | | | | |
| 161 | Land | 19,550,649 | - | - | - | - | - | - | 7,340,786 |
| 162 | Buildings | 441,951,964 | - | - | - | - | - | - | 84,552,710 |
| 163 | Furniture, equipment & mach - dwellings | 8,816,711 | - | - | - | - | - | - | 1,483,363 |
| 164 | Furniture, equipment & mach - admin. | 20,865 | - | - | - | - | 1,180,261 | - | 195,192 |
| 165 | Leasehold Improvements | 392,296 | - | - | - | - | - | - | - |
| 166 | Accumulated depreciation | (407,745,158) | - | - | - | - | (1,150,146) | - | (28,765,870) |
| 167 | Construction in progress | 14,555,355 | - | - | - | - | - | - | 4,156,111 |
| 160 | Total fixed assets, net of accumulated depreciation | 77,542,672 | - | - | - | - | 30,115 | - | 68,962,292 |
| 171 | Notes, loans and mortgages receivable-noncurrent | 61,852,694 | - | - | 1,400,000 | - | - | - | 24,351,766 |
| 174 | Other assets | 287,226 | - | - | - | - | 68,620 | - | 19,715,297 |
| 176 | Investments in Joint Ventures | - | - | - | - | - | - | - | 4,566,334 |
| 180 | Total noncurrent assets | 139,682,592 | - | - | 1,400,000 | - | 98,735 | - | 117,595,689 |
| 200 | Deferred Outflow of Resources | 15,344,093 | - | - | - | - | 3,665,775 | - | - |
| 290 | TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 184,801,921 | \$ 17,913 | \$ 732,691 | \$ 1,400,000 | \$ 130,058 | \$ 9,670,983 | \$ 581,588 | \$ 202,361,844 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Choice | | | | Business Activities | Sect 8 Mod Rehab | Public Safety Partnership and Community Policing Grants | Lead-Based Paint Capital Fund Program Grant | COCC | Elimination | Total Entity | |
|--------------------------|---|------------------------------|-----------------------|---------------|---------------|---------------------|------------------|---|---|-----------------|----------------|---------------|-----------|
| | | Neighborhoods Implementation | Sect 8 NC/SR Programs | 2 State/Local | | | | | | | | | |
| CURRENT ASSETS | | | | | | | | | | | | | |
| | Cash: | | | | | | | | | | | | |
| 111 | Unrestricted | \$ | - | \$ | - | 3,379 | \$ 4,425,334 | \$ | - | \$ | - | \$ 69,378,227 | |
| 112 | Restricted - modernization and development | | - | - | - | - | - | - | - | - | - | 2,501,977 | |
| 113 | Other restricted | | - | - | - | 16,594,289 | 269,958 | - | - | 630,628 | - | 56,602,806 | |
| 114 | Tenant security deposits | | - | - | - | - | - | - | - | - | - | 1,758,627 | |
| 100 | Total cash | | - | - | 3,379 | 21,019,623 | 269,958 | - | - | 1,499,241 | - | 130,241,637 | |
| | Accounts and notes receivable: | | | | | | | | | | | | |
| 121 | Accounts Receivable - PHA Projects | - | - | - | - | - | 7,663 | - | - | - | - | 60,758 | |
| 122 | HUD other projects | 1,215,233 | - | - | - | - | - | - | - | - | - | 7,287,944 | |
| 124 | Other Government | | - | - | 202,241 | 287,665 | - | - | - | - | - | 489,906 | |
| 125 | Miscellaneous | | - | - | - | 452,236 | - | 383,565 | - | 878,902 | - | 6,236,090 | |
| 126 | Tenants | | - | - | - | - | 1,728 | - | - | - | - | 6,534,915 | |
| 126.1 | Allowance for doubtful accounts - tenants | | - | - | - | - | - | - | - | - | - | (3,857,339) | |
| 126.2 | Allowance for doubtful accounts - other | | - | - | - | - | - | - | - | - | - | (241,738) | |
| 127 | Notes, loans, & mortgages receivable - current | | - | - | - | 1,549,055 | - | - | - | - | (1,549,055) | 164,755 | |
| 128 | Fraud recovery | | - | - | - | - | - | - | - | - | - | 305,599 | |
| 128.1 | Allowance for doubtful accounts - fraud | | - | - | - | - | - | - | - | - | - | (287,611) | |
| 129 | Accrued interest receivable | | - | - | - | 3,334,890 | - | - | - | - | 1,582 | - | 3,336,472 |
| 120 | Total receivables, net of allowances for uncollectibles | 1,215,233 | - | 202,241 | 5,623,846 | 9,391 | 383,565 | - | 880,484 | (1,549,055) | - | 20,029,751 | |
| 132 | Investments - restricted | - | - | - | - | - | - | - | - | - | - | - | |
| 142 | Prepaid expenses and other assets | 109 | - | 3,156 | - | - | 278 | - | 529,170 | - | - | 1,101,589 | |
| 143 | Inventories | - | - | - | - | - | - | - | 637,811 | - | - | 1,265,567 | |
| 144 | Inter-program - due from | | - | - | 580,146 | - | - | - | - | - | (580,146) | - | |
| 150 | Total current assets | 1,215,342 | - | 208,776 | 27,223,615 | 279,349 | 383,843 | - | 3,546,706 | (2,129,201) | - | 152,638,544 | |
| NONCURRENT ASSETS | | | | | | | | | | | | | |
| | Fixed assets: | | | | | | | | | | | | |
| 161 | Land | - | 620,597 | - | 3,149,255 | - | - | - | 4,910,053 | - | - | 35,571,340 | |
| 162 | Buildings | - | - | - | 12,685,814 | - | - | - | 19,171,654 | - | - | 558,362,142 | |
| 163 | Furniture, equipment & mach - dwellings | - | - | - | 383,538 | - | - | - | - | - | - | 10,683,612 | |
| 164 | Furniture, equipment & mach - admin. | - | - | - | - | - | - | - | 6,977,754 | - | - | 8,374,062 | |
| 165 | Leasehold Improvement | - | - | - | - | - | - | - | - | - | - | 392,296 | |
| 166 | Accumulated depreciation | - | - | - | (954,916) | - | - | - | (15,042,221) | - | - | (453,658,311) | |
| 167 | Construction in progress | | - | - | - | - | - | - | 1,078,151 | - | - | 19,789,617 | |
| 160 | Total fixed assets, net of accumulated depreciation | - | 620,597 | - | 15,263,691 | - | - | - | 17,095,391 | - | - | 179,514,758 | |
| 171 | Notes, loans and mortgages receivable - noncurrent | - | - | - | 35,526,603 | - | - | - | - | (11,580,302) | - | 111,550,761 | |
| 174 | Other assets | - | - | - | 454,053 | - | - | - | 2,067,479 | (103,124) | - | 22,489,551 | |
| 176 | Investments in Joint Ventures | | - | - | - | - | - | - | - | - | - | 4,566,334 | |
| 180 | Total noncurrent assets | - | 620,597 | - | 51,244,347 | - | - | - | 19,162,870 | (11,683,426) | - | 318,121,404 | |
| 200 | Deferred Outflow of Resources | | - | - | - | - | - | - | - | 9,077,603 | - | 28,087,471 | |
| 290 | TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,215,342 | \$ 620,597 | \$ 208,776 | \$ 78,467,962 | \$ 279,349 | \$ 383,843 | \$ - | \$ 31,787,179 | \$ (13,812,627) | \$ 498,847,419 | | |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Project Total | EFA - FSS | Emergency Housing Voucher | Multifamily Property Disposition | ROSS | HCVP | Mainstream Vouchers | Blended Component Unit |
|---|--|----------------|-----------|---------------------------|----------------------------------|------------|--------------|---------------------|------------------------|
| CURRENT LIABILITIES | | | | | | | | | |
| 312 | Accounts payable <= 90 days | \$ 3,118,888 | \$ - | \$ 6,317 | \$ - | \$ 48 | \$ 108,616 | \$ - | \$ 5,555,867 |
| 313 | Accounts payable > 90 days | - | - | - | - | - | - | - | - |
| 321 | Accrued wage/payroll taxes payable | 1,145,082 | - | - | - | 64,957 | 289,681 | - | 613,733 |
| 322 | Accrued compensated absences - current | 1,072,456 | - | - | - | - | 164,202 | - | - |
| 324 | Accrued contingency liability | - | - | - | - | - | - | - | - |
| 325 | Accrued interest payable | 182,026 | - | - | - | - | - | - | - |
| 331 | Accounts payable - HUD | - | - | 3,940 | - | - | 263,589 | - | - |
| 332 | Accounts Payable - PHA Projects | - | - | - | - | - | - | - | - |
| 341 | Tenant security deposits | 673,273 | - | - | - | - | - | - | 575,021 |
| 342 | Unearned revenues | 1,291,233 | - | 497,981 | - | - | 1,799 | - | 602,434 |
| 343 | Current portion of LT debt - capital projects | 2,242,900 | - | - | - | - | - | - | 3,131,517 |
| 344 | Current portion of LT debt- Operating | - | - | - | - | - | - | - | - |
| 345 | Other current liabilities | 434 | - | - | - | - | 64 | - | 109,796 |
| 346 | Other liabilities | 8,348,496 | - | - | - | - | - | 1,597 | - |
| 347 | Interprogram - due to | - | - | - | - | 65,053 | - | - | - |
| 310 | Total current liabilities | 18,074,788 | - | 508,238 | - | 130,058 | 827,951 | 1,597 | 10,588,368 |
| NONCURRENT LIABILITIES | | | | | | | | | |
| 351 | Long-term debt, net of current - capital | 10,956,400 | - | - | - | - | - | - | 80,655,202 |
| 352 | Long-term debt, net of current - operating | - | - | - | - | - | - | - | - |
| 353 | Noncurrent liabilities - other | 740,060 | - | 394 | - | - | 598,291 | - | 280,701 |
| 354 | Accrued compensated absences - noncurrent | 150,373 | - | - | - | - | 23,987 | - | - |
| 355 | Loan Liability - Noncurrent | - | - | - | - | - | - | - | - |
| 357 | Accrued Pension and OPEB Liabilities | 32,669,166 | - | - | - | - | 7,804,817 | - | - |
| 350 | Total noncurrent liabilities | 44,515,999 | - | 394 | - | - | 8,427,095 | - | 80,935,903 |
| 300 | Total liabilities | 62,590,787 | - | 508,632 | - | 130,058 | 9,255,046 | 1,597 | 91,524,271 |
| 400 | Deferred Inflow of Resources | 4,000,852 | - | - | - | - | 430,735 | - | - |
| | Total Liabilities and Deferred Inflow of Resources | 66,591,639 | - | 508,632 | - | 130,058 | 9,685,781 | 1,597 | 91,524,271 |
| NET POSITION | | | | | | | | | |
| 508.4 | Net investment in capital assets | 64,343,372 | - | - | - | - | 30,115 | - | (14,824,427) |
| 511.4 | Restricted net position | 2,349,180 | 12,940 | 232,553 | - | - | 15,592 | - | 37,392,943 |
| 512.4 | Unrestricted net position | 51,517,730 | 4,973 | (8,494) | 1,400,000 | - | (60,505) | 579,991 | 88,269,057 |
| 513 | Total net position | 118,210,282 | 17,913 | 224,059 | 1,400,000 | - | (14,798) | 579,991 | 110,837,573 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION | | | | | | | | | |
| 600 | | \$ 184,801,921 | \$ 17,913 | \$ 732,691 | \$ 1,400,000 | \$ 130,058 | \$ 9,670,983 | \$ 581,588 | \$ 202,361,844 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Choice | | | | Business Activities | Sect 8 Mod Rehab | Public Safety Partnership and Community Policing Grants | Lead-Based Paint Capital Fund Program Grant | COCC | Elimination | Total Entity |
|-------------------------------|---|------------------------------|-----------------------|---------------|---------------|---------------------|------------------|---|---|-----------------|----------------|---------------|
| | | Neighborhoods Implementation | Sect 8 NC/SR Programs | 2 State/Local | | | | | | | | |
| CURRENT LIABILITIES | | | | | | | | | | | | |
| 312 | Accounts payable <= 90 days | \$ 71 | \$ - | \$ 31,011 | \$ 54,198 | \$ 414 | \$ 119 | \$ - | \$ 1,408,826 | \$ - | \$ - | \$ 10,284,375 |
| 313 | Accounts payable > 90 days | - | - | - | - | - | - | - | - | - | - | - |
| 321 | Accrued wage/payroll taxes payable | 9,267 | - | 23,822 | 108,197 | 75 | 28,897 | - | 1,015,542 | - | - | 3,299,253 |
| 322 | Accrued compensated absences - current | - | - | - | - | - | - | - | 1,366,415 | - | - | 2,603,073 |
| 324 | Accrued contingency liability | - | - | - | - | - | - | - | - | - | - | - |
| 325 | Accrued interest payable | - | - | - | 53,333 | - | - | - | 47,271 | - | - | 282,630 |
| 331 | Accounts payable - HUD | - | - | - | - | 1,500 | - | - | - | - | - | 269,029 |
| 332 | Accounts Payable - PHA Projects | - | - | - | - | 59,722 | - | - | - | - | - | 59,722 |
| 341 | Tenant security deposits | - | - | - | - | - | - | - | - | - | - | 1,248,294 |
| 342 | Unearned revenues | - | - | 50,000 | 206,492 | - | - | - | 200,047 | - | - | 2,849,986 |
| 343 | Current portion of LT debt - capital projects | - | - | - | - | - | - | - | - | (1,549,055) | - | 3,825,362 |
| 344 | Current portion of LT debt - operating | - | - | - | - | - | - | - | 635,000 | - | - | 635,000 |
| 345 | Other current liabilities | - | - | - | - | - | - | - | - | - | - | 110,294 |
| 346 | Other liabilities | 1,045,738 | - | 103,943 | 1,718 | 2,270 | - | - | 7,789,835 | - | - | 17,293,597 |
| 347 | Interprogram - due to | 160,266 | - | - | - | - | 354,827 | - | - | (580,146) | - | - |
| 310 | Total current liabilities | 1,215,342 | - | 208,776 | 423,938 | 63,981 | 383,843 | - | 12,462,936 | (2,129,201) | - | 42,760,615 |
| NONCURRENT LIABILITIES | | | | | | | | | | | | |
| 351 | Long-term debt, net of current - capital | - | - | - | - | - | - | - | - | (11,580,302) | - | 80,031,300 |
| 352 | Long-term debt, net of current - operating | - | - | - | 32,000,000 | - | - | - | 15,690,584 | - | - | 47,690,584 |
| 353 | Noncurrent liabilities - other | - | - | - | 449,874 | - | - | - | 967,575 | (103,124) | - | 2,933,771 |
| 354 | Accrued compensated absences - noncurrent | - | - | - | - | - | - | - | 187,000 | - | - | 361,360 |
| 355 | Loan Liability - Noncurrent | - | - | - | - | - | - | - | - | - | - | - |
| 357 | Accrued Pension and OPEB Liabilities | - | - | - | - | - | - | - | 19,327,166 | - | - | 59,801,149 |
| 350 | Total noncurrent liabilities | - | - | - | 32,449,874 | - | - | - | 36,172,325 | (11,683,426) | - | 190,818,164 |
| 300 | Total liabilities | 1,215,342 | - | 208,776 | 32,873,812 | 63,981 | 383,843 | - | 48,635,261 | (13,812,627) | - | 233,578,779 |
| 400 | Deferred Inflow of Resources | - | - | - | - | - | - | - | 1,066,635 | - | - | 5,498,222 |
| | Total Liabilities and Deferred Inflow of Resources | 1,215,342 | - | 208,776 | 32,873,812 | 63,981 | 383,843 | - | 49,701,896 | (13,812,627) | - | 239,077,001 |
| NET POSITION | | | | | | | | | | | | |
| 508.4 | Net investment in capital assets | - | 620,597 | - | 15,263,691 | - | - | - | 17,095,391 | - | - | 82,528,739 |
| 511.4 | Restricted net position | - | - | - | 16,144,415 | 269,958 | - | - | 630,628 | - | - | 57,048,209 |
| 512.4 | Unrestricted net position | - | - | - | 14,186,044 | (54,590) | - | - | (35,640,736) | - | - | 120,193,470 |
| 513 | Total net position | - | 620,597 | - | 45,594,150 | 215,368 | - | - | (17,914,717) | - | - | 259,770,418 |
| 600 | TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION | \$ 1,215,342 | \$ 620,597 | \$ 208,776 | \$ 78,467,962 | \$ 279,349 | \$ 383,843 | \$ - | \$ 31,787,179 | \$ (13,812,627) | \$ 498,847,419 | |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
DECEMBER 31, 2023

| Line Item# | Accounts Description | Project Total | EFA FSS | Emergency Housing Voucher | Multifamily Property Disposition | ROSS | HCVP | Mainstream Vouchers | Blended Component Unit |
|------------------|--|---------------|---------|---------------------------------|-------------------------------------|---------|-------------|------------------------|---------------------------|
| REVENUE | | | | | | | | | |
| 70300 | Net tenant rental revenue | \$ 7,746,711 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,419,397 |
| 70400 | Tenant revenue - other | 23,462 | - | - | - | - | - | - | - |
| 70500 | Total tenant revenue | 7,770,173 | - | - | - | - | - | - | 9,419,397 |
| 70600 | HUD PHA operating grants | 59,693,761 | - | 2,844,184 | - | 595,696 | 121,144,187 | 910,946 | 21,898,034 |
| 706.10 | Capital grants | 17,032,562 | - | - | - | - | - | - | - |
| 70710 | Management fee | - | - | - | - | - | - | - | - |
| 70720 | Asset Management fee | - | - | - | - | - | - | - | - |
| 70730 | Bookkeeping fee | - | - | - | - | - | - | - | - |
| 70740 | Front Line Service Fee | - | - | - | - | - | - | - | - |
| 70750 | Other fees | - | - | - | - | - | - | - | - |
| 70800 | Other governmental grants | 1,183 | - | - | - | - | - | - | 2,137,786 |
| 71100 | Investment income - unrestricted | 46,063 | - | 500 | - | - | 500 | 500 | 991,434 |
| 71400 | Fraud recovery | 2,452 | - | - | - | - | 5,884 | - | - |
| 71500 | Other revenue | 1,009,070 | 18,937 | - | - | - | 4,579 | - | 3,361,196 |
| 71600 | Gain or loss on sale of capital assets | 167,307 | - | - | - | - | - | - | - |
| 72000 | Investment Income - Restricted | 42,254 | - | - | - | - | - | - | 53,999 |
| 70000 | Total revenue | 85,764,825 | 18,937 | 2,844,684 | - | 595,696 | 121,155,150 | 911,446 | 37,861,846 |
| EXPENSES | | | | | | | | | |
| Administrative: | | | | | | | | | |
| 91100 | Administrative salaries | 2,961,022 | - | - | - | - | 2,697,711 | - | 3,382,142 |
| 91200 | Auditing fees | 123,800 | - | - | - | - | 56,322 | - | 274,623 |
| 91300 | Management fee | 4,787,992 | - | - | - | - | 2,235,857 | 26,070 | 1,758,210 |
| 91310 | Bookkeeping fee | 362,822 | - | - | - | - | 1,194,720 | 13,042 | 250,770 |
| 91400 | Advertising and Marketing | 75,289 | - | - | - | - | 22,038 | - | 18,232 |
| 91500 | Employee benefit contributions - admin | 1,320,995 | - | - | - | - | 1,141,432 | - | - |
| 91600 | Office expense | 5,471,633 | - | 167,072 | - | 47,871 | 3,276,464 | 22,304 | 1,540,349 |
| 91700 | Legal expense | 433,323 | - | - | - | - | 132,705 | - | 221,425 |
| 91800 | Travel | 20,653 | - | - | - | 8,057 | 9,380 | - | - |
| 91900 | Other | 12,424 | - | 13,400 | - | - | 10,642 | - | 694,123 |
| | Total administrative | 15,569,953 | - | 180,472 | - | 55,928 | 10,777,271 | 61,416 | 8,139,874 |
| 92000 | Asset Management Fee | 590,289 | - | - | - | - | - | - | - |
| Tenant services: | | | | | | | | | |
| 92100 | Salaries | 537,441 | - | - | - | 322,527 | - | - | - |
| 92200 | Relocation costs | 45,001 | - | - | - | - | - | - | - |
| 92300 | Employee benefit contributions | 190,309 | - | - | - | 159,651 | - | - | - |
| 92400 | Other | 419,388 | 3,796 | - | - | 321 | - | - | 413,128 |
| | Total tenant services | 1,192,139 | 3,796 | - | - | 482,499 | - | - | 413,128 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Choice | | | | S8MR | Public Safety Partnership and Community Policing Grants | Lead-Based Paint Capital Fund Program Grant | COCC | Elimination | Total Entity |
|------------------|--|------------------------------|-----------------------|---------------|---------------------|---------|---|---|------------|--------------|---------------|
| | | Neighborhoods Implementation | Sect 8 NC/SR Programs | 2 State/Local | Business Activities | | | | | | |
| REVENUE | | | | | | | | | | | |
| 70300 | Net tenant rental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17,166,108 |
| 70400 | Tenant revenue - other | - | - | - | - | - | - | - | - | - | 23,462 |
| 70500 | Total tenant revenue | - | - | - | - | - | - | - | - | - | 17,189,570 |
| 70600 | HUD PHA operating grants | - | - | - | - | 406,852 | - | - | - | (1,973,967) | 205,519,693 |
| 70610 | Capital grants | 6,385,636 | - | - | - | - | - | 69,935 | - | - | 23,488,133 |
| 70710 | Management fee | - | - | - | - | - | - | - | 9,764,446 | (8,822,408) | 942,038 |
| 70720 | Asset Management fee | - | - | - | - | - | - | - | 590,289 | (590,289) | - |
| 70730 | Bookkeeping fee | - | - | - | - | - | - | - | 1,940,662 | (1,826,484) | 114,178 |
| 70740 | Front Line Service fee | - | - | - | - | - | - | - | 437,443 | (437,443) | - |
| 70750 | Other Service Fees | - | - | - | - | - | - | - | - | - | - |
| 70800 | Other governmental grants | - | - | 360,576 | - | - | 366,228 | - | 1,000 | - | 2,866,773 |
| 71100 | Investment income - unrestricted | - | - | - | 474,837 | 500 | - | - | 5,481 | (329,076) | 1,190,739 |
| 71400 | Fraud recovery | - | - | - | - | - | - | - | - | - | 8,336 |
| 71500 | Other revenue | - | 3,702 | 50,000 | 534,506 | - | - | - | 1,002,006 | - | 5,983,996 |
| 71600 | Gain or loss on sale of capital assets | - | - | - | - | - | - | - | 194,552 | - | 361,859 |
| 72000 | Investment Income - Restricted | - | - | - | 1,007,496 | - | - | - | 174,946 | - | 1,278,695 |
| 70000 | Total revenue | 6,385,636 | 3,702 | 410,576 | 2,016,839 | 407,352 | 366,228 | 69,935 | 14,110,825 | (13,979,667) | 258,944,010 |
| EXPENSES | | | | | | | | | | | |
| Administrative: | | | | | | | | | | | |
| 91100 | Administrative salaries | 166,495 | - | - | 682 | 13,846 | - | - | 6,242,644 | - | 15,464,542 |
| 91200 | Auditing fees | - | - | - | - | - | - | - | 378 | - | 455,123 |
| 91300 | Management fee | - | - | - | - | 11,340 | - | - | - | (8,819,469) | - |
| 91310 | Bookkeeping fee | - | - | - | - | 5,130 | - | - | - | (1,826,484) | - |
| 91400 | Advertising and Marketing | - | - | 679 | 22 | - | - | - | 44,552 | - | 160,812 |
| 91500 | Employee benefit contributions - admin | 39,699 | - | - | 216 | 5,018 | - | - | 2,936,189 | - | 5,443,549 |
| 91600 | Office expense | 192,810 | - | 255,466 | 248,402 | 98,397 | 7,062 | - | 2,060,763 | - | 13,388,593 |
| 91700 | Legal expense | - | - | - | 36 | - | 207 | - | 187,870 | (437,443) | 538,123 |
| 91800 | Travel | 158 | - | - | 1,411 | 67 | 389 | 2,690 | 94,876 | - | 137,681 |
| 91900 | Other | - | - | - | 14 | - | - | - | 29,415 | (2,939) | 757,079 |
| | Total administrative | 399,162 | - | 256,145 | 250,783 | 133,798 | 7,658 | 2,690 | 11,596,687 | (11,086,335) | 36,345,502 |
| 92000 | Asset Management Fee | - | - | - | - | - | - | - | - | (590,289) | - |
| Tenant services: | | | | | | | | | | | |
| 92100 | Salaries | - | - | 140,683 | - | - | - | - | - | - | 1,000,651 |
| 92200 | Relocation costs | 461,139 | - | - | - | - | - | - | - | - | 506,140 |
| 92300 | Employee benefit contributions | - | - | 68,854 | - | - | - | - | - | - | 418,814 |
| 92400 | Other | 1,045,738 | - | - | 165,893 | - | - | - | 79,715 | - | 2,127,979 |
| | Total tenant services | 1,506,877 | - | 209,537 | 165,893 | - | - | - | 79,715 | - | 4,053,584 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Project Total | EFA FSS | Emergency Housing Voucher | Multifamily Property Disposition | ROSS | HCVP | Mainstream Vouchers | Blended Component Unit |
|-----------------------------|---|---------------|---------|---------------------------|----------------------------------|----------|---------|---------------------|------------------------|
| EXPENSES (Continued) | | | | | | | | | |
| 93100 | Utilities: | | | | | | | | |
| 93100 | Water | \$ 3,529,571 | \$ - | \$ - | \$ - | \$ 3,219 | \$ - | \$ 1,024,811 | |
| 93200 | Electricity | 2,432,252 | - | - | - | 81,049 | - | 1,952,320 | |
| 93300 | Gas | 1,986,359 | - | - | - | 719 | - | 694,742 | |
| 93600 | Sewer | 7,384,002 | - | - | - | 8,273 | - | 2,184,858 | |
| 93800 | Other utilities expense | - | - | - | - | - | - | - | - |
| | Total utilities | 15,332,184 | - | - | - | 93,260 | - | 5,856,731 | |
| 94100 | Ordinary maintenance & operations: | | | | | | | | |
| 94100 | Labor | 6,163,849 | - | - | - | 35,409 | - | 2,063,595 | |
| 94200 | Materials and other | 2,197,264 | - | - | - | 3,836 | - | 559,906 | |
| 94300 | Contracts | 11,009,431 | - | - | - | 436 | - | 7,116,563 | |
| 94500 | Employee benefits contribution | 2,103,867 | - | - | - | 14,982 | - | - | - |
| | Total ordinary maintenance & operations | 21,474,411 | - | - | - | 54,663 | - | 9,740,064 | |
| 95100 | Protective services: | | | | | | | | |
| 95100 | Labor | 2,006,857 | - | - | - | 57,436 | - | - | - |
| 95200 | Other contract costs | 149,127 | - | - | - | - | - | 1,580,698 | |
| 95300 | Other | 153,290 | - | - | - | - | - | 293,680 | |
| 95500 | Employee benefit contributions | 722,632 | - | - | - | 24,302 | - | - | - |
| 95000 | Total protective services | 3,031,906 | - | - | - | 81,738 | - | 1,874,378 | |
| 96110 | Property insurance | 1,018,591 | - | - | - | - | - | 786,350 | |
| 96120 | Liability insurance | 421,568 | - | - | - | 57,714 | - | 9,869 | |
| 96130 | Workmen's Compensation | 140,967 | - | - | - | 15,206 | - | 51,057 | |
| 96140 | All other insurance | 169,322 | - | - | - | 932 | 14,564 | - | 2,500,921 |
| 96100 | Total insurance premiums | 1,750,448 | - | - | - | 932 | 87,484 | - | 3,348,197 |
| 96200 | General expenses: | | | | | | | | |
| 96200 | Other general expenses | 3,609,036 | - | 155 | - | - | 31,368 | - | 99,318 |
| 96210 | Compensated absences | 1,071,660 | - | - | - | 43,032 | 355,252 | - | - |
| 96400 | Bad debt - tenant rents | 2,266,360 | - | - | - | - | - | - | 1,742,787 |
| 96600 | Bad debt - other | - | - | - | - | - | - | - | - |
| 96000 | Total general expenses | 6,947,056 | - | 155 | - | 43,032 | 386,620 | - | 1,842,105 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Choice | Sect 8 NC/SR Programs | 2 State/Local | Business Activities | S8MR | Public Safety | Lead-Based Paint | Capital Fund Program Grant | COCC | Elimination | Total Entity |
|-----------------------------|---|------------------------------|-----------------------|---------------|---------------------|------|---|------------------|----------------------------|-----------|-------------|----------------|
| | | Neighborhoods Implementation | | | | | Partnership and Community Policing Grants | | | | | |
| EXPENSES (Continued) | | | | | | | | | | | | |
| | Utilities: | | | | | | | | | | | |
| 93100 | Water | \$ | - | \$ | - | \$ | - | \$ | - | \$ 11,330 | \$ | - \$ 4,568,931 |
| 93200 | Electricity | | - | - | - | - | - | - | - | 146,088 | - | 4,611,709 |
| 93300 | Gas | | - | - | - | - | - | - | - | 14,493 | - | 2,696,313 |
| 93600 | Sewer | | - | - | - | - | - | - | - | 21,788 | - | 9,598,921 |
| 93800 | Other utilities expense | | - | - | - | - | - | - | - | - | - | - |
| | Total utilities | | - | - | - | - | - | - | - | 193,699 | - | 21,475,874 |
| | Ordinary maintenance & operations: | | | | | | | | | | | |
| 94100 | Labor | - | - | - | - | - | - | - | - | 667,645 | - | 8,930,498 |
| 94200 | Materials and other | - | - | - | - | - | - | - | - | 116,975 | - | 2,877,981 |
| 94300 | Contracts | - | - | - | 10,724 | - | - | - | 67,245 | 348,101 | - | 18,552,500 |
| 94500 | Employee benefits contribution | | - | - | - | - | - | - | - | 314,023 | - | 2,432,872 |
| | Total ordinary maintenance & operations | | - | - | 10,724 | - | - | - | 67,245 | 1,446,744 | - | 32,793,851 |
| | Protective services: | | | | | | | | | | | |
| 95100 | Labor | - | - | - | - | - | 263,088 | - | - | - | - | 2,327,381 |
| 95200 | Other contract costs | | - | 220,097 | - | - | - | - | - | - | - | 1,949,922 |
| 95300 | Other | - | - | - | 11,738 | - | - | - | - | 1,138 | - | 459,846 |
| 95500 | Employee benefit contributions | | - | - | - | - | 70,062 | - | - | - | - | 816,996 |
| 95000 | Total protective services | | - | 220,097 | 11,738 | - | 333,150 | - | - | 1,138 | - | 5,554,145 |
| | Property insurance | - | - | - | - | - | - | - | - | 17,380 | - | 1,822,321 |
| 96120 | Liability insurance | - | - | - | - | - | - | - | - | - | - | 489,151 |
| 96130 | Workmen's Compensation | - | - | - | 3 | - | - | - | - | - | - | 207,233 |
| 96140 | All other insurance | 285 | - | 490 | 28 | - | 708 | - | - | 61,105 | - | 2,748,355 |
| 96100 | Total insurance premiums | 285 | - | 490 | 31 | - | 708 | - | - | 78,485 | - | 5,267,060 |
| | General expenses: | | | | | | | | | | | |
| 96200 | Other general expenses | - | - | - | 37 | - | - | - | - | 28,496 | - | 3,768,410 |
| 96210 | Compensated absences | 12,228 | - | 21,907 | - | - | 21,312 | - | - | 1,819,267 | - | 3,344,658 |
| 96400 | Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - | 4,009,147 |
| 96600 | Bad debt - other | - | - | - | - | - | - | - | - | - | - | - |
| 96000 | Total general expenses | 12,228 | - | 21,907 | 37 | - | 21,312 | - | - | 1,847,763 | - | 11,122,215 |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Project Total | EFA FSS | Emergency Housing Voucher | Multifamily Property Disposition | ROSS | HCVP | Mainstream Vouchers | Blended Component Unit |
|---------------------------------|---|----------------------|------------------|---------------------------------|--|------------------|-----------------------|------------------------|---------------------------|
| EXPENSES (Continued) | | | | | | | | | |
| 96710 | Interest of mortgage payable | \$ 761,714 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,480,429 |
| 96720 | Interest on notes payable | - | - | - | - | - | - | - | - |
| 96730 | Amortization of Bond Issue Costs | - | - | - | - | - | - | - | - |
| 96700 | Total interest expense and amortization | 761,714 | - | - | - | - | - | - | 2,480,429 |
| 96900 | Total operating expenses | 66,650,100 | 3,796 | 180,627 | - | 582,391 | 11,481,036 | 61,416 | 33,694,906 |
| 97000 | Excess of operating revenue over operating expenses | 19,114,725 | 15,141 | 2,664,057 | - | 13,305 | 109,674,114 | 850,030 | 4,166,940 |
| 97100 | Extraordinary maintenance | 20,366 | - | - | - | - | - | - | - |
| 97200 | Casualty Losses- Non-capitalized | 524,777 | - | - | - | - | 8,386 | - | - |
| 97300 | Housing assistance payments | 2,007,751 | - | 2,423,243 | - | - | 111,476,691 | 585,932 | - |
| 97350 | HAP Portability-in | - | - | - | - | - | - | - | - |
| 97400 | Depreciation expense | 3,680,035 | - | - | - | - | 3,015 | - | 4,133,787 |
| 90000 | Total expenses | 72,883,029 | 3,796 | 2,603,870 | - | 582,391 | 122,969,128 | 647,348 | 37,828,693 |
| Other financing sources (uses): | | | | | | | | | |
| 10010 | Operating transfer in | 5,030,997 | - | - | - | - | - | - | - |
| 10020 | Operating transfer out | (5,030,997) | - | - | - | - | - | - | - |
| 10070 | Extraordinary Items (Net Gain/Loss) | 1,669,482 | - | - | - | - | 398,847 | - | - |
| 10080 | Special Items (Pension/OPEB Allocation) | - | - | - | - | - | - | - | - |
| 10091 | Inter Project Excess Cash Transfer In | 1,920,508 | - | - | - | - | - | - | - |
| 10092 | Inter Project Excess Cash Transfer Out | (1,920,508) | - | - | - | - | - | - | - |
| 10100 | Total other financing sources (uses) | 1,669,482 | - | - | - | - | 398,847 | - | - |
| 10000 | EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES | \$ 14,551,278 | \$ 15,141 | \$ 240,814 | \$ - | \$ 13,305 | \$ (1,415,131) | \$ 264,098 | \$ 33,153 |
| Memo Account Information | | | | | | | | | |
| 11020 | Required annual debt principal payments | \$ 2,256,177 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11030 | Beginning equity | 110,476,234 | 2,772 | (16,755) | 1,400,000 | (13,305) | 1,852,929 | 315,893 | 104,692,567 |
| 11040 | Prior period adjustments, equity transfers | (6,817,230) | - | - | - | - | (452,596) | - | 6,111,853 |
| 11170 | Administrative fee equity | - | - | - | - | - | (30,390) | - | - |
| 11180 | Housing assistance payments equity | - | - | - | - | - | 15,592 | - | - |
| 11190 | Unit months available | 66,555 | - | 4,062 | - | - | 188,400 | 2,040 | 36,610 |
| 11210 | Number of unit months leased | 55,300 | - | 2,710 | - | - | 159,296 | 1,739 | 35,143 |
| 11620 | Building purchases | 14,377,132 | - | - | - | - | - | - | - |
| 13510 | CFFP debt services payments | 3,061,346 | - | - | - | - | - | - | - |

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2023

| Line Item# | Accounts Description | Choice | Sect 8 | | | | | Public Safety | | | |
|---------------------------------|---|---------------|----------|---------------|---------------------|-------------|---|---|----------------|--------------|---------------|
| | | Neighborhoods | NC/SR | 2 State/Local | Business Activities | S8MR | Partnership and Community Policing Grants | Lead-Based Paint Capital Fund Program Grant | COCC | Elimination | Total Entity |
| EXPENSES (Continued) | | | | | | | | | | | |
| 96710 | Interest of mortgage payable | \$ - | \$ - | \$ - | \$ 640,000 | \$ - | \$ - | \$ - | \$ 589,498 | \$ (329,076) | \$ 4,142,565 |
| 96720 | Interest on notes payable | - | - | - | - | - | - | - | - | - | - |
| 96730 | Amortization of Bond Issue Costs | - | - | - | - | - | - | - | - | - | - |
| 96700 | Total interest expense and amortization | - | - | - | 640,000 | - | - | - | 589,498 | (329,076) | 4,142,565 |
| 96900 | Total operating expenses | 1,918,552 | - | 708,176 | 1,079,206 | 133,798 | 362,828 | 69,935 | 15,833,729 | (12,005,700) | 120,754,796 |
| 97000 | Excess of operating revenue over operating expenses | 4,467,084 | 3,702 | (297,600) | 937,633 | 273,554 | 3,400 | - | (1,722,904) | (1,973,967) | 138,189,214 |
| 97100 | Extraordinary maintenance | 4,467,084 | - | - | - | - | - | - | - | - | 4,487,450 |
| 97200 | Casualty Losses- Non-capitalized | - | - | - | - | - | - | - | 1,000 | - | 534,163 |
| 97300 | Housing assistance payments | - | - | - | - | 364,989 | - | - | - | (1,973,967) | 114,884,639 |
| 97350 | HAP Portability-in | - | - | - | - | - | - | - | - | - | - |
| 97400 | Depreciation expense | - | - | - | 159 | - | - | - | 703,947 | - | 8,520,943 |
| 90000 | Total expenses | 6,385,636 | - | 708,176 | 1,079,365 | 498,787 | 362,828 | 69,935 | 16,538,676 | (13,979,667) | 249,181,991 |
| Other financing sources (uses): | | | | | | | | | | | |
| 10010 | Operating transfer in | - | - | - | - | - | - | - | - | (5,030,997) | - |
| 10020 | Operating transfer out | - | - | - | - | - | - | - | - | 5,030,997 | - |
| 10070 | Extraordinary Items (Net Gain/Loss) | - | - | - | - | - | - | - | 987,668 | - | 3,055,997 |
| 10080 | Special Items (Pension/OPEB Allocation) | - | - | - | - | - | - | - | - | - | - |
| 10091 | Inter Project Excess Cash Transfer In | - | - | - | - | - | - | - | - | (1,920,508) | - |
| 10092 | Inter Project Excess Cash Transfer Out | - | - | - | - | - | - | - | - | 1,920,508 | - |
| 10100 | Total other financing sources (uses) | - | - | - | - | - | - | - | 987,668 | - | 3,055,997 |
| 10000 | EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES | \$ - | \$ 3,702 | \$ (297,600) | \$ 937,474 | \$ (91,435) | \$ 3,400 | \$ - | \$ (1,440,183) | \$ - | \$ 12,818,016 |
| Memo Account Information | | | | | | | | | | | |
| 11020 | Required annual debt principal payments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,256,177 |
| 11030 | Beginning equity | - | 616,895 | 297,600 | 44,656,676 | 306,803 | (3,400) | - | (16,789,437) | - | 247,795,472 |
| 11040 | Prior period adjustments, equity transfers | - | - | - | - | - | - | - | 314,903 | - | (843,070) |
| 11170 | Administrative fee equity | - | - | - | - | - | - | - | - | - | (30,390) |
| 11180 | Housing assistance payments equity | - | - | - | - | - | - | - | - | - | 15,592 |
| 11190 | Unit months available | - | - | - | - | 684 | - | - | - | - | 298,351 |
| 11210 | Number of unit months leased | - | - | - | - | 519 | - | - | - | - | 254,707 |
| 11620 | Building purchases | - | - | - | - | - | - | - | - | - | 14,377,132 |
| 13510 | CFFP debt services payments | - | - | - | - | - | - | - | - | - | 3,061,346 |

OTHER INFORMATION

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
OTHER INFORMATION
SCHEDULE OF RESTRICTED AND NONRESTRICTED NET REVENUES
DECEMBER 31, 2023

Schedule of Restricted and Nonrestricted Net Revenues

| Nonrestricted Operating Expenses Excluding Depreciation and Debt Service | | | | | |
|--|--------------|---------------------|------------------------------------|--------------|------------------------------------|
| Nonrestricted Revenues | | | Business Activities Component Unit | | |
| | COCC | Business Activities | Blended | COCC | Business Activities Component Unit |
| 2018 | \$13,103,910 | \$1,493,423 | \$6,192,719 | \$14,986,579 | \$74,838 \$510,756 |
| 2019 | 18,297,572 | 2,370,204 | 8,295,637 | 9,663,581 | 1,587,954 1,044,484 |
| 2020 | 15,905,501 | 1,035,153 | 7,988,071 | 14,942,527 | 254,818 2,039,592 |
| 2021 | 15,302,927 | 270,769 | 14,239,391 | 13,116,080 | 86,361 1,750,031 |
| 2022 | 14,815,094 | 170,330 | 39,361,966 | 24,141,207 | 159,653 22,191,183 |
| 2023 | 14,110,825 | 1,009,343 | 35,056,136 | 15,244,231 | 208,201 29,067,452 |

| Restricted Operating Expenses Excluding Depreciation and Debt Service | | | | | |
|---|------|---------------------|------------------------------------|------|------------------------------------|
| Restricted Revenues | | | Business Activities Component Unit | | |
| | COCC | Business Activities | Blended | COCC | Business Activities Component Unit |
| 2018 | \$ | \$168,423 | \$6,525,150 | \$ | \$149,916 \$3,802,044 |
| 2019 | | 205,094 | 6,351,669 | | 300,241 4,370,597 |
| 2020 | | 2,291,788 | 8,295,324 | | 416,450 7,434,869 |
| 2021 | | 1,344,048 | 10,307,374 | | 1,254,641 8,459,026 |
| 2022 | | 759,788 | 5,955,007 | | 559,001 233,365 |
| 2023 | | 1,007,496 | 2,805,710 | | 231,005 2,147,025 |

| Operating Expenses Excluding Depreciation and Debt Service per FDS | | | | | |
|--|--------------|---------------------|------------------------------------|--------------|------------------------------------|
| Revenues per FDS | | | Business Activities Component Unit | | |
| | COCC | Business Activities | Blended | COCC | Business Activities Component Unit |
| 2018 | \$13,103,910 | \$1,661,846 | \$12,717,869 | \$14,986,579 | \$224,754 \$4,312,800 |
| 2019 | 18,297,572 | 2,575,298 | 14,647,306 | 9,663,581 | 1,888,195 5,415,081 |
| 2020 | 15,905,501 | 3,326,941 | 16,283,395 | 14,942,527 | 671,268 9,474,461 |
| 2021 | 15,302,927 | 1,614,817 | 24,546,765 | 13,116,080 | 1,341,002 10,209,057 |
| 2022 | 14,815,094 | 930,118 | 45,316,973 | 24,141,207 | 718,654 22,424,548 |
| 2023 | 14,110,825 | 2,016,839 | 37,861,846 | 15,244,231 | 439,206 31,214,477 |

Revenues per FDS line 70000

Expenses per FDS line 96900 less line 967000

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
OTHER INFORMATION
SCHEDULE OF UNRESTRICTED NET INCOME
DECEMBER 31, 2023

Schedule of Unrestricted Net Income

| | Authority Revenues | Nonrestrictive Operating Expenses | | Net Income |
|------|--------------------|--|--|--------------|
| | Nonrestricted | Excluding Depreciation and Debt Service | | (Loss) |
| 2018 | \$ 20,790,052 | \$ 15,572,174 | | \$ 5,217,878 |
| 2019 | 28,963,413 | 12,296,019 | | 16,667,394 |
| 2020 | 24,928,725 | 17,236,937 | | 7,691,788 |
| 2021 | 29,813,087 | 14,952,472 | | 14,860,615 |
| 2022 | 54,347,390 | 46,492,043 | | 7,855,347 |
| 2023 | 50,176,304 | 44,519,884 | | 5,656,420 |

| | Authority Revenues | Nonrestrictive Operating Expenses | | Net Income |
|------|--------------------|--|--|------------|
| | Nonrestricted | Excluding Depreciation and Debt Service | | (Loss) |
| 2018 | \$ 20.8 | \$ 15.6 | | \$ 5.2 |
| 2019 | 29.0 | 12.3 | | 16.7 |
| 2020 | 24.9 | 17.2 | | 7.7 |
| 2021 | 29.8 | 15.0 | | 14.9 |
| 2022 | 54.4 | 46.5 | | 7.9 |
| 2023 | 50.2 | 44.5 | | 5.7 |

SINGLE AUDIT REPORT



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

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Cuyahoga Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Cuyahoga Metropolitan Housing Authority's basic financial statements, and have issued our report thereon dated July 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the blended component units of Quarrytown Redevelopment, LLC, Severance Redevelopment, LLC, Ambleside Redevelopment, LLC, Riverside Park Homes, L.P. and 2045 Transformation, LLC. Our report also includes a reference to other auditors who audited the financial statements of the 15 aggregate discretely presented component units as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of 2045 Transformation, LLC., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly Limited Partnership, Fairfax Intergenerational Housing, L.P., Riverside Park Phase II, L.P., Riverside Park Phase III, L.P., and East Side Neighborhood Homes, L.P. were not performed in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances or reportable noncompliance associated of these entities.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Maumee, Ohio
July 31, 2024



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

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Other Matter – Federal Expenditures Not included in the Compliance Audit

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001, 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 Cuyahoga Metropolitan Housing Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Cuyahoga Metropolitan Housing Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

The logo consists of the company name "CliftonLarsonAllen LLP" written in a stylized, cursive, black font.

CliftonLarsonAllen LLP

Maumee, Ohio
July 31, 2024

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

| Federal Grantor/Pass through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Federal Expenditures |
|---|--|---|---------------------------------------|-------------------------|
| U.S. Department of Housing and Urban Development (HUD) | | | | |
| Direct Awards: | | | | |
| Public and Indian Housing | 14.850 | N/A | \$ | - \$ 48,988,224 |
| Public Housing Capital Fund Program | 14.872 | N/A | - | 27,738,099 |
| Resident Opportunity and Supportive Services | 14.870 | N/A | - | 582,391 |
| Choice Neighborhood Implementation Grant | 14.889 | N/A | - | 6,385,636 |
| Section 8 Project-Based Cluster | | | | |
| Moderate Rehabilitation | 14.856 | N/A | - | 498,787 |
| New Construction and Substantial Rehabilitation | 14.182 | N/A | - | <u>21,898,034</u> |
| Total Section 8 Project-Based Cluster | | | | <u>22,396,821</u> |
| Housing Voucher Cluster: | | | | |
| Mainstream Vouchers | 14.879 | N/A | - | 647,348 |
| Housing Choice Vouchers | 14.871 | N/A | - | 122,969,128 |
| Emergency Housing Vouchers | 14.871 | N/A | - | <u>2,603,870</u> |
| Total Housing Choice Vouchers | | | | <u>125,572,998</u> |
| Total Housing Voucher Cluster | | | | <u>126,220,346</u> |
| Family Self-Sufficiency | 14.896 | N/A | - | 3,796 |
| Lead-Based Paint Capital Fund Grant | 14.888 | N/A | - | <u>69,935</u> |
| Total U.S. Department of Housing and Urban Development | | | | 232,385,248 |
| U.S. Department of Justice (DOJ) | | | | |
| Direct Awards: | | | | |
| Public Safety & Community Policing Grants | 16.710 | | | <u>362,828</u> |
| Total Expenditures of Federal Awards | | | | <u>\$ 232,748,076</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

NOTE 4 NONCASH FEDERAL ASSISTANCE

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

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

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of Major Federal Programs

| ALN Number(s) | Name of Federal Program or Cluster |
|--|---|
| 14.889 | Choice Neighborhood Implementation Grants |
| 14.856/14.182 | Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation / Section 8 New Construction and Substantial Rehabilitation |
| 14.872 | Public Housing Capital Fund |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$ <u>3,000,000</u> |
| Auditee qualified as low-risk auditee? | <input checked="" type="checkbox"/> yes _____ no |

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

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

2023 – 001

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation / Section 8 New Construction and Substantial Rehabilitation

Assistance Listing Number: 14.856/14.182

Federal Award Identification Number and Year: OH003 - 2023

Award Period: January 1, 2023 through December 31, 2023

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or specific requirement: The PHA or owner must provide housing that is decent, safe, and sanitary. To achieve this end, the PHA or owner must perform housing quality inspections at the time of initial occupancy and at least annually thereafter to ensure that the units are decent, safe and sanitary (24 CFR sections 880.612, 881.601, 882.516, 882.808(n), 883.701, 884.217, 886.123 and 886.323).

Condition: During our testing of 40 tenant files for housing quality standard (HQS) requirements, we noted that 5 tenants selected did not have a HQS inspection performed annually.

Questioned costs: Unknown

Context: Testing of 40 Section 8 Project-Based Cluster tenant files identified an exception in 5 files. In these instances, the tenants had not had an annual HQS inspection.

Cause: During the audited period, the Authority underwent a generational change in its system of record, changed inspection vendors, experienced a fifty percent turnover in the inspections in-house team and processed an unprecedented volume of HQS in-person inspections required by HUD as it emerged from COVID pandemic waivers. Since 2023, the inspections team is reviewing our inspections processes to ensure compliance with HQS guidelines and requirements.

Effect: The Authority is not in compliance with HUD guidelines for HQS requirements.

Repeat Finding: No

Recommendation: We recommend the Authority review their process for scheduling inspections to ensure they are performed timely.

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



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**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2023**

U.S. Department of Housing and Urban Development

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

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

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

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2023-001 Section 8 Project Based Cluster – Assistance Listing No. 14.856/14.182

Recommendation: We recommend the Authority review their process for scheduling inspections to ensure they are performed timely.

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

Action taken in response to finding: The Authority will review the inspection policies and procedures to ensure compliance with HQS guidelines and requirements.

Name of the contact person responsible for corrective action: Claire Russ, Chief of Agency Analytics, Inspections and Technology

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

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Bo Truett at 216-348-5000.



COMMITMENT ACCOUNTABILITY RESPECT EXCELLENCE SAFETY

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2023**

U.S. Department of Housing and Urban Development

The Cuyahoga Metropolitan Housing Authority respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2023.

Audit period: January 1, 2022 through December 31, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement findings in the prior year.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2022 – 001 Public and Indian Housing Eligibility

Condition: During our testing of 40 tenant files for eligibility requirements, the Authority was unable to locate complete support for 1 tenant file. They were unable to locate the following:

- Birth certificates for all dependents
- Declaration 214 form for all members of the household
- Copy of the completed annual recertification checklist

Status: This finding was corrected during FY23.

If the U.S. Department of Housing and Urban Development has questions regarding this schedule, please call Bo Truett, Director of Finance at 216-348-5000.

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OHIO AUDITOR OF STATE KEITH FABER



CUYAHOGA METROPOLITAN HOUSING AUTHORITY

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/7/2024

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

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