



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED SEPTEMBER 30, 2024





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Columbus, Ohio 43215  
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Board of Commissioners  
Clermont Metropolitan Housing Authority  
65 South Market Street  
Batavia, Ohio 45103

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

The Auditor of State is conducting an investigation, which is on-going as of the date of this report. Dependent on the outcome of the investigation, results may be reported on at a later date.

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. Clermont Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 10, 2025**

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**Clermont Metropolitan Housing Authority**

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*For the Year Ended September 30, 2024*

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## INDEPENDENT AUDITOR'S REPORT

Clermont Metropolitan Housing Authority  
Clermont County  
65 South Market Street  
Batavia, Ohio 45103

To the Board of Commissioners

### Report on the Audit of the Financial Statements

#### ***Opinion***

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

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

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

***Supplementary information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.  
Circleville, Ohio  
March 12, 2025

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**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

Throughout this document, references to “we”, “our”, “Authority” or “us” refer to the Clermont Metropolitan Housing Authority.

**Management’s Discussion and Analysis**

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

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements (beginning on page 13).

**FINANCIAL HIGHLIGHTS**

- The Authority’s total assets were \$12,798,522 and \$10,076,316 for 2024 and 2023, respectively. The Authority-wide statements reflect a increase in total assets of \$2,722,206 during 2024, primarily related to the sale of several properties.
- Revenues increased by \$3,567,117 over 2023, primarily related to the sale of several properties as well as significant increases in HAP received, and were \$13,491,068 and \$9,923,951 for 2024 and 2023, respectively.
- Total expenses of all Authority programs increased by \$1,184,487, primarily related to significant increases in HAP expenses. Total expenses were \$10,804,107 and \$9,619,620 for 2024 and 2023, respectively.

**Using This Annual Report**

The report includes three major sections: The Management’s Discussion and Analysis (MD&A), the Basic Financial Statements, and Other Required Supplementary Information.

**MD&A**

- Management Discussion and Analysis

**Basic Financial Statements**

Authority-wide Financial Statements  
Notes to Financial Statements

**Other Required Supplementary Information**

Required Supplementary Information (Other than MD&A)

The primary focus of the Authority’s financial statements is on the Authority as a whole (Authority-wide). This allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

**AUTHORITY-WIDE FINANCIAL STATEMENTS**

The Authority-wide financial statements (see pages 13-16) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

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

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

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

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

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

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

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

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

**Fund Financial Statements**

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the programs maintained by the Authority are required by the U.S. Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

**Authority's Programs**

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

***Capital Fund Program*** - The Capital Fund Program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

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

***Rental Assistance Demonstration (RAD)*** - The Rental Assistance Program was created to give public housing authorities a powerful tool to preserve and improve public housing properties. RAD allows public housing agencies to leverage public and private debt and equity to reinvest in the public housing stock. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households. Residents continue to pay 30 percent of their income towards the rent, and they maintain the same basic rights as they possess in the public housing program. In fiscal year-end 2017, the Authority created the component unit, Birney Lane 52, to own 26 former Public Housing Program units converted under RAD.

***Non-HUD/Business Activities Programs*** - This area encompasses property acquisition, development, and management activities of non-federal Business-Type Activities similar to those found in its private sector counterparts. The Authority formed this program in 2014 to begin developing a non-federal affordable housing portfolio aimed to increase housing opportunities for low-income families in its jurisdiction.

In addition, in 2016 the Authority furthered this initiative with the formation of an Authority owned 501 (c) (3) instrumentality. The Clermont Housing Corporation (CHC) was incorporated under the direction of the Clermont Metropolitan Housing Authority Board of Directors as of February 19, 2016. CHC intends to provide affordable housing, supportive programs, and other benefits for low- and moderate- income people. CHC proposes to create affordable housing opportunities through development, ownership, rental and/or sales of housing. CHC may begin to seek grants and other funds to further its goal of developing, owning and/or managing housing units, with a focus on decent, safe and sanitary dwellings for low- and moderate-income persons. CHC, which currently owns and operates 35 affordable housing units in the jurisdiction, envisions developing rental units through a variety of public and private financing sources. CHC is reported as a component unit of the Authority.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

**Authority Statements**

**Statement of Net Position**

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

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

	2024	2023
<b><u>Assets and Deferred Outflows of Resources</u></b>		
<b><u>Assets</u></b>		
Current Assets	\$ 5,403,943	\$ 2,451,107
Capital Assets	7,346,709	7,625,209
Other Assets	47,870	-
<b>Total Assets</b>	<u>12,798,522</u>	<u>10,076,316</u>
 <b>Deferred Outflows of Resources</b>	 <u>454,007</u>	 <u>774,910</u>
 <b>Total Assets and Deferred Outflows of Resources</b>	 <u><u>\$ 13,252,529</u></u>	 <u><u>\$ 10,851,226</u></u>
 <b><u>Liabilities, Deferred Inflows of Resources, and Net Position</u></b>		
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 326,319	\$ 378,517
Non-Current Liabilities	2,556,603	2,821,745
<b>Total Liabilities</b>	<u>2,882,922</u>	<u>3,200,262</u>
 <b>Deferred Inflows of Resources</b>	 <u>51,631</u>	 <u>19,949</u>
 <b><u>Net Position</u></b>		
Net Investment in Capital Assets	6,346,589	6,583,279
Restricted	2,712,897	676,826
Unrestricted	1,258,490	370,910
<b>Total Net Position</b>	<u>10,317,976</u>	<u>7,631,015</u>
 <b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	 <u><u>\$ 13,252,529</u></u>	 <u><u>\$ 10,851,226</u></u>

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

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

**Major Factors Affecting the Statement of Net Position**

The increase in current assets of \$2,952,836 was primarily in Cash, which is related to the sale of several properties. Capital Assets only decreased by \$278,500, since all of the properties sold were fully depreciated and the depreciation expense of \$383,606.

Other notable changes on the statement were to Deferred Outflows and restricted net position. Deferred Outflows decreased by \$320,903. This is related to the annual GASB 68 and 75 adjustments. Restricted Net Position increased by \$2,036,071 which is related to the disposition of Public Housing units where the funds are held for adding back additional Public Housing units.

**Change of Restricted and Unrestricted Net Position**

Table 2 presents details of the change in Net Position.

**Table 2 - Change of Net Position**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Net Investment in Capital Assets</b>
Beginning Balance - September 30, 2023	\$ 370,910	\$ 676,826	\$ 6,583,279
Results of Operations	2,686,961	-	-
Current year Depreciation Expenses (1)	383,606	-	(383,606)
Capital Expenditures (2)	(105,106)	-	105,106
Gain on Property Sales	(2,162,235)	2,162,235	-
Debt Retired (2)	(41,810)		41,810
OPEB Asset	(47,870)	47,870	-
Restricted Cash Held	174,034	(174,034)	-
<b>Ending Balance - September 30, 2024</b>	<b>\$ 1,258,490</b>	<b>\$ 2,712,897</b>	<b>\$ 6,346,589</b>

(1) Depreciation and Gain on Disposition are treated as expense and revenue and reduce the Results of Operations but does not have an impact on Unrestricted Net Position.

(2) Capital expenditures and changes in debt represent changes in unrestricted net position, but are not reflected in Results of Operations and, therefore, are presented as adjustments in this table.

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

**CLERMONT METROPOLITAN HOUSING AUTHORITY**  
**CLERMONT COUNTY, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**  
**(UNAUDITED)**

**Statement of Revenues, Expenses, and Changes in Net Position**

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

**Table 3 - Condensed Statement of Revenues, Expenses, and Changes in Net Position Compared to Prior Year**

	<b>2024</b>	<b>2023</b>
<b><u>Revenues</u></b>		
Total Tenant Revenues	\$ 1,000,574	\$ 935,946
Operating Subsidies	8,619,691	7,573,839
Capital Grants	332,808	1,280,833
Investment Income	43,152	19,780
Other Revenues and Gain on Sale of Capital Assets	3,494,843	113,553
<b>Total Revenues</b>	<b>13,491,068</b>	<b>9,923,951</b>
<b><u>Expenses</u></b>		
Administrative and Tenant Services	1,775,178	1,631,199
Utilities	208,719	199,158
Maintenance	972,989	1,063,982
Interest and General Expenses	512,900	345,120
Housing Assistance Payments	6,950,715	5,982,202
Depreciation	383,606	397,959
<b>Total Expenses</b>	<b>10,804,107</b>	<b>9,619,620</b>
<b>Change in Net Position</b>	<b>2,686,961</b>	<b>304,331</b>
Net Position - Beginning of Year	7,631,015	7,326,484
Prior Year Audit Adjustments	-	200
<b>Net Position - End of Year</b>	<b>\$ 10,317,976</b>	<b>\$ 7,631,015</b>

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

Overall revenues increased mainly due to the sale of several of the properties in the current year as well as significant increases in HAP revenue as seen in the \$3,381,290 difference in Other Revenue. The Capital Grant Revenue is down significantly compared to the prior year. HUD provides Capital Grant Funding annually on a formula basis. It is the primary source of funding of capital improvements for units in the Public Housing program. Housing Authorities typically have up to 4 years to expend the Capital Grant funding provided in any year. Often funds are accumulated as projects are being planned or until enough has accumulated to pay for needed improvements. The decrease in the current year is primarily related to a parking lot project at the multifamily sites. The project alone accounted for nearly \$1,000,000 in the prior year.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

**MAJOR FACTORS AFFECTING THE STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (continued)**

Expenses also increased by \$1,184,487. This is related primarily to an increase in HAP expenses in the amount of \$968,513. This offsets the significant increase in HAP revenue received this year.

**CAPITAL ASSETS**

As of year-end, the Authority had \$7,346,709 invested in a variety of capital assets as reflected in the following schedule, which represents a net reduction of \$278,500 (current additions less current dispositions and depreciation).

**Table 4 - Condensed Statement of Changes in Capital Assets**

	<b>2024</b>	<b>2023</b>
Land	\$ 2,254,214	\$ 2,254,214
Buildings & Improvements	17,639,786	18,086,461
Furniture, Equipment, and Machinery	733,235	726,222
Leasehold Improvement	147,296	147,296
Construction in Process	-	1,115,212
Accumulated Depreciation	(13,427,822)	(14,704,196)
<b>Total</b>	<b>\$ 7,346,709</b>	<b>\$ 7,625,209</b>

The following reconciliation summarizes the change in Capital Assets.

**Table 5 - Changes in Capital Assets**

Beginning Balance - September 30, 2023	\$ 7,625,209
Current Year Additions	105,106
Current Year Dispositions	
Current Year Depreciation	(383,606)
<b>Ending Balance - September 30, 2024</b>	<b>\$ 7,346,709</b>

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024  
(UNAUDITED)**

**DEBT**

The following reconciliation summarizes the change in Debt related to Clermont Housing Corporation and Birney Lane 52.

**Table 6 - Changes in Debt**

Beginning Balance - September 30, 2023	\$ 1,041,930
New Debt in Period	-
Debt Retirement in Period	<u>(41,810)</u>
<b>Ending Balance - September 30, 2024</b>	<b><u>\$ 1,000,120</u></b>

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by congress to the U.S. Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wages rates.
- 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
- The pandemic has affected every aspect related to the operations of the agency

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Alicia Morlatt, Executive Director of the Clermont Metropolitan Housing Authority, at (513) 732-6010. Specific requests may be submitted to the Clermont Metropolitan Housing Authority at 65 South Market Street, Batavia, Ohio 45103.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**Assets**

**Current Assets**

Cash and Cash Equivalents	\$ 2,557,224
Restricted Cash and Cash Equivalents	2,756,834
Receivables, net	71,047
Prepaid Expenses	18,838
<b>Total Current Assets</b>	<b>5,403,943</b>

**Non-Current Assets**

Capital Assets	
Non-Depreciable Capital Assets	2,254,214
Depreciable Capital Assets, net	5,092,495
Total Capital Assets	7,346,709
Other Assets	47,870
<b>Total Non-Current Assets</b>	<b>7,394,579</b>
<b>Total Assets</b>	<b>12,798,522</b>

**Deferred Outflows of Resources**

Deferred Outflows of Resources - Pension	411,810
Deferred Outflows of Resources - OPEB	42,197
<b>Total Deferred Outflow of Resources</b>	<b>454,007</b>

**TOTAL ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES**

**\$ 13,252,529**

See accompanying notes to the financial statements.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**Liabilities**

**Current Liabilities**

Accounts Payable	\$ 25,109
Accrued Liabilities	178,598
Tenants' Security Deposits	77,517
Long-Term Debt - Current Portion	45,095
<b>Total Current Liabilities</b>	<b>326,319</b>

**Non-Current Liabilities**

Accrued Compensated Absences, Non-Current	192,810
Long-Term Debt, Net of Current	955,025
Net Pension Liability	1,408,768
<b>Total Non-Current Liabilities</b>	<b>2,556,603</b>

<b>Total Liabilities</b>	<b>2,882,922</b>
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**Deferred Inflows of Resources**

Deferred Inflows of Resources - Pension	24,216
Deferred Inflows of Resources - OPEB	27,415
<b>Total Deferred Inflow of Resources</b>	<b>51,631</b>

**Net Position**

Net Investment in Capital Assets	6,346,589
Restricted	2,712,897
Unrestricted	1,258,490
<b>Total Net Position</b>	<b>10,317,976</b>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES, AND NET POSITION**

**\$ 13,252,529**

See accompanying notes to the financial statements.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

<b>Operating Revenues</b>	
Tenant Revenue	\$ 1,000,574
Governmental Revenue	8,619,691
Other Revenue	1,257,925
<b>Total Operating Revenues</b>	<u>10,878,190</u>
<b>Operating Expenses</b>	
Administrative	1,690,694
Tenant Services	84,484
Utilities	208,719
Maintenance	972,989
General Expenses	431,892
Housing Assistance Payments	6,950,715
Depreciation	383,606
<b>Total Operating Expenses</b>	<u>10,723,099</u>
<b>Operating Income/(Loss)</b>	<u>155,091</u>
<b>Non-Operating Revenues (Expenses)</b>	
Capital Grant Revenue	332,808
Gain on Sale of Capital Assets	2,236,918
Interest and Investment Revenue	43,152
Interest Expense	(81,008)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>2,531,870</u>
<b>Change in Net Position</b>	<u>2,686,961</u>
Net Position - Beginning of Year	7,631,015
Prior Year Audit Adjustments	
<b>Total Net Position - End of Year</b>	<u>\$ 10,317,976</u>

See accompanying notes to the financial statements.

**CLERMONT METROPOLITAN HOUSING AUTHORITY**  
**CLERMONT COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

<b><u>Cash Flows from Operating Activities</u></b>	
Operating Grants Received	\$ 8,727,970
Tenant Revenue Received	966,876
Other Revenue	1,247,134
Administrative Expenses	(2,906,467)
Other Operating Expenses	(431,892)
Housing Assistance Payments	(6,950,715)
<b>Net Cash Provided by Operating Activities</b>	<b><u>652,906</u></b>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest Earned	43,152
<b>Net Cash Provided from investing Activities</b>	<b><u>43,152</u></b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Capital Grants Received	332,808
Retirement of Debt	(41,810)
Interest Paid on Debt	(81,008)
Gain on Sale of Capital Assets	2,236,918
Acquisition of Capital Assets	(105,106)
<b>Net Cash Provided by (Used By) Capital and Related Financing Activities</b>	<b><u>2,341,802</u></b>
<b><u>Net Increase in Cash</u></b>	<b><u>3,037,860</u></b>
Cash and Cash Equivalents - Beginning of Year	2,276,198
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 5,314,058</u></b>
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>	
Net Operating Income (Loss)	\$ 155,091
Adjustments to Reconcile Net Income to Net Cash Used by Operating Activities:	
Depreciation	383,606
(Increase) Decrease in Accounts Receivable	(10,791)
(Increase) Decrease in Prepaid and Other Assets	(3,391)
(Increase) Decrease in Deferred Outflows	320,903
(Increase) Decrease in HUD Receivable	108,279
(Increase) Decrease in Tenant Receivable	(9,073)
(Increase) Decrease in Net OPEB Asset	(47,870)
Increase (Decrease) in Accounts Payable	(83,170)
Increase (Decrease) in Accrued Payroll	52,050
Increase (Decrease) in Other Liabilities	51,682
Increase (Decrease) in Tenant Security Deposits	(24,625)
Increase (Decrease) in Net Pension Liability	(271,467)
Increase (Decrease) in Deferred Inflows	31,682
<b>Net Cash Provided by operating Activities</b>	<b><u>\$ 652,906</u></b>

See accompanying notes to the financial statements.

**CLERMONT METROPOLITAN HOUSING AUTHORITY**  
**CLERMONT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

**Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Clermont Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low- and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, *the Financial Reporting Entity*, (as amended by GASB Statement No. 61) in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

**Basis of Presentation**

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

**Fund Accounting**

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

Funds are classified into three categories: governmental, proprietary, and fiduciary. The Authority uses the proprietary category for its programs.

**Proprietary Fund Types**

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

*Enterprise Fund* - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Measurement Focus/Basis of Accounting**

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

**Description of Programs**

The following are the various programs which are included in the single enterprise fund:

*Public Housing Program*

The public housing program is designed to provide low-cost housing within the Clermont County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

*Capital Fund Program*

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

*Housing Choice Voucher Program*

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit, or public landlords to subsidize rentals for low-income persons.

*Non-HUD/Business Activities Programs*

This area encompasses property acquisition, development, and management activities of non-federal *Business-Type Activities* similar to those found in private sector counterparts. The Authority formed this program in 2014 to begin developing a non-federal affordable housing portfolio aimed to increase housing opportunities for low-income families in its jurisdiction. This program acquired and operates three single family properties.

*Blended Component Unit – Birney Lane 52, LLC*

The Rental Assistance Program was created in order to give public housing authorities a powerful tool to preserve and improve public housing properties. RAD allows public housing agencies to leverage public and private debt and equity to reinvest in the public housing stock. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households. Residents continue to pay 30 percent of their income towards the rent, and they maintain the same basic rights as they possess in the public housing program. The Blended Component Unit, Birney Lane 52, LLC, was created to own the RAD project.

*Blended Component Unit – Clermont Housing Corporation*

The Clermont Housing Corporation (CHC) was incorporated under the direction of the Clermont Metropolitan Housing Authority Board of Directors as of February 19, 2016. CHC intends to provide affordable housing, supportive programs, and other benefits for low- and moderate- income people. CHC proposes to create affordable housing opportunities through development, ownership, rental and/or sales of housing. CHC may begin to seek grants and other funds to further its goal of developing, owning and/or managing housing units, with a focus on decent, safe, and sanitary dwellings for low- and moderate- income persons. CHC, which currently owns and operates 35 affordable housing units in the jurisdiction, envisions developing rental units through a variety of public and private financing sources.

**Investments**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending September 30, 2024, totaled \$43,152.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

**Capital Assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$5,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land Improvements	20 years
Buildings	40 years
Building Improvements	15 years
Furniture, Equipment, and Machinery	3-10 years
Leasehold Improvements	15 years

**Net Position**

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

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.

**Operating Revenues and Expenses**

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day-to-day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

**Capital Contributions**

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less, and non-negotiable Certificates of Deposits regardless of original maturities.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

**Compensated Absences**

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

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

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

**Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual operating budgets for all its HUD funded programs. The budget for its programs is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. The Board of Commissioners adopts the budget through passage of a budget resolution.

**Accounting and Reporting for Non-Exchange Transactions**

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return.

In conformity with the requirements of GASB Statement No. 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after September 30, 2000, as revenues and the related depreciation thereon, as expenses in the accompanying Statement of Revenue, Expenses, and Changes in Net Position.

**Estimates**

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

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

**Pensions/Other Postemployment Benefits (OPEB)**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net 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 on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

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

**NOTE 2: DEPOSITS AND INVESTMENTS**

**Deposits**

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

1. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
2. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two periods of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

**CLERMONT METROPOLITAN HOUSING AUTHORITY**  
**CLERMONT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 2: DEPOSITS AND INVESTMENTS (continued)**

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by the Authority or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year-end September 30, 2024, the carrying amount of the Authority's deposits totaled \$5,314,058. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of September 30, 2024, the Authority's total bank balance was \$5,341,432. Of this balance \$4,341,432 was exposed to custodial risk as discussed below, while \$1,000,000 was covered by the Federal Depository Insurance Corporation.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the Authority's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC). As well as qualified securities pledged by the institution holding the assets, Ohio law requires that deposits either be insured or protected by:

1. Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The Authority's financial institutions had enrolled in OPCS as of November 30, 2018.

**Investments**

The Authority had no investments on September 30, 2024.

**NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS**

Restricted cash balance as of September 30, 2024, of \$2,756,834 represents cash on hand for the following:

Proceeds from sale of PH scattered sites plus interest earned	\$ 2,530,773
HAP Cash	21,422
Tenant Security Deposits	91,807
RAD Agreement Repayments	58
Birney Lane 52 Replacement Reserve	112,774
<b>Total Restricted Cash</b>	<b><u>\$ 2,756,834</u></b>

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 4: RISK MANAGEMENT**

The Authority is covered for property damage, general liability, automobile liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association (SHARP). SHARP is an insurance risk pool comprised of 39 Ohio housing authorities, of which the Authority is a member. SHARP is a member of the Public Entity Risk Consortium (PERC), a self-insurance pool owned by its members. PERC provides SHARP specific excess coverage above its net retained limits. Deductible and coverage limits are summarized below:

<b>Type of Coverage</b>	<b>Deductible</b>	<b>Coverage Limits</b>
Property	\$ 1,500	\$ 250,000,000
Automobile Physical Damage	500	(Per Occurrence)
Boiler and Machinery	1,000	100,000,000
<b>Liability</b>		
General	-	2,000,000
Automobile	-	included
Public Officials	-	included
Law Enforcement	-	included
Professional Liability	\$ 5,000	\$ 1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year. Health, dental, vision, and life insurance is offered to Authority employees through a commercial insurance company. Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

**CLERMONT METROPOLITAN HOUSING AUTHORITY**  
**CLERMONT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 5: CAPITAL ASSETS**

	9/30/2023	Additions	Dispositons	Reclasses	Balance 9/30/2024
<b><u>Capital Assets Not Being Depreciated</u></b>					
Land	\$ 2,254,214	\$ -	\$ -	\$ -	\$ 2,254,214
Construction in Process	1,115,212		-	(1,115,212)	-
<b>Total Capital Assets Not Being Depreciated</b>	<b>3,369,426</b>	<b>-</b>	<b>-</b>	<b>(1,115,212)</b>	<b>2,254,214</b>
<b><u>Capital Assets Being Depreciated</u></b>					
Buildings and Improvements	18,086,461	98,093	(1,659,980)	1,115,212	17,639,786
Furniture, Equipment, and Machinery	726,222	7,013	-	-	733,235
Leasehold Improvements	147,296	-	-	-	147,296
<b>Total Capital Assets Being Depreciated</b>	<b>18,959,979</b>	<b>105,106</b>	<b>(1,659,980)</b>	<b>1,115,212</b>	<b>18,520,317</b>
<b><u>Accumulated Depreciation</u></b>					
Buildings and Improvements	(14,050,226)	(350,053)	1,659,980	-	(12,740,299)
Furniture, Equipment, and Machinery	(594,474)	(30,429)	-	-	(624,903)
Leasehold Improvements	(59,496)	(3,124)	-	-	(62,620)
<b>Total Accumulated Depreciation</b>	<b>(14,704,196)</b>	<b>(383,606)</b>	<b>1,659,980</b>	<b>-</b>	<b>(13,427,822)</b>
<b>Depreciable Capital Assets, net</b>	<b>4,255,783</b>	<b>(278,500)</b>	<b>-</b>	<b>1,115,212</b>	<b>5,092,495</b>
<b>Total Capital Assets</b>	<b>\$ 7,625,209</b>	<b>\$ (278,500)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,346,709</b>

**NOTE 6: DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

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

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

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

**CLERMONT METROPOLITAN HOUSING AUTHORITY**  
**CLERMONT COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

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

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

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

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years After January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or After January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<u>Age and Service Requirements</u>	<u>Age and Service Requirements</u>	<u>Age and Service Requirements</u>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 62 with 5 years of service credit or Age 57 with 25 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

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

	<u>State and Local</u>
<b>2024 Statutory Maximum Contribution Rates</b>	
Employer	14%
Employee*	10%
 <b>2024 Actual Contributions Rates</b>	
Employer	
Pension **	14%
Post-Employment Health Care Benefits**	<u>0%</u>
Total Employer	<u>14%</u>
 Employee	 <u>10%</u>

\* Member Contributions within combined plan are not used to fund the defined benefit retirement allowance

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4% for health care with remainder going to pension.

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

The Authority's contractually required contributions was \$135,904 for fiscal year ended September 30, 2024.

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

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

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

	<u>OPERS Traditional Pension Plan</u>
Proportion of the Net Pension Liability/Asset Prior Measurement date	0.005571%
Proportion of the Net Pension Liability/Asset Current measurement Date	0.005381%
Change in Proportionate Share	<u>-0.000190%</u>
Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,408,768
Pension Expense	\$ 117,283

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

	<u>OPERS Traditional Pension Plan</u>
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 284,349
Differences between expected and actual expense	23,025
Changes of assumptions	0
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0
Authority contributions subsequent to the measurement date	<u>104,436</u>
Total Deferred Outflows of Resources	<u>\$ 411,810</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ -
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>24,216</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$ 24,216</u>

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

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

\$104,436 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending September 30:	OPERS Traditional Pension Plan
2025	53,576
2026	88,617
2027	181,456
2028	(40,491)
Total	<u>\$ 283,158</u>

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conduct and experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% to 6.9%, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

**Actuarial Assumptions - OPERS (Continued)**

Measurement and Valuation Date	December 31, 2023
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75%
Including Inflation	(includes wage inflation at 2.75%)
Cost-of-Living Adjustments	
Pre-1/7/2013 Retirees	3.00% Simple
Post 1/7/2013 Retirees	3.00% Simple through 2024, then 2.05% Simple

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 Disable Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pensions 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 the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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 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 Defined benefit portfolio's target asset allocation as of December 31, 2023:

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

**Actuarial Assumptions – OPERS (Continued)**

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24%	2.85%
Domestic Equities	21%	4.27%
Real Estate	13%	4.46%
Private Equity	15%	7.52%
International Equities	20%	5.16%
Risk Parity	2%	4.38%
Other Investments	5%	3.46%
Total	100%	

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

***Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Traditional Pension Plan	\$ 2,217,779	\$ 1,408,768	\$ 735,906

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**NOTE 7: DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability (Asset)**

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. Any asset related to the calculation is presented as an other asset on the accrual basis of accounting.

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

The Ohio Public Employees Retirement System (OPERS or System) is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a hybrid defined benefit/defined contribution plan; and the Member- Directed Plan, a defined contribution plan. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. OPERS is a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC). OPERS is administered in accordance with Chapter 145 of the ORC. All state and local governmental employees in Ohio, except those covered by one of the other state or local

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

retirement systems in Ohio, are members of OPERS. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to fund health care for the Traditional Pension, Combined and Member-Directed plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or, generally, 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-enrolled retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees included hospitalization, medical expenses and prescription drugs through December 31, 2021. The System determined the amount, if any, of the associated health care costs that were absorbed by the System and attempted to control costs by using managed care, case management, and other programs. Effective January 1, 2022, eligible non-Medicare retirees are part of a Connector program, similar to Medicare-enrolled retirees. Additional details on health care coverage can be found in the Plan Statement in the annual report.

All benefits of the System, and any benefit increases, are established by the legislature pursuant to ORC Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board. Additional information on OPERS health care coverage can be found in the annual report.

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

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

Funding Policy - The OPERS funding policy provides for periodic member and employer contributions to all three pension plans at rates established by the Board, subject to limits set in statute. The rates established

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

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

for member and employer contributions were approved based upon the recommendations of the System's actuary. All contribution rates were within the limits authorized by the ORC.

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

With the assistance of the System's actuary, the Board may approve a portion of each employer contribution to OPERS be set aside for the funding of post-employment health care coverage. However, health care funding is subordinate to pension funding. No employer contributions were allocated to health care in 2024 for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan was 2.0% for 2024. The employer contribution as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts for 2024 was 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority had not contractually required contribution for fiscal year ending September 30, 2024.

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

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

	<u>OPERS</u>
Proportion of the Net OPEB Liability	
Prior Measurement Date	0.005581%
Proportion of the Net OPEB Liability	
Current Measurement Date	<u>0.005304%</u>
Change in Proportionate Share	-0.000277%
 Proportionate Share of the Net OPEB Liability (Asset)	 \$ (47,870)
OPEB Expense (Gain)	\$ 26,995

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

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

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

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 28,749
Changes of assumptions	12,324
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>1,124</u>
Total Deferred Outflows of Resources	<u>42,197</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	6,813
Changes of assumptions	20,578
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>24</u>
Total Deferred Inflows of Resources	<u>\$ 27,415</u>

Other 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 September 30:</u>	<u>OPERS</u>
2025	\$ (528)
2026	2,641
2027	22,378
2028	<u>(9,709)</u>
Total	<u>\$ 14,782</u>

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

**Actuarial Assumptions - OPERS**

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. In accordance with GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the member-Directed Plan health care is defined benefit health care plan, although the pension plan is defined contribution.

Actuarial valuations of an ongoing plan involve estimates of the value 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 (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members.

The actuarial valuation used the following key actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Valuation Date	December 31, 2022
Rolled-Forward measurement Date	December 31, 2023
Experience Study	5- Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions	
Single Discount Rate	5.70%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.77%
Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75%
Including Inflation	(includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2038

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.

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

**Actuarial Assumptions - OPERS (Continued)**

A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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 3.77%. 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37%	2.82%
Domestic Equities	25%	4.27%
Real Estate Investment Trusts	5%	4.68%
International Equities	25%	5.16%
Risk Parity	3%	4.38%
Other Investments	5%	2.43%
Total	100%	

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

**Actuarial Assumptions - OPERS (Continued)**

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70% percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

September 30, 2024	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 26,308	\$ (47,870)	\$ (109,315)

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

As of September 30, 2024	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	\$ (49,858)	\$ (47,870)	\$ (45,614)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level a, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

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**NOTE 8: SUMMARY OF CHANGES IN LONG-TERM LIABILITIES**

The following summarizes changes in long-term liabilities for the period ended September 30, 2024:

Description	Balance at 9/30/2023	Additions	Deductions	Balance at 9/30/2024	Amounts Due in One Year
Loan Payable	\$ 1,041,930	\$ -	\$ (41,810)	\$ 1,000,120	\$ 45,095
Net Pension Liability	1,645,676	-	(236,908)	1,408,768	-
OPEB Liability *	34,559	-	(34,559)	-	-
Compensated Absences	144,675	48,135		192,810	-
<b>Total</b>	<b>\$ 2,866,840</b>	<b>\$ 48,135</b>	<b>\$ (313,277)</b>	<b>\$ 2,601,698</b>	<b>\$ 45,095</b>

\* - As of September 30, 2024, there was not a Net OPEB Liability, but there is a Net OPEB Asset reported in the accompanying financial statements of \$47,870.

**NOTE 9: LONG-TERM DEBT**

As of September 30, 2024, the Authority's long-term debt is as follows:

Promissory note to Park National Bank which matures in January 2038. Proceeds were used to acquire property at Highview Drive, Milford, Ohio. The date of the loan was January 12, 2018, in the amount of \$1,275,000. The rate on the loan for the first 5 years is 4.99 percent and thereafter based on the Federal Home Loan Bank of Cincinnati, Long Term Fixed Rate Advance One Year, plus a margin of 2.50 percentage points. The debt agreements call for monthly payments in the amount of \$9,965.33.

\$ 1,000,120

Debt maturities for the period after September 30, 2024, are estimated as follows:

Year Ended September 30	Principal	Interest	Total
2025	45,095	\$ 74,489	\$ 119,584
2026	52,477	67,107	119,584
2027	56,430	63,154	119,584
2028	61,053	58,531	119,584
2029	65,861	53,723	119,584
2030-2038	719,204	206,424	925,628
<b>Total</b>	<b>\$ 1,000,120</b>	<b>\$ 523,428</b>	<b>\$ 1,523,548</b>

As of February 2025, this property was sold and the loan was paid in full.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 10: COMPENSATED ABSENCES**

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of September 30, 2024, the accrual for compensated absences (including sick leave) totaled \$192,810.

**NOTE 11: LOAN BETWEEN CLERMONT MHA AND THE COMPONENT UNIT**

Related to the activities of the RAD conversion, the Authority loaned Birney Lane 52, LLC (the component unit) \$416,452. The rate on the loan is 1 percent and repayment of principal and interest is based on cash flows generated by the project. The full unpaid portion of the note is due on the maturity date, December 31, 2046. The note is secured by real property conveyed to the Component Unit upon conversion. The balance outstanding on September 30, 2024, is \$305,198. Repayment of principal and interest cannot be projected because repayment is determined by future cash flows to be realized. These intercompany balances are eliminated from the consolidated financial statements.

**NOTE 12: RESTRICTED NET POSITION**

A summary of restricted net position on September 30, 2024, is as follows:

Cash on hand that represents proceeds from the sale of PHA scattered sites plus interest	\$ 2,530,773
HAP Cash	21,422
OPEB Asset	47,870
RAD Repayment Agreement	58
Birney Lane 52 Replacement Reserve	112,774
<b>Total Restricted Net Position</b>	<b><u>\$ 2,712,897</u></b>

**NOTE 13: CONTINGENCIES**

**Grants**

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

**Litigations and Claims**

In the normal course of operations, the Authority may be subject to litigations and claims. On September 30, 2024, the PHA was not aware of any such matters.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**NOTE 13: CONTINGENCIES (Continued)**

**Inspector General Audit/HUD Review**

During a prior audit period a suspected theft of Agency funds by an employee was discovered. State and Federal authorities began an investigation and HUD's Office of Inspector General and the Office of the Auditor of the State of Ohio commenced a review of the case. The results of the review are still pending and will be reported separately to the Authority at a later date in a report to be issued by HUD's Office of Inspector General and the Office of the Auditor of the State of Ohio. The effect of the suspected theft on the Agency's financial position is unknown. The Agency maintains fidelity coverage to protect it from loss related to employee theft.

**NOTE 14: CONDENSED FINANCIAL STATEMENT INFORMATION – COMPONENT UNITS**

The following information is relating to the two blended component units of the Authority.

	<u>Birney Lane 52</u>	<u>Clermont Housing Corporation</u>
<b>Balance Sheet</b>		
Current Assets	\$ 292,387	\$ 1,716,266
Capital Assets, net	326,912	1,598,438
Other Assets	32,622	7,528
Current Liabilities	(68,900)	(133,547)
Non-Current Liabilities	(389,204)	(976,157)
Other Liabilities	(3,356)	(774)
<b>Net Position</b>	<u>\$ 190,461</u>	<u>\$ 2,211,754</u>
 <b>Revenues, Expenses, and changes in Net Position</b>		
Total Revenues	\$ 262,302	\$ 1,408,745
Total Expenses	<u>(208,413)</u>	<u>(361,351)</u>
Excess Revenue over Expenses	53,889	1,047,394
 Beginning Net Position	136,572	1,164,360
Repayments to Other Programs	-	-
Prior Audit Adjustments		
<b>Ending Net Position</b>	<u><u>\$ 190,461</u></u>	<u><u>\$ 2,211,754</u></u>

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

<b>Traditional Plan</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Authority's Proportion of the Net Pension Liability	0.005381%	0.005571%	0.005630%	0.005216%	0.004900%	0.004536%	0.004291%	0.004468%	0.004277%	0.004293%
Authority's Proportionate Share of the Net Pension Liability	\$ 1,408,768	\$ 1,645,676	\$ 489,810	\$ 772,376	\$ 968,583	\$ 1,242,318	\$ 673,175	\$ 1,014,607	\$ 740,830	\$ 517,784
Authority's Covered Payroll	\$ 970,746	\$ 927,071	\$ 808,665	\$ 727,103	\$ 689,471	\$ 612,641	\$ 566,952	\$ 577,568	\$ 532,282	\$ 526,313
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	145.12%	177.51%	60.57%	106.23%	140.48%	202.78%	118.74%	175.67%	139.18%	98.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
<b>Combined Plan</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Authority's Proportion of the Net Pension Asset	0.000000%	0.000000%	0.000000%	0.01238%	0.01694%	0.02473%	0.02501%	0.02652%	0.02611%	0.02475%
Authority's Proportionate Share of the net Pension Liability	\$ -	\$ -	\$ -	\$ (35,742)	\$ (35,317)	\$ (27,651)	\$ (34,045)	\$ (14,761)	\$ (12,706)	\$ (9,528)
Authority's Covered Payroll	\$ -	\$ -	\$ -	\$ 54,878	\$ 75,393	\$ 105,759	\$ 102,423	\$ 103,236	\$ 95,031	\$ 86,662
Authority's Proportionate Share of the Net Pension Assets as a Percentage of its Covered payroll	0.00%	0.00%	0.00%	65.13%	46.84%	26.15%	33.24%	14.30%	13.37%	10.99%
Plan Fiduciary net Position as a Percentage of the Total Pension Asset	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

See accompanying notes to the required supplementary information

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Contractually Required Contributions</u>										
Traditional Plan	\$ 135,904	\$ 127,790	\$ 114,618	\$ 102,853	\$ 96,526	\$ 89,855	\$ 81,853	\$ 80,069	\$ 65,976	\$ 64,148
Combined Plan	\$ -	\$ -	\$ -	\$ 10,411	\$ 10,555	\$ 14,649	\$ 14,360	\$ 14,225	\$ 11,837	\$ 11,403
Total Required Contributions	\$ 135,904	\$ 127,790	\$ 114,618	\$ 113,264	\$ 107,081	\$ 104,504	\$ 96,213	\$ 94,294	\$ 77,813	\$ 75,551
Contributions in Relation to the										
Contractually Required Contribution	\$ (135,904)	\$ (127,790)	\$ (114,618)	\$ (113,264)	\$ (107,081)	\$ (104,504)	\$ (96,213)	\$ (94,294)	\$ (77,813)	\$ (75,551)
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Authority's Covered Payroll</u>										
Traditional Plan	\$ 970,746	\$ 927,071	\$ 808,667	\$ 727,103	\$ 689,471	\$ 641,821	\$ 595,295	\$ 667,242	\$ 549,800	\$ 534,567
Combined Plan	\$ -	\$ -	\$ -	\$ 54,878	\$ 75,393	\$ 104,636	\$ 104,436	\$ 118,542	\$ 98,642	\$ 95,025
Pension Contributions as a Percentage of										
Covered Payroll										
Traditional Plan	14.00%	13.78%	14.17%	14.15%	14.00%	14.00%	13.75%	12.00%	12.00%	12.00%
Combined Plan	0.00%	0.00%	0.00%	18.97%	14.00%	14.00%	13.75%	12.00%	12.00%	12.00%

See accompanying notes to the required supplementary information

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

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability (Asset)	0.005304%	0.005481%	0.005518%	0.005349%	0.005553%	0.005615%	0.005440%	0.005660%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$ (47,870)	\$ 34,559	\$ (172,835)	\$ (95,266)	\$ 767,014	\$ 732,063	\$ 590,744	\$ 571,679
Authority's Covered Payroll	\$ 970,746	\$ 927,071	\$ 853,287	\$ 802,247	\$ 764,864	\$ 814,483	\$ 770,094	\$ 782,485
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-4.93%	3.73%	-20.26%	-11.87%	100.28%	89.88%	76.71%	73.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available. This schedule is intended to show ten years of information. Additional years will be displayed as available.

**See accompanying notes to the required supplementary information**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ -	\$ -	\$ 11,738	\$ 1,310	\$ 2,964	\$ 2,873	\$ 2,882	\$ 12,538	\$ 15,965	\$ 12,705
Contributions in Relation to the Contractually Required Contribution	-	-	(11,738)	(1,310)	(2,964)	(2,873)	(2,882)	(12,538)	(15,965)	(12,705)
Contribution Deficiency/(Excess)	-	-	-	-	-	-	-	-	-	-
Authority Covered Payroll	970,746	927,071	853,289	802,247	764,864	818,275	793,240	773,011	745,656	713,865
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.38%	0.16%	0.39%	0.35%	0.36%	1.62%	2.14%	1.78%

**See accompanying notes to the required supplementary information**

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**Changes in Assumptions – OPERS Pension– Traditional Plan**

There was a change in assumptions for 2024-2022. There were no changes in assumptions for 2021 and 2020. Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used beginning in 2017 and in 2016 are presented below:

	2024	2023	2022
Wage Inflation	2.75 percent	2.75 percent	2.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA:	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	6.9 percent	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age
	2021, 2020 and 2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA:	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use mortality rates 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.

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

**Changes in Assumptions – OPERS Pension– Traditional Plan (Continued)**

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions – OPERS OPEB**

*Investment Return Assumption:*

2024-2019	6 percent
2018	6.5 percent

*Municipal Bond Rate:*

2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

*Single Discount Rate:*

2024	5.70 percent
2023	5.22 percent
2022-2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

*Health Care Cost Trend Rate:*

2024	5.5 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10 percent, initial 3.5 percent, ultimate in 2030
2019	10 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Clermont Metropolitan Housing Authority (OH038)  
 BATAVIA, OH  
 Entity Wide Balance Sheet Summary  
 Fiscal Year End: 09/30/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$92,285	\$1,849,907	\$51,756	\$563,276	\$2,557,224		\$2,557,224
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	\$2,530,773	\$112,774	\$58	\$21,422	\$2,665,027		\$2,665,027
114 Cash - Tenant Security Deposits	\$66,138	\$22,939	\$2,730		\$91,807		\$91,807
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$2,689,196	\$1,985,620	\$54,544	\$584,698	\$5,314,058	\$0	\$5,314,058
125 Accounts Receivable - Miscellaneous	\$16,955	\$18,972		\$43,728	\$79,655		\$79,655
126 Accounts Receivable - Tenants	\$33,531	\$1,820	\$2,060	\$98,051	\$135,462		\$135,462
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,184	-\$80	-\$27	-\$98,051	-\$100,342		-\$100,342
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	-\$43,728	-\$43,728		-\$43,728
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$48,302	\$20,712	\$2,033	\$0	\$71,047	\$0	\$71,047
142 Prepaid Expenses and Other Assets	\$15,474	\$2,320	\$269	\$775	\$18,838		\$18,838
150 Total Current Assets	\$2,752,972	\$2,008,652	\$56,846	\$585,473	\$5,403,943	\$0	\$5,403,943
161 Land	\$1,931,214	\$320,000	\$3,000		\$2,254,214		\$2,254,214
162 Buildings	\$15,279,189	\$1,810,840	\$314,230	\$68,899	\$17,473,158		\$17,473,158
163 Furniture, Equipment & Machinery - Dwellings	\$163,616		\$3,012		\$166,628		\$166,628
164 Furniture, Equipment & Machinery - Administration	\$606,369	\$20,584	\$4,651	\$101,631	\$733,235		\$733,235
165 Leasehold Improvements	\$24,403	\$82,002	\$40,891		\$147,296		\$147,296
166 Accumulated Depreciation	-\$12,814,361	-\$308,074	-\$140,091	-\$165,296	-\$13,427,822		-\$13,427,822
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,190,430	\$1,925,352	\$225,693	\$5,234	\$7,346,709	\$0	\$7,346,709
171 Notes, Loans and Mortgages Receivable - Non-Current			\$305,198		\$305,198	-\$305,198	\$0
174 Other Assets	\$24,653	\$3,830	\$718	\$18,669	\$47,870		\$47,870
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$5,215,083	\$1,929,182	\$531,609	\$23,903	\$7,699,777	-\$305,198	\$7,394,579
200 Deferred Outflow of Resources	\$233,813	\$36,321	\$6,810	\$177,063	\$454,007		\$454,007

Clermont Metropolitan Housing Authority (OH038)  
 BATAVIA, OH  
 Entity Wide Balance Sheet Summary  
 Fiscal Year End: 09/30/2024

290 Total Assets and Deferred Outflow of Resources	\$8,201,868	\$3,974,155	\$595,265	\$786,439	\$13,557,727	-\$305,198	\$13,252,529
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$19,832	\$2,749	\$503	\$2,025	\$25,109		\$25,109
322 Accrued Compensated Absences - Current Portion	\$1,409	\$1,445	\$39	\$1,022	\$3,915		\$3,915
341 Tenant Security Deposits	\$50,991	\$23,796	\$2,730		\$77,517		\$77,517
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$58,109			\$58,109	-\$13,014	\$45,095
346 Accrued Liabilities - Other	\$50,721	\$116,350	\$7,612		\$174,683		\$174,683
310 Total Current Liabilities	\$122,953	\$202,449	\$10,884	\$3,047	\$339,333	-\$13,014	\$326,319
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$1,247,209			\$1,247,209	-\$292,184	\$955,025
354 Accrued Compensated Absences - Non Current	\$108,232	\$5,450	\$15,530	\$63,598	\$192,810		\$192,810
357 Accrued Pension and OPEB Liabilities	\$725,514	\$112,702	\$21,132	\$549,420	\$1,408,768		\$1,408,768
350 Total Non-Current Liabilities	\$833,746	\$1,365,361	\$36,662	\$613,018	\$2,848,787	-\$292,184	\$2,556,603
300 Total Liabilities	\$956,699	\$1,567,810	\$47,546	\$616,065	\$3,188,120	-\$305,198	\$2,882,922
400 Deferred Inflow of Resources	\$26,591	\$4,130	\$774	\$20,136	\$51,631		\$51,631
508.4 Net Investment in Capital Assets	\$5,190,432	\$620,033	\$225,692	\$5,234	\$6,041,391	\$305,198	\$6,346,589
511.4 Restricted Net Position	\$2,555,426	\$116,604	\$776	\$40,091	\$2,712,897		\$2,712,897
512.4 Unrestricted Net Position	-\$527,280	\$1,665,578	\$320,477	\$104,913	\$1,563,688	-\$305,198	\$1,258,490
513 Total Equity - Net Assets / Position	\$7,218,578	\$2,402,215	\$546,945	\$150,238	\$10,317,976	\$0	\$10,317,976
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$8,201,868	\$3,974,155	\$595,265	\$786,439	\$13,557,727	-\$305,198	\$13,252,529

Clermont Metropolitan Housing Authority (OH038)  
BATAVIA, OH  
Entity Wide Revenue and Expense Summary  
Fiscal Year End: 09/30/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$669,374	\$553,096	\$39,121		\$1,261,591	-\$298,513	\$963,078
70400 Tenant Revenue - Other	\$33,890	\$3,606			\$37,496		\$37,496
70500 Total Tenant Revenue	\$703,264	\$556,702	\$39,121	\$0	\$1,299,087	-\$298,513	\$1,000,574
70600 HUD PHA Operating Grants	\$647,826			\$7,971,865	\$8,619,691		\$8,619,691
70610 Capital Grants	\$332,808				\$332,808		\$332,808
70700 Total Fee Revenue					\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$10,334	\$20,249	\$524	\$8,864	\$39,971		\$39,971
71200 Mortgage Interest Income			\$3,181		\$3,181		\$3,181
71400 Fraud Recovery				\$12,178	\$12,178		\$12,178
71500 Other Revenue	\$151,651	\$1,094,096			\$1,245,747		\$1,245,747
71600 Gain or Loss on Sale of Capital Assets	\$2,236,918				\$2,236,918		\$2,236,918
72000 Investment Income - Restricted							
70000 Total Revenue	\$4,082,801	\$1,671,047	\$42,826	\$7,992,907	\$13,789,581	-\$298,513	\$13,491,068
91100 Administrative Salaries	\$332,806	\$71,435	\$10,079	\$430,270	\$844,590		\$844,590
91200 Auditing Fees	\$9,455	\$2,317	\$106	\$7,014	\$18,892		\$18,892
91300 Management Fee		\$23,151			\$23,151		\$23,151
91310 Book-keeping Fee		\$3,570			\$3,570		\$3,570
91400 Advertising and Marketing	\$645	\$45	\$90	\$586	\$1,366		\$1,366
91500 Employee Benefit contributions - Administrative	\$242,241	\$28,287	\$15,295	\$232,527	\$518,350		\$518,350
91600 Office Expenses	\$22,867	\$5,540	\$427	\$14,574	\$43,408		\$43,408
91700 Legal Expense	\$27,050	\$2,242	\$15	\$6,390	\$35,697		\$35,697
91800 Travel	\$1,993	\$125	\$106	\$1,073	\$3,297		\$3,297
91810 Allocated Overhead							
91900 Other	\$71,358	\$30,487	\$36,361	\$60,167	\$198,373		\$198,373
91000 Total Operating - Administrative	\$708,415	\$167,199	\$62,479	\$752,601	\$1,690,694	\$0	\$1,690,694
92200 Relocation Costs	\$82,684				\$82,684		\$82,684
92400 Tenant Services - Other	\$1,800				\$1,800		\$1,800
92500 Total Tenant Services	\$84,484	\$0	\$0	\$0	\$84,484	\$0	\$84,484

Clermont Metropolitan Housing Authority (OH038)  
BATAVIA, OH  
Entity Wide Revenue and Expense Summary  
Fiscal Year End: 09/30/2024

93100 Water	\$48,916	\$6,605	\$2	\$142	\$55,665		\$55,665
93200 Electricity	\$102,044	\$7,134	\$277	\$2,296	\$111,751		\$111,751
93300 Gas	\$5,348	\$267	\$86	\$1,834	\$7,535		\$7,535
93600 Sewer	\$26,238	\$7,058	\$3	\$169	\$33,468		\$33,468
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense	\$161	\$17	\$2	\$120	\$300		\$300
93000 Total Utilities	\$182,707	\$21,081	\$370	\$4,561	\$208,719	\$0	\$208,719
94100 Ordinary Maintenance and Operations - Labor	\$208,930	\$12,197			\$221,127		\$221,127
94200 Ordinary Maintenance and Operations - Materials and Other	\$94,344	\$23,270	\$6,817	\$2,207	\$126,638		\$126,638
94300 Ordinary Maintenance and Operations Contracts	\$372,310	\$108,791	\$17,050	\$24,944	\$523,095		\$523,095
94500 Employee Benefit Contributions - Ordinary Maintenance	\$102,129				\$102,129		\$102,129
94000 Total Maintenance	\$777,713	\$144,258	\$23,867	\$27,151	\$972,989	\$0	\$972,989
96110 Property Insurance	\$70,179	\$21,998	\$1,281	\$2,546	\$96,004		\$96,004
96120 Liability Insurance	\$19,393	\$2,535	\$290	\$1,655	\$23,873		\$23,873
96130 Workmen's Compensation	\$4,207	\$2,641	\$47	\$3,126	\$10,021		\$10,021
96140 All Other Insurance	\$498	\$1,417	\$6	\$369	\$2,290		\$2,290
96100 Total insurance Premiums	\$94,277	\$28,591	\$1,624	\$7,696	\$132,188	\$0	\$132,188
96200 Other General Expenses			\$139,109	\$23,507	\$162,616		\$162,616
96210 Compensated Absences							
96300 Payments in Lieu of Taxes	\$50,194	\$68,517	\$3,588		\$122,299		\$122,299
96400 Bad debt - Tenant Rents	\$13,764	\$1,025			\$14,789		\$14,789
96000 Total Other General Expenses	\$63,958	\$69,542	\$142,697	\$23,507	\$299,704	\$0	\$299,704
96710 Interest of Mortgage (or Bonds) Payable		\$81,008			\$81,008		\$81,008
96700 Total Interest Expense and Amortization Cost	\$0	\$81,008	\$0	\$0	\$81,008	\$0	\$81,008
96900 Total Operating Expenses	\$1,911,554	\$511,679	\$231,037	\$815,516	\$3,469,786	\$0	\$3,469,786
97000 Excess of Operating Revenue over Operating Expenses	\$2,171,247	\$1,159,368	-\$188,211	\$7,177,391	\$10,319,795	-\$298,513	\$10,021,282
97300 Housing Assistance Payments				\$7,249,228	\$7,249,228	-\$298,513	\$6,950,715
97350 HAP Portability-In							

Clermont Metropolitan Housing Authority (OH038)  
 BATAVIA, OH  
 Entity Wide Revenue and Expense Summary  
 Fiscal Year End: 09/30/2024

97400 Depreciation Expense	\$311,628	\$58,085	\$11,243	\$2,650	\$383,606		\$383,606
90000 Total Expenses	\$2,223,182	\$569,764	\$242,280	\$8,067,394	\$11,102,620	-\$298,513	\$10,804,107
10010 Operating Transfer In	\$96,639				\$96,639	-\$96,639	\$0
10020 Operating transfer Out	-\$96,639				-\$96,639	\$96,639	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,859,619	\$1,101,283	-\$199,454	-\$74,487	\$2,686,961	\$0	\$2,686,961
11020 Required Annual Debt Principal Payments	\$0	\$58,109	\$0	\$0	\$58,109		\$58,109
11030 Beginning Equity	\$5,358,959	\$1,300,932	\$746,399	\$224,725	\$7,631,015		\$7,631,015
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11170 Administrative Fee Equity				\$128,816	\$128,816		\$128,816
11180 Housing Assistance Payments Equity				\$21,422	\$21,422		\$21,422
11190 Unit Months Available	2258	732	36	11820	14846		14846
11210 Number of Unit Months Leased	2119	693	34	10304	13150		13150
11270 Excess Cash	-\$55,843				-\$55,843		-\$55,843

**CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<i>Direct Programs:</i>		
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14,871	<u>\$ 7,960,732</u>
Total Housing Voucher Cluster		<u>7,960,732</u>
Public Operating Fund	14.850	<u>658,959</u>
Public Housing Capital Fund	14.872	<u>441,087</u>
<i>Total Direct Programs</i>		<u>9,060,778</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>9,060,778</u>
<b>Total Expenditures of Federal Awards</b>		<u><b>\$ 9,060,778</b></u>

*The accompanying notes are an integral part of this schedule.*

CLERMONT METROPOLITAN HOUSING AUTHORITY  
CLERMONT COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

**NOTE 1: BASIS OF PRESENTATION**

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

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

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

**NOTE 3: INDIRECT COST RATE**

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



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

Clermont Metropolitan Housing Authority  
Clermont County  
65 South Market Street  
Batavia, Ohio 45103

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Clermont Metropolitan Housing Authority, Clermont County, Ohio (the Authority) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 12, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.  
Circilleville, Ohio  
March 12, 2025



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Clermont Metropolitan Housing Authority  
Clermont County  
65 South Market Street  
Batavia, Ohio 45103

To the Board of Commissioners:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

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

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

***Basis for Opinion on the Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

Clermont Metropolitan Housing Authority

Clermont County

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

Page 3

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

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

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.

Circleville, Ohio

March 12, 2025

**Clermont Metropolitan Housing Authority***Schedule of Findings*

2 CFR § 200.515

*September 30, 2024*

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**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Housing Voucher Cluster, ALN 14.871
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**Clermont Metropolitan Housing Authority**  
*Summary Schedule of Prior Audit Findings*  
2 CFR § 200.515  
September 30, 2024

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<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2023-001	Financial Reporting – material errors on the financial statements.	Partially Corrected	Reported in Management Letter

# OHIO AUDITOR OF STATE KEITH FABER



**CLERMONT METROPOLITAN HOUSING AUTHORITY**

**CLERMONT COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 6/17/2025**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)