



OHIO AUDITOR OF STATE
KEITH FABER



**TRUMBULL METROPOLITAN HOUSING AUTHORITY
TRUMBULL COUNTY
JUNE 30, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Trumbull Metropolitan Housing Authority
Trumbull County
4076 Youngstown Road SE
Warren, Ohio 44484

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Trumbull Metropolitan Housing Authority, Trumbull County, Ohio (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely component units of the Trumbull Metropolitan Housing Authority, Trumbull County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Warren Housing Development Corporation, and the Western Reserve Housing Development Corporation, which represent 100% of the activity of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion(s), insofar as it relates to the amounts included for aggregate discretely presented component units are based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *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 opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, during 2024, the Authority restated capital assets, deferred inflows of resources, depreciation, and net position as of June 30, 2023. Our opinion is not modified with respect to this matter.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. 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 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Financial Data Schedule as required by the Department of Housing and Urban Development present additional analysis and is 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 Schedule of Expenditures of Federal Awards and Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 16, 2025

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

The Trumbull Metropolitan Housing Authority (“the Authority” or Primary Government) Management’s Discussion and Analysis (MD&A) is designed to (a) assist the reader 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 account issues or concerns.

The Management’s Discussion and Analysis (MD&A) is designed to focus on the fiscal year ended June 30, 2024 activities, resulting changes, and currently known facts. Please read it in conjunction with the Authority’s financial statements. In accordance with GASB Statement No. 34, paragraph 10, the financial information and discussion presented below focuses on the primary government. Due to the significance of the component units when compared to the primary government, the financial information is provided for the component units in some instances to provide for a more complete and meaningful discussion of financial results. Regardless, discussion in the MD&A attempts to distinguish between information pertaining to the primary government and that of the component units.

FINANCIAL HIGHLIGHTS

The primary government’s net position increased by \$2.34 million (or 12.0 percent) in 2024. The net positions were \$21.04 million and \$19.48 million for 2024 and 2023, respectively. The increase in net position resulted primarily from an increase in total revenues in 2024.

Total revenues increased by \$2.71 million (or 15.4 percent), and were \$20.35 million and \$17.64 million for 2024 and 2023, respectively. Operating subsidies, capital grants, investment income, and other income increased while tenant revenues decreased.

Total expenses for the primary government increased by \$1.48 million (or 8.6 percent), and were \$17.88 million and \$16.32 million for 2024 and 2023, respectively. This does not consider the change in Pension/OPEB. Administrative, utilities, and housing assistance payments increased by \$1.89 million (or 11.6 percent) while maintenance, general and protective services, other operating and depreciation expenses decreased by \$0.49 million (or 3.0 percent).

Since the Authority engages only in business-type activities, the changes are all in the category of business-type net position.

The Authority’s component units consist of two non-profit organizations: the Warren Housing Development Corporation and the Western Reserve Housing Development Corporation. The notes to the financial statements provide further explanation of the component units.

The component units’ net position increased by \$0.61 million (or 2.0 percent) in 2024. The net positions were \$31.25 million and \$30.64 million for 2024 and 2023, respectively. Net position for both component units amount to approximately 58.7 percent of the combined net position for the primary government and component units.

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

USING THIS ANNUAL REPORT

The report includes three major sections, the Management’s Discussion and Analysis (MD&A), 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

Schedule of The Authority’s Proportionate Share of the Net Pension Liability Last Ten Years

Schedule of The Authority’s Contributions - Pension Last Ten Years

Schedule of The Authority’s Proportionate Share of the Net OPEB Liability Last Eight Years

Schedule of The Authority’s Contributions - OPEB Last Ten Years

Notes to Pension and OPEB Liability

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented are those of the Authority as a whole (Authority-wide) and the component units, discretely reported. The financial statements are further detailed by major account. This perspective (Authority-wide, major account, and component units) allows the user to address relevant questions, broadens a basis for comparison year to year (or Authority to Authority) and enhances the Authority’s accountability.

These statements include a **Statement of Net Position**. 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 outflows equal liabilities and deferred inflows plus “Net Position.” Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-Current”.

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

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

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

Unrestricted: Consists of net position that do not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position”.

The financial statements also include a **Statement of Revenues, Expenses, and Change in Net Position**. 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.

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

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

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.

Financial Statements by Major Programs

In general, the Authority’s financial statements consist exclusively of enterprise funds. An enterprise fund utilizes the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by private sector accounting. Many of the funds 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.

THE AUTHORITY’S PROGRAMS

Business Type Programs

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units 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 Public Housing Authority (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 Fund Program, which is the primary funding source for physical and management improvements to the Authority’s properties.

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 (HAP) made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contribution funding to enable the Authority to structure a lease that sets the participants’ rent at 30 percent of household income. The Authority receives administrative fees from HUD to administer the Program.

Other Authority Programs - In addition to the programs above, the Authority also maintains the following programs:

Family Self Sufficiency Program - a grant program funded by HUD that enables participating Public Housing and Housing Choice Voucher families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Youth Build Program Grants - funded by state and local grants to provide unemployed at-risk youth with construction skills, a high school education, and basic leadership training, while rehabilitating or constructing new housing for people in their communities.

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

COMPONENT UNIT

Business Type Programs

Housing Assisting Payments Contracts - The contracts provide rental subsidies from HUD for eligible tenant families residing in existing rental projects.

Affordable Housing Development Agreement – Fees are earned under an agreement to develop affordable housing on behalf of a project owner.

FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position for the primary government 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 (in millions) | 2023 (in millions) |
|--|-----------------------|-----------------------|
| <u>Assets and Deferred Outflows of Resources</u> | | |
| <u>Assets</u> | | |
| Current Assets | \$ 9.40 | \$ 7.08 |
| Capital Assets | 24.39 | 23.10 |
| Other Assets | 6.66 | 6.50 |
| Total Assets | 40.45 | 36.68 |
| Deferred Outflows of Resources | 1.27 | 2.32 |
| Total Assets and Deferred Outflows of Resources | \$ 41.72 | \$ 39.00 |
| <u>Liabilities, Deferred Inflows of Resources, and Net Position</u> | | |
| <u>Liabilities</u> | | |
| Current Liabilities | \$ 2.12 | \$ 1.06 |
| Long-Term Liabilities | 11.90 | 12.64 |
| Total Liabilities | 14.02 | 13.70 |
| Deferred Inflows of Resources | 6.66 | 6.62 |
| <u>Net Position</u> | | |
| Net Investment in Capital Assets | 17.87 | 16.58 |
| Restricted | 0.12 | 0.19 |
| Unrestricted | 3.05 | 1.91 |
| Total Net Position | 21.04 | 18.68 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 41.72 | \$ 39.00 |

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

Major Factors Affecting the Statement of Net Position

During 2024, total assets and deferred outflows increased by \$2.72 million (or 7 percent). This increase resulted primarily from an increase in current assets of \$2.32 million and in increase in Capital Assets of \$1.29 million. Total liabilities and deferred inflows increased by \$.36 million (or 2 percent).

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

The net position of component units Increased by \$0.61 million (or 2.0 percent). The increase resulted from unrestricted net earnings.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in unrestricted net position provide a clearer picture of the Authority's financial well-being.

Table 2 - Statement of Unrestricted Net Position - Primary Government

| | 2024 | |
|--|----------------------|-------------|
| | <u>(in millions)</u> | |
| Beginning Balance - June 30, 2023 | \$ | 1.91 |
| Results of Operations | | 2.34 |
| Adjustments: | | |
| Current Year Depreciation & Amortization Expense (1) | | 1.87 |
| Capital Expenses | | (3.13) |
| Debt Forgiven | | (0.01) |
| Change in Restricted Net Position | | 0.07 |
| Ending Balance - June 30, 2024 | \$ | 3.05 |

- (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.
- (2) Operating and Non-Operating Results are reported in Results of Operations.

Statement of Revenues, Expenses, and Change 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 - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government

| | 2024 | 2023 |
|---------------------------------|----------------------|----------------------|
| | <u>(in millions)</u> | <u>(in millions)</u> |
| Revenues | | |
| Operating Subsidies | \$ 12.64 | \$ 11.50 |
| Total Tenant Revenues | 2.49 | 2.68 |
| Capital Grants | 4.03 | 2.49 |
| Investment Income | 0.23 | 0.15 |
| Other Revenues | 0.96 | 0.82 |
| Total Revenues | 20.35 | 17.64 |
| Expenses | | |
| Administrative | 4.08 | 3.51 |
| Utilities | 0.95 | 0.93 |
| Maintenance | 3.18 | 3.21 |
| Tenant Services | 0.16 | 0.16 |
| General and Protective Services | 1.16 | 1.29 |
| Housing Assistance Payments | 6.46 | 5.16 |
| Other Operating | 0.02 | 0.05 |
| Depreciation | 1.87 | 2.01 |
| Pension/OPEB Expense | 0.13 | 0.18 |
| Total Expenses | 18.01 | 16.50 |
| Net Increase (Decrease) | \$ 2.34 | \$ 1.14 |

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

Major Factors Affecting the Statement of Revenue, Expenses, and Change in Net Position

Total revenue increased from 2023 to 2024 by \$2.71 million. Operating subsidies, capital grants, investment income, and other revenues increased by \$2.90 million (or 16.4 percent) while tenant revenues decreased by .19 million (or 1.1 percent). Total operating expenses for the primary government increased by \$1.36 million (or 8.6 percent), and were \$17.72 million and \$16.32 million for 2024 and 2023, respectively. This does not consider interest expense or the change in Pension/OPEB. Administrative, utilities and housing assistance payments increased by \$1.89 million (or 11.6 percent) while maintenance, general and protective services, other operating and depreciation expenses decreased by \$0.49 million (or 3.0 percent). The increases resulted primarily from an increase in housing assistance payments. The change in Pension/OPEB was recognized as an expense of \$0.13 million and \$0.18 million for 2024 and 2023, respectively.

The component units had a net operating income of \$0.60 million, an increase of \$0.86 million compared to 2023. Total expenses for the component units decreased by \$0.71 million (or 26.8 percent) and were \$1.94 million and \$2.65 for 2024 and 2023, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$24.40 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions, and depreciation) of \$1.42 million (or 8.2 percent) from the end of last year. The increase resulted from additions to construction-in-progress.

Table 4 - Condensed Statement of Changes in Capital Assets - Primary Government

| | 2024 (in millions) | 2023 (in millions) |
|--------------------------|-----------------------|-----------------------|
| Land | \$ 1.16 | \$ 1.15 |
| Buildings | 88.88 | 88.88 |
| Equipment | 2.21 | 2.17 |
| Construction-in-Progress | 6.30 | 3.36 |
| Accumulated Depreciation | (74.16) | (72.46) |
| Total | \$ 24.39 | \$ 23.10 |

The following reconciliation summarizes the change in capital assets, presented in detail in Note 5.

Table 5 - Changes in Capital Assets - Primary Government

| | 2024 (in millions) | 2023 (in millions) |
|--|-----------------------|-----------------------|
| Beginning Balances - June 30, 2023 | \$ 23.10 | \$ 24.51 |
| Current Year Additions and Deletions | 3.16 | 0.75 |
| Current Year Depreciation | (1.87) | (2.16) |
| Ending Balances - June 30, 2024 | \$ 24.39 | \$ 23.10 |

As of year-end, the net book value of the component units capital assets decreased by \$0.23 (or 3.7 percent). The net book value of capital assets were \$5.94 million and \$6.17 million for 2024 and 2023, respectively.

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS FOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

Debt Outstanding

The Authority acquired debt (i.e., deferred loan) in 2010 equal to \$.16 million related to five properties purchased with Neighborhood Stabilization Program grant funds. The deferred debt for these properties remaining as of June 30, 2024 is \$0.01 million. The properties were added to the Authority’s public housing portfolio on December 31, 2014.

On June 24, 2020, the Authority acquired debt of \$6.5 million related to the sale and financing of The Elms multifamily development. This debt is offset by a note receivable of \$6.5 million due from the project owner.

Table 6 - Condensed Statement of Changes in Debt Outstanding - Primary Government

| | 2024 | 2023 |
|--|----------------------|----------------------|
| | <u>(in millions)</u> | <u>(in millions)</u> |
| Beginning Balances - June 30, 2023 | \$ 6.53 | \$ 6.54 |
| Current Year Additions | 0.00 | 0.00 |
| Current Year Principal Payments | (0.01) | (0.01) |
| Rounding Adjustment | (0.01) | 0.00 |
| Ending Balances - June 30, 2024 | <u>\$ 6.51</u> | <u>\$ 6.53</u> |

A summary of outstanding debt is presented in detail on Note 11. The detail includes debt related to the net pension liability not included with Table 6.

The component units had debt equal to \$3.61 million at the end of 2024, compared to \$3.75 million at the end of 2023.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies, and other costs

FINANCIAL CONTACT

Questions concerning any information provided in this report or requests for additional information should be addressed to Donald W. Emerson, Jr., Executive Director, Trumbull Metropolitan Housing Authority, 4076 Youngstown Road SE, Warren, Ohio 44484, or by calling 330-369-1533.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2024

| | Primary Government | Component Units |
|---|-----------------------|----------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | |
| <u>Assets</u> | | |
| <u>Current Assets</u> | | |
| Cash - Unrestricted | \$ 7,219,574 | \$ 14,252,971 |
| Cash - Restricted | 426,255 | 42,549 |
| Accounts Receivable - Net of Allowance | 1,252,109 | 87,885 |
| Prepaid Expenses | 139,528 | 82,689 |
| Inventories - Net of Allowance | 188,287 | 43,221 |
| Notes Receivable - Current Portion | 63,645 | 70,383 |
| Tenant Notes Receivable - Current Portion | 117,967 | 12,873 |
| Total Current Assets | 9,407,365 | 14,592,571 |
| <u>Non-Current Assets</u> | | |
| Capital Assets, Not Depreciated | 7,456,602 | 1,838,629 |
| Capital Assets - Net of Accumulated Depreciation | 16,930,105 | 4,102,908 |
| Notes Receivable - Net of Current Portion | 6,500,000 | 14,660,876 |
| Interest Receivable - Net of Current Portion | 0 | 260,467 |
| Net OPEB Asset | 157,465 | 11,181 |
| Total Non-Current Assets | 31,044,172 | 20,874,061 |
| Total Assets | 40,451,537 | 35,466,632 |
| <u>Deferred Outflow of Resources</u> | | |
| Deferred Outflow of Resources - Pension | 1,136,640 | 80,710 |
| Deferred Inflow of Resources - OPEB | 137,256 | 9,746 |
| Total Deferred Outflows of Resources | 1,273,896 | 90,456 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 41,725,433 | \$ 35,557,088 |

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2024
(CONTINUED)

| | Primary Government | Component Units |
|---|-----------------------|----------------------|
| <u>LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION</u> | | |
| <u>Liabilities</u> | | |
| <u>Current Liabilities</u> | | |
| Accounts Payable | \$ 1,431,200 | \$ 163,186 |
| Accrued Wages and Payroll Taxes | 121,078 | 5,349 |
| Compensated Absences - Current Portion | 139,228 | 10,114 |
| Intergovernmental Payables | 0 | 9,242 |
| Current Portion of Long-Term Debt | 12,492 | 146,411 |
| Current Other Liabilities | 100,074 | 0 |
| Tenant Security Deposits | 187,185 | 42,549 |
| Unearned Revenue | 43,123 | 28,848 |
| Total Current Liabilities | 2,034,380 | 405,699 |
| <u>Non-Current Liabilities</u> | | |
| Interest Payable, Net of Current Portion | 0 | 56,582 |
| Long-Term Debt, Net of Current Portion - Mortgage | 0 | 1,023,039 |
| Long-Term Debt, Net of Current Portion - Other | 6,500,000 | 2,444,607 |
| Non-Current Liabilities - Other | 356,458 | 6,767 |
| Compensated Absences, Non-Current | 402,269 | 26,752 |
| Net Pension Liability | 4,731,506 | 335,974 |
| Total Non-Current Liabilities | 11,990,233 | 3,893,721 |
| Total Liabilities | 14,024,613 | 4,299,420 |
| <u>Deferred Inflow of Resources</u> | | |
| Deferred Inflow of Resources - Pension | 67,759 | 4,811 |
| Deferred Inflow of Resources - The Elms | 6,500,000 | - |
| Deferred Inflow of Resources - OPEB | 90,609 | 6,433 |
| Total Deferred Inflows of Resources | 6,658,368 | 11,244 |
| Total Liabilities and Deferred Inflows of Resources | 20,682,981 | 4,310,664 |
| <u>Net Position</u> | | |
| Net Investment in Capital Assets | 17,874,215 | 4,218,165 |
| Restricted | 124,207 | 0 |
| Unrestricted | 3,044,030 | 27,028,259 |
| Total Net Position | 21,042,452 | 31,246,424 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | \$ 41,725,433 | \$ 35,557,088 |

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Primary Government | Component Units |
|--|-----------------------|----------------------|
| <u>Operating Revenues</u> | | |
| Operating Grant Revenue | \$ 12,635,642 | \$ 0 |
| Tenant Revenues | 2,490,761 | 614,657 |
| Other Income | 962,943 | 1,087,335 |
| Total Operating Revenues | 16,089,346 | 1,701,992 |
| <u>Operating Expenses</u> | | |
| Administration | 4,082,375 | 428,142 |
| Utilities | 946,281 | 277,693 |
| Ordinary Maintenance and Operations | 3,182,676 | 436,268 |
| Tenant Services | 164,886 | 12,544 |
| General and Protective Services | 1,160,793 | 239,763 |
| Housing Assistance Payments | 6,456,629 | 0 |
| Other Operating | 17,851 | - |
| Depreciation | 1,870,928 | 224,826 |
| Total Operating Expenses | 17,882,419 | 1,619,236 |
| Operating Income (Loss) | (1,793,073) | 82,756 |
| <u>Non-Operating Revenue (Expenses) Capital</u> | | |
| Grants | 4,032,920 | 0 |
| Interest Income | 230,393 | 835,204 |
| Interest Expenses | 0 | (100,073) |
| Gain (Loss) on Sale of Assets | 6,461 | (231,084) |
| Change in Pension/OPEB | (133,325) | 16,402 |
| Total Non-Operating Revenues (Expenses) | 4,136,449 | 520,449 |
| Change in Net Position | 2,343,376 | 603,205 |
| Beginning Net Position (restated - see Note 16) | 18,699,076 | 30,643,219 |
| Ending Net Position | \$ 21,042,452 | \$ 31,246,424 |

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

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

| | Primary Government |
|---|-----------------------|
| <u>Cash Flows from Operating Activities</u> | |
| Operating Grants Received | \$ 12,635,642 |
| Tenant Revenue Received | 2,485,271 |
| Other Revenue Received | 962,943 |
| General and Administrative Expenses Paid | (8,991,007) |
| Housing Assistance Payments | (6,456,629) |
| Net Cash Provided (Used) by Operating Activities | 636,220 |
| <u>Cash Flows from Investing Activities</u> | |
| Interest and Investment Revenue | 230,393 |
| Net Cash Provided (Used) by Investing Activities | 230,393 |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Capital Grant Funds Received | 4,032,920 |
| Capital and Other Assets Purchased | (3,305,483) |
| Issuance of Notes Receivable | (70,363) |
| Principal Debt Retired | (13,567) |
| Proceeds from Asset Sale | 6,461 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 649,968 |
| Net Increase in Cash | 1,516,581 |
| Cash and Cash Equivalents - Beginning of Year | 6,129,248 |
| Cash and Cash Equivalents - End of Year | \$ 7,645,829 |
| <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u> | |
| Net Operating Income (Loss) | \$ (1,793,073) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | |
| Depreciation and Amortization | 1,870,928 |
| Increase (Decrease) in: | |
| Accounts Receivable | (720,582) |
| Inventory | (6,765) |
| Prepaid Assets | (10,154) |
| Increases (Decreases) in: | |
| Accounts Payable | 1,229,212 |
| Intergovernmental Liability | (161,935) |
| Other Liabilities | 214,259 |
| Accrued Wages/Payroll Taxes | (3,485) |
| Unearned Revenue | (5,813) |
| Tenant Security Deposits | 323 |
| Compensated Absences | 23,305 |
| Net Cash Provided by Operating Activities | \$ 636,220 |

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

Description of the Entity and Programs

The Trumbull Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low-and-moderate income persons with safe and decent housing by administering the Housing Choice Voucher Program and the Public Housing Program. The Housing Choice Voucher Program provides rental subsidies directly to participant' landlords and pays fees to the Authority for costs of administering the program. The Public Housing Program subsidizes the Authority owned rental activity operations and capital improvements. Funding for both programs is based on client use and assistance to the clients is generally the lessor of the payment standard or the gross rent for the unit less 30% of the family's monthly adjusted income.

Summary of Significant Accounting Policies

The financial statements of 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

For financial reporting purposes, the reporting entity is defined to include the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading and are consistent with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61). Based on application of the criteria set forth in GASB Statements No. 14 and No. 39, the Authority annually evaluates potential component units (PCU) for inclusion based on financial accountability, the nature and significance of their relationship to the Authority, and whether exclusion would cause the basic financial statements to be misleading or incomplete.

The primary government consists of all funds, agencies, departments, and offices that are not legally separate from the Authority. The preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. The following organizations are described due to their relationship to the Authority.

Discretely Presented Component Units

The component units' column in the combined financial statements identifies the financial data of the Authority's two component units: the Warren Housing Development Corporation, and the Western Reserve Housing Development Corporation. They are reported separately to emphasize that they are legally separate entities and provide services to clients of the Authority and others. The Authority serves as the management agent for each of the Housing Development Corporations.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

Discretely Presented Component Units (Continued)

The Warren Housing Development Corporation (Warren HDC) is a legally separate, non-profit organization, served by a Board comprised of local officials and community representatives. Warren HDC was formed in 1977 to carry out charitable purposes including promoting and advancing decent, safe, and sanitary housing for persons of low income, particularly the elderly and infirm, and to promote the common good and general welfare of the City of Warren, Ohio, the State of Ohio, its inhabitants and surrounding territories and their inhabitant by providing housings. Separately issued audited financial statements for Warren HDC can be obtained from the Authority.

The Western Reserve Housing Development Corporation (Western Reserve HDC) is a legally separate, non-profit organization served by a Board comprised of local officials and community representatives. Western Reserve HDC was formed in 2001 for the promotion and construction of facilities for public housing or other charitable purposes. Separately issued audited financial statements for Western Reserve HDC can be obtained from the Authority.

Fund Accounting

The Authority uses enterprise funds to report on its financial position and the results of its operations for the Section 8 and Public Housing 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

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.

Investments

Investments of the primary government are restricted by the provisions of HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2024 totaled \$230,393 for the primary government and \$835,204 for the component units.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments, including certificates of deposits with a maturity date of twelve months or less.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Compensated absences 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; and (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.

Accordingly, vacation leave and other compensated absences with similar characteristics are accrued as a liability based on the leave accumulated at the balance sheet date. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the leave accumulated at the balance sheet date but adjusted based on trended histories of forfeited hours versus hours for which previously departed employees received payments. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

Budgetary Accounting

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

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.

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 (See Notes 7 and 8).

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

Deferred Outflows/Inflows of Resources (Continued)

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 7 and 8.

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/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.

Change in Accounting Principles

During the fiscal year, the Authority implemented the following Governmental Accounting Standards Board (GASB) Statements and Implementation Guides:

GASB Statement No. 100, Accounting Changes and Error Corrections. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or ascertaining accountability. The implementation of this Statement did have an effect on the financial statements of the Authority, see Note 16.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Primary Government

Deposits

At June 30, 2024, the carrying amount of the primary government's deposits was \$7,645,829 and the bank balance was \$7,792,759. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2023, \$500,000 of the primary government's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority or secured by UCC filings. Included in the carrying value of the Authority's deposits is \$575 in petty cash.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

Custodial credit risk is the risk that, in the event of bank failure, the primary government's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Authority's Board. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of deposits.

Primary Government

Such collateral, as permitted by Chapter 2 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority.

Deposits consist of cash and cash equivalents. Cash and cash equivalents include all highly liquid debt instruments, including certificates of deposit with a maturity date of twelve months or less.

| | Cash and Cash Equivalents |
|---|------------------------------|
| Cash - Unrestricted | \$ 7,219,574 |
| Cash - Restricted | 426,255 |
| Total GASB Statements No. 3 and No. 40 | \$ 7,645,829 |

Investments

The Authority has a formal investment policy; however, the Authority did not have investments at June 30, 2024.

Component Units

Deposits

At June 30, 2024, the carrying amount of the component units' deposits was \$14,295,520 and the bank balance was \$14,295,520. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2023, \$728,103 of the component units' bank balance was covered by Federal Depository Insurance. The remainder was covered through the FDIC by Insured Cash Sweep Accounts.

Deposits consist of cash and cash equivalents. Cash and cash equivalents include all highly liquid debt instruments, including certificates of deposit with a maturity date of twelve months or less.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

Component Units (Continued)

| | Cash and Cash Equivalents |
|---|------------------------------|
| Cash - Unrestricted | \$ 14,252,971 |
| Cash - Restricted | 42,549 |
| Total GASB Statements No. 3 and No. 40 | \$ 14,295,520 |

Investments

The component units did not have investments at June 30, 2024.

NOTE 3: **RESTRICTED CASH**

Primary Government

The restricted cash balance of \$426,255 on the financial statements for the primary government represents the following:

| | |
|--|-------------------|
| Public Housing Tenant Security Deposits | \$ 187,185 |
| HCVP HAP Restricted Funds | 98,495 |
| Family Self-Sufficiency Escrow Deposits | 114,015 |
| Family Self-Sufficiency Forfeiture Funds | 26,560 |
| Total Restricted Cash | \$ 426,255 |

Component Units

The restricted cash balance of \$42,549 on the financial statements for the primary government represents the following:

| | |
|------------------------------|------------------|
| Tenant Security Deposits | \$ 42,549 |
| Total Restricted Cash | \$ 42,549 |

NOTE 4: **INSURANCE COVERAGE**

The Authority is covered for property damage, general liability, auto damage and liability, and public officials' liability through various insurers.

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

There was no significant reduction in coverages and no claims exceeded insurance coverage during the past three years.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 5: **CAPITAL ASSETS**

PRIMARY GOVERNMENT

| | Balance June 30, 2023 | Additions | Deletions | Balance June 30, 2024 |
|--|--------------------------|---------------------|--------------------|--------------------------|
| <i>Capital Assets Not being Depreciated</i> | | | | |
| Land | \$ 1,156,911 | \$ 0 | \$ 0 | \$ 1,156,911 |
| Construction in Progress | 3,366,358 | 2,933,333 | 0 | 6,299,691 |
| <i>Total Capital Assets Not being Depreciated</i> | 4,523,269 | 2,933,333 | 0 | 7,456,602 |
| <i>Capital Assets Being Depreciated</i> | | | | |
| <i>Buildings and Building Improvements</i> | | | | |
| <i>See Note 16</i> | | | | |
| | 88,883,305 | 0 | 0 | 88,883,305 |
| Furniture and Equipment | 2,180,665 | 261,775 | (234,148) | 2,208,292 |
| <i>Total Capital Assets Being Depreciated</i> | 91,063,970 | 261,775 | (234,148) | 91,091,597 |
| <i>Less Accumulated Depreciation</i> | | | | |
| <i>See Note 16</i> | | | | |
| | (72,455,032) | (1,870,928) | 164,468 | (74,161,492) |
| Depreciable Assets, Net | 18,608,938 | (1,609,153) | (69,680) | 16,930,105 |
| Total Capital Assets, Net, Primary Government | \$ 23,132,207 | \$ 1,324,180 | \$ (69,680) | \$ 24,386,707 |

COMPONENT UNITS

| | Balance June 30, 2023 | Additions | Deletions | Balance June 30, 2024 |
|--|--------------------------|------------------|---------------------|--------------------------|
| <i>Capital Assets Not being Depreciated</i> | | | | |
| Land | \$ 968,554 | \$ 0 | \$ (26,781) | \$ 941,773 |
| Construction in Progress | 896,856 | 0 | 0 | 896,856 |
| <i>Total Capital Assets Not being Depreciated</i> | 1,865,410 | 0 | (26,781) | 1,838,629 |
| <i>Capital Assets Being Depreciated</i> | | | | |
| Buildings and Building Improvements | 11,934,527 | 242,279 | (292,336) | 11,884,920 |
| Furniture and Equipment | 576,518 | 0 | (34,659) | 541,859 |
| <i>Total Capital Assets Being Depreciated</i> | 12,511,045 | 242,729 | (326,995) | 12,426,779 |
| Less Accumulated Depreciation | (8,210,465) | (224,825) | 111,419 | (8,323,871) |
| Depreciable Assets, Net | 4,300,580 | 17,904 | (215,576) | 4,102,908 |
| Total Capital Assets, Net, Component Units | \$ 6,165,990 | \$ 17,904 | \$ (242,357) | \$ 5,941,537 |

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 6: **NOTES RECEIVABLE**

Primary Government

Agreement with The Elms of Warren Associates, Ltd.

The Authority entered into a lease agreement with The Elms of Warren Associates, Ltd. (the Elms Partnership) on June 24, 2019, for a base rent amount of \$6,500,000 attributable to the fair market value of The Elms, a 200-unit multifamily development in the City of Warren. This agreement is further memorialized by a promissory note that bears interest at a rate of 3 percent per annum. Payment of principal and interest are subject to The Elms Partnership's surplus cash and the distributions of cash flow. The entire unpaid principal balance and all accrued interest are due and payable to the Authority on June 24, 2069.

Component Units

Warren Housing Development Corporation (the Corporation) Agreements with Parkman Landing Associates, Ltd. (Parkman Partnership)

The Corporation entered into a note receivable with Parkman Partnership on October 29, 2015, in the amount of \$600,000. The note bears interest at the rate of 4 percent per annum. Payment of principal and interest are subject to Parkman Partnership's surplus cash and the distribution of cash flow. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation on December 20, 2050.

The Corporation entered into a note receivable with Parkman Partnership on July 27, 2017, in the amount of \$458,657 for funds for the new development of the Parkman Landing community. The note bears interest at the rate of 0 percent per annum. Payment of principal is subject to Parkman Partnership's surplus cash and the distributions of cash flow. The outstanding balance was paid in full on May 31, 2023.

The Corporation entered into a note receivable with Parkman Partnership on January 22, 2018, in the amount of \$135,000. The note bears interest at the rate of 0 percent per annum. Payment of principal is subject to Parkman Partnership's surplus cash and the distributions of cash flow until paid.

Warren Housing Development Corporation (the Corporation) Agreements with The Elms of Warren Associates, Ltd. (The Elms Partnership)

The Corporation entered into a note receivable with The Elms Partnership on June 24, 2019, in the amount of \$3,400,000. The note bears interest at the rate of 6.5 percent per annum. Payment of principal and interest will be due monthly in installments of \$23,500 beginning on the first day of the month following construction completion. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation January 31, 2039. The outstanding principal balance on June 30, 2024 is \$3,287,524.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 6: **NOTES RECEIVABLE** (Continued)

Component Units (Continued)

The Corporation entered into a note receivable with The Elms Partnership on June 24, 2019, in the amount of \$1,368,542 for funds for the redevelopment of The Elms community. The note bears interest at the rate of 3 percent per annum. Payment of principal and interest are subject to The Elms Partnership's surplus cash and the distributions of cash flow. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation on June 24, 2069.

The Corporation entered into a note receivable with The Elms Partnership on June 24, 2019, in the amount of \$6,500,000 in consideration for the Corporation's sale of The Elms property. The note bears interest at the rate of 3 percent per annum. Payment of principal and interest are subject to The Elms Partnership's surplus cash and the distributions of cash flow. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation on June 24, 2069.

The Corporation entered into a note receivable with the Partnership on June 24, 2020, in the amount of \$1,000,000 for funds received by the Corporation from The Ohio Housing Finance Agency's (OHFA) Housing Development Assistance Program (HDAP), funded by the National Housing Trust Fund (NHTF) and simultaneously assigned to the Partnership for the development of The Elms. The note bears interest at the rate of 0 percent per annum, compounded annually. Payment of principal is subject to the Partnership's surplus cash and the distribution of cash flow. The entire unpaid principal balance is due and payable to the Corporation on June 24, 2049.

The Corporation entered into a note receivable with the Partnership on June 24, 2020, in the amount of \$1,000,000 for funds received by the Corporation from OHFA's HDAP, funded by the Ohio Housing Trust Fund (OHTF) for the development of The Elms. The note bears interest at the rate of 2 percent per annum, compounded annually. A payment of \$114,590 was made from cost savings during construction. Payment of the remaining principal and interest are subject to the Partnership's surplus cash and the distributions of cash flow. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation on June 24, 2049. The outstanding principal balance on June 30, 2024 is \$885,410.

The Corporation entered into a note receivable with the Partnership on May 20, 2022, in the amount of \$2,446,399 for the development of The Elms. The note bears interest at the rate of 0 percent per annum. Payment of principal is subject to the Partnership's surplus cash and the distributions of cash flow. The entire unpaid principal balance is due and payable when paid. Payments of \$317,985 and \$1,108,413 were received from the Partnership in 2023 and 2024 respectively. The outstanding principal balance on June 30, 2024 is \$954,783.

A summary of the component units' notes receivable activity in the period is as follows:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

| | |
|--|----------------------|
| Corporation with Parkman Landing Associates, Ltd. | \$ 735,000 |
| Corporation with The Elms of Warren Associates, Ltd. | 13,996,259 |
| Less Note Receivable - Current Portion | <u>(70,383)</u> |
| Total Notes Receivable - Net of Current Portion | <u>\$ 14,660,876</u> |

NOTE 7: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit.

For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

* Member contributions within combined plan are not used to fund the defined benefit retirement allowance.

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

For fiscal year ending June 30, 2024, the Authority's contractually required contributions used to fund pension benefits was \$456,502 for the traditional plan.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

| | OPERS Traditional Pension Plan |
|--|--------------------------------------|
| Proportion of the Net Pension Liability/Asset: | |
| Prior Measurement Date | 0.019799% |
| Current Measurement Date | 0.019356% |
| Change in Proportionate Share | -0.000443% |
| Proportionate Share of the: | |
| Net Pension Liability | \$ 5,067,480 |
| Net Pension Asset | \$ 0 |
| Pension Expense | \$ 465,313 |

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

| | OPERS Traditional Pension Plan |
|--|--------------------------------------|
| Deferred Outflows of Resources | |
| Net difference between projected and actual earnings on pension plan investments | \$ 1,022,832 |
| Differences between expected and actual experience | 82,823 |
| Changes of assumptions | |
| Authority contributions subsequent to the measurement date | 111,695 |
| Total Deferred Outflows of Resources | \$ 1,217,350 |
| Deferred Inflows of Resources | |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | \$ 72,570 |
| Total Deferred Inflows of Resources | \$ 72,570 |

\$111,695 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 June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

| | OPERS Traditional Pension Plan |
|----------------------|--------------------------------------|
| Year Ending June 30: | |
| 2025 | \$ 198,876 |
| 2026 | 327,139 |
| 2027 | 652,716 |
| 2028 | (145,646) |
| Total | \$ 1,033,085 |

Actuarial Assumptions - OPERS

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

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

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
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(CONTINUED)

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

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

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

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

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|---|------------------------|-------------------------------------|------------------------|
| Authority's proportionate share of the net pension liability | \$ 7,977,575 | \$ 5,067,480 | \$ 2,647,127 |

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN**

Net OPEB Liability

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

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

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

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

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

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(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution allocated to health care was \$4,741 for the fiscal year ending June 30, 2024.

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NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB 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:

| | OPERS |
|---|--------------|
| Proportion of the Net OPEB (Asset): | |
| Prior Measurement Date | 0.019125% |
| Proportion of the Net OPEB Liability: | |
| Current Measurement Date | 0.018686% |
| Change in Proportionate Share | -0.000439% |
| | |
| Proportionate Share of the Net OPEB Liability (Asset) | \$ (168,646) |
| OPEB Expense | \$ (22,560) |

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

| | OPERS |
|--|------------|
| Deferred Outflows of Resources | |
| Net difference between projected and actual earnings on OPEB plan investments | \$ 101,281 |
| Changes of assumptions | 43,417 |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 1,150 |
| Authority contributions subsequent to the measurement date | 1,152 |
| Total Deferred Outflows of Resources | \$ 147,000 |
| | |
| Deferred Inflows of Resources | |
| Differences between expected and actual experience | \$ 24,003 |
| Changes of assumptions | 72,496 |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 544 |
| Total Deferred Inflows of Resources | \$ 97,043 |

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

\$1,152 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending June 30: | OPERS |
|----------------------|------------|
| 2025 | \$ (4,082) |
| 2026 | 8,250 |
| 2027 | 78,837 |
| 2028 | (34,200) |
| Total | \$ 48,805 |

Actuarial Assumptions - OPERS

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

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

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

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

| | <u>1% Decrease 4.70%</u> | <u>Current Discount Rate 5.70%</u> | <u>1% Increase 6.70%</u> |
|---|------------------------------|--|------------------------------|
| Authority's proportionate share of the net OPEB liability | \$ 92,683 | \$ (168,646) | \$ (385,118) |

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

| | <u>1% Decrease</u> | <u>Current Health Care Cost Trend Rate Assumption</u> | <u>1% Increase</u> |
|--|--------------------|---|--------------------|
| Authority's proportionate share of the net OPEB asset | \$ (175,648) | \$ (168,646) | \$ 129,094 |

NOTE 9: **NON-CURRENT LIABILITIES – OTHER**

Primary Government

The Non-Current Liabilities – Other balance of \$269,720 on the financial statements for the primary government represents the following:

| | |
|--|--------------------------|
| Administration Vehicle Rent Payable | \$ 307,754 |
| Tenant Association Escrow Accounts | 7,674 |
| Tenant Unclaimed Funds | 27,089 |
| Less Current Portion Vehicle Rent Payable | <u>(72,797)</u> |
| Total Non-Current Liabilities - Other | <u>\$ 269,720</u> |

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 10: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Commissioners subject to collective bargaining, when applicable.

Permanent employees who work full time earn annual leave (i.e., vacation hours) based on the employee's years of service. Annual leave may be accumulated up to 3 times the employee's annual accumulation amount as of July 1 of each year. Eligible employees earn 10 hours sick leave per month of service.

Unused sick leave may be accumulated without limit. Employees who leave the Authority or are terminated are not paid for unused sick leave. However, any employee who retires, dies, or becomes disabled will be paid for unused sick leave based on the employee's years of service and unused sick leave subject to maximum limits based on the employee's years of service.

Primary Government

At June 30, 2024, based on the vesting method, \$541,495 was accrued by the primary government for unused vacation and sick time. The current portion is \$139,228 and the non-current portion is \$402,269. The additions reflect the dollar value of leave earned and the deletions reflect the dollar value of leave used, forfeited, or otherwise removed as a liability.

| <u>July 1, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2024</u> |
|---------------------|------------------|------------------|----------------------|
| \$ 518,192 | \$ 290,873 | \$ (267,568) | \$ 541,497 |

Component Units

At June 30, 2024, based on the vesting method, \$36,866 was accrued by the component units for unused vacation and sick time. The current portion is \$10,114 and the non-current portion is \$26,752.

| <u>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> |
|---------------------|------------------|------------------|----------------------|
| <u>July 1, 2023</u> | | | <u>June 30, 2024</u> |
| \$ 33,373 | \$ 21,710 | \$ (18,217) | \$ 36,866 |

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 11: **LONG-TERM DEBT**

Primary Government

Promissory Note with Warren Housing Development Corporation (Warren HDC)

The Authority entered into a promissory note with Warren HDC on June 24, 2019, in the amount of \$6,500,000 for the purchase of The Elms. The note bears interest at the rate of 3 percent per annum. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation on June 24, 2069.

Promissory Notes with Trumbull County, Ohio

The Authority had debt in 2024 equal to \$12,492 related to five properties purchased with Neighborhood Stabilization Program grant funds.

Maturities of debt over the life of the debt are as follows:

| Maturities of Debt ended June 30 | Principal Payments |
|-------------------------------------|-----------------------|
| 2025 | 12,492 |
| Total | \$ 12,492 |

The Authority entered into a contractual agreement with Trumbull County, Ohio in March 2010, wherein the Authority initially received a grant for \$36,313 to be used for the purchase of property located at 506 Washington Avenue, Girard, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low-income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from March 2010. As of June 30, 2024, outstanding principle was \$1,783.

The Authority entered into a contractual agreement with Trumbull County, Ohio, in May 2010, wherein the Authority initially received a grant for \$12,574 to be used for the purchase of property located at 674 Grover Avenue, Masury, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low-income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from May 2010. As of June 30, 2024, outstanding principle was \$745.

The Authority entered into a contractual agreement with Trumbull County, Ohio, in June 2010, wherein the Authority initially received a grant for \$54,481 to be used for the purchase of property located at 409 Ventura Drive, Youngstown, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low-income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from June 2010. As of June 30, 2024, outstanding principle was \$3,443.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 11: **LONG-TERM DEBT** (Continued)

Primary Government (Continued)

The Authority entered into a contractual agreement with Trumbull County, Ohio, in June 2010, wherein the Authority initially received a grant for \$49,258 to be used for the purchase of property located at 501 Murray Hill Drive, Youngstown, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low-income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from June 2010. As of June 30, 2024, outstanding principle was \$3,112.

The Authority entered into a contractual agreement with Trumbull County, Ohio, on July 2, 2010, wherein the Authority initially received a grant for \$50,875 to be used for the purchase of property at 3702-3704 Crestview Street, Warren, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low-income tenants for a period of 15 years. In the event of a violation of this restriction, the Authority shall back amount equal to the grant amount less prorated amount of time measured from July 2010. As of June 30, 2024, outstanding principle was \$3,409.

A summary of the primary government’s debt activity in the period is as follows:

| <u>Promissory Note With</u> | <u>Balance</u> <u>July 1, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2024</u> | <u>Current</u> <u>Portion</u> |
|-----------------------------|---------------------------------------|------------------|--------------------|--|----------------------------------|
| Warren HDC | \$ 6,500,000 | \$ 0 | \$ 0 | \$ 6,500,000 | \$ 0 |
| Trumbull County, Ohio | 26,059 | 0 | (13,567) | 12,492 | 12,492 |
| Total | \$ 6,526,059 | \$ 0 | \$ (13,567) | \$ 6,512,492 | \$ 12,492 |

Component Units

The Authority’s component units were obligated on the following notes as of June 30, 2023:

Western Reserve Housing Development Corporation (Western Reserve HDC) Promissory Note with Trumbull Housing Development Corporation (Trumbull HDC)

On March 31, 2013, a promissory note in the amount of \$2,144,359 was written with Trumbull HDC for Western Reserve HDC’s balance due on its Cortland Savings & Bank Company loan. The promissory note bears interest at the rate of 4.75 percent per annum and the note expires when paid in full on March 15, 2032. The outstanding principal balance as of June 30, 2024 is \$1,148,641.

Required payments, including interest, are as follows:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 11: **LONG-TERM DEBT** (Continued)

Component Units (Continued)

| Year Ended June 30 | Principal | Interest | Total Payments |
|-----------------------|---------------------|-------------------|---------------------|
| 2025 | \$ 125,602 | \$ 51,850 | \$ 177,452 |
| 2026 | 131,700 | 45,752 | 177,452 |
| 2027 | 138,094 | 39,358 | 177,452 |
| 2028 | 144,798 | 32,654 | 177,452 |
| 2029 | 151,828 | 25,624 | 177,452 |
| 2030-2032 | 456,619 | 31,373 | 487,992 |
| Total | \$ 1,148,641 | \$ 226,611 | \$ 1,375,252 |

Warren Housing Development Corporation (Warren HDC) Promissory Note with Trumbull Housing Development Corporation (Trumbull HDC)

On June 30, 2023 a promissory note in the amount of \$600,000 was written between Trumbull HDC and Western Reserve HDC. The promissory note bears interest at the rate of 4.00 percent per annum and the note expires when paid in full on August 1, 2043. The outstanding principal balance as of June 30, 2024 is \$580,006.

Required payments, including interest, are as follows:

| Year Ended June 30 | Principal | Interest | Total Payments |
|-----------------------|-------------------|-------------------|-------------------|
| 2025 | 20,809 | 22,822 | 43,631 |
| 2026 | 21,657 | 21,974 | 43,631 |
| 2027 | 22,539 | 21,092 | 43,631 |
| 2028 | 23,458 | 20,173 | 43,631 |
| 2029 | 24,413 | 19,218 | 43,631 |
| 2030-2043 | 467,130 | 143,698 | 610,828 |
| Total | \$ 580,006 | \$ 248,977 | \$ 828,983 |

Warren Housing Development Corporation (Warren HDC) Notes with Ohio Housing Finance Agency (OHFA)

On June 24, 2019, a note was written between the Warren HDC and OHFA's HDAP funded by the National Housing Trust Fund in the amount of \$1,000,000 for redevelopment of The Elms community. The note bears interest at the rate of 0 percent per annum. The entire unpaid balance is due and payable to OHFA on June 24, 2049.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 11: **LONG-TERM DEBT** (Continued)

Component Units (Continued)

On June 24, 2019, a note was written between Warren HDC and OHFA's HDAP funded by the Ohio Housing Trust Fund in the amount of \$1,000,000 for redevelopment of The Elms community. The note bears interest at the rate of 2 percent per annum. A payment of \$114,590 was made from cost savings during construction. Payment of the remaining principal and interest are subject to the Partnership's surplus cash and the distributions of cash flow. The entire unpaid principal balance and all accrued interest are due and payable to the Corporation on June 24, 2049. The outstanding principal balance as of June 30, 2024 is \$885,410.

A summary of the component units' debt activity in the period is as follows:

| | Balance | | | Balance | |
|-----------------------------|----------------------|------------------|---------------------|----------------------|------------------------|
| <u>Promissory Note With</u> | <u>June 30, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2024</u> | <u>Current Portion</u> |
| Western Reserve HDC | \$ 1,868,429 | \$ 0 | \$ (286,193) | \$ 1,582,236 | \$ 146,411 |
| Notes with OHFA | 1,885,410 | 0 | 0 | 1,885,410 | 0 |
| Total | \$ 3,753,839 | \$ 0 | \$ (286,193) | \$ 3,467,646 | \$ 146,411 |

NOTE 12: **NET PENSION AND OPEB LIABILITIES**

The Authority's proportion of the net pension liability and net OPEB liability was based on the Authority's share of the plans relative to all of the participating entities. See Notes 7 and 8 regarding pension plans and OPEB benefits reported in net pension/OPEB liability. The change in the net pension/OPEB liability is as follows:

| | Balance | | | Balance | |
|-------------------------------------|---------------------|------------------|---------------------|---------------------|--|
| | <u>06/30/2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>06/30/2024</u> | |
| <u>Net Pension Liability</u> | | | | | |
| Primary Government | \$ 5,421,098 | \$ 0 | \$ (689,592) | \$ 4,731,506 | |
| Component Units | 427,535 | 0 | (91,561) | 335,974 | |
| Total Pension Liability | \$ 5,848,633 | \$ 0 | \$ (781,153) | \$ 5,067,480 | |
| <u>Net OPEB Liability</u> | | | | | |
| Primary Government | \$ 111,773 | \$ 0 | \$ (111,773) | \$ 0 | |
| Component Units | 8,814 | 0 | (8,814) | \$ 0 | |
| Total OPEB Liability | \$ 120,587 | \$ 0 | \$ (120,587) | \$ 0 | |

NOTE 13: **CONTINGENCIES**

The Authority is party to various routine legal proceedings that arise in the ordinary course of business. No provision has been made to the financial statements for the effect, if any, of such contingencies.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 14: CONDENSED FINANCIAL STATEMENT INFORMATION – COMPONENT UNITS

| | Warren Housing Development Corporation | Western Reserve Housing Development Corporation | Totals |
|--|---|--|-----------------------------|
| <u>Balance Sheet</u> | | | |
| Current Assets | \$ 14,280,548 | \$ 312,023 | \$ 14,592,571 |
| Capital and Other Assets | 17,208,462 | 3,756,055 | 20,964,517 |
| Current Liabilities | (157,651) | (248,048) | (405,699) |
| Non-Current Liabilities | (2,321,776) | (1,583,189) | (3,904,965) |
| Net Position | <u>\$ 29,009,583</u> | <u>\$ 2,236,841</u> | <u>\$ 31,246,424</u> |
| | | | |
| <u>Revenues, Expenses, and Change in Equity</u> | | | |
| Operating Revenue | \$ 1,434,576 | \$ 267,416 | \$ 1,701,992 |
| Operating Expense | <u>(1,455,975)</u> | <u>(163,261)</u> | <u>(1,619,236)</u> |
| Net Operating Revenue | (21,399) | 104,155 | 82,756 |
| Total Non-Operating Revenue(Expense) | <u>767,535</u> | <u>(247,086)</u> | <u>520,449</u> |
| Excess Revenue over Expenses | <u>\$ 746,136</u> | <u>\$ (142,931)</u> | <u>\$ 603,205</u> |

NOTE 15: SUBSEQUENT EVENTS

The investments of the pension and other postemployment benefit plans fluctuate with market conditions and due to market volatility, the gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 16: **PRIOR PERIOD ADJUSTMENT – THE ELMS**

In the current fiscal year, the Authority became aware that the transaction involving the Elms building, located at 2300 Plaza Ave, Warren, OH qualified for GASB 87 lease accounting beginning in Fiscal Year 2019.

This adjustment affects the amounts reported for “Capital Assets – Net of Depreciation”, “Deferred Inflows – The Elms”, and “Net Investment in Capital Assets” for the fiscal years 2019 through the present.

If the error was correctly reported on prior year financial statements, “Capital Assets – Net of Depreciation” and “Deferred Inflows – The Elms” would have been increased by \$6,500,000 in fiscal year 2019, “Depreciation Expense” would have been recorded as \$154,860 for each fiscal year from 2019 through the present, and “Net Investment in Capital Assets” would have decreased by \$154,860 for each fiscal year from 2019 through the present.

The adjustment required a restatement of beginning net position and fund net position, as follows:

| Prior Period Adjustment - The Elms | |
|---|-----------------------|
| | Primary Government |
| Net Position, as previously reported - June 30, 2023 | \$ 19,473,372 |
| Reduction in Net Investment in Capital Assets Fiscal Years 2019-2023 | (774,296) |
| Net Position, as restated - June 30, 2023 | \$ 18,699,076 |

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

| Traditional Plan | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|--------------|--------------|--------------|--------------|--------------|
| Authority's Proportion of the Net Pension Liability | 0.019356% | 0.019799% | 0.020390% | 0.021139% | 0.020841% |
| Authority's Proportionate Share of the Net Pension Liability | \$ 5,067,480 | \$ 5,848,633 | \$ 1,774,013 | \$ 3,130,226 | \$ 4,119,365 |
| Authority's Covered Payroll | \$ 3,186,012 | \$ 3,069,130 | \$ 2,959,225 | \$ 2,977,328 | \$ 2,932,316 |
| Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 159.05% | 190.56% | 59.95% | 105.14% | 140.48% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.01% | 75.74% | 92.62% | 86.88% | 82.17% |
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Authority's Proportion of the Net Pension Liability | 0.021455% | 0.021435% | 0.021977% | 0.021621% | 0.021793% |
| Authority's Proportionate Share of the Net Pension Liability | \$ 5,876,090 | \$ 3,362,736 | \$ 4,990,603 | \$ 3,745,029 | \$ 2,628,480 |
| Authority's Covered Payroll | \$ 2,897,848 | \$ 2,832,601 | \$ 2,841,027 | \$ 2,690,989 | \$ 2,672,507 |
| Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 202.77% | 118.72% | 175.66% | 139.17% | 98.35% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% |
| Combined Plan | 2024 | 2023 | 2022 | 2021 | 2020 |
| Authority's Proportion of the Net Pension Asset | 0.000000% | 0.000000% | 0.011277% | 0.011395% | 0.011395% |
| Authority's Proportionate Share of the Net Pension (Asset) | \$ - | \$ - | \$ (44,432) | \$ (35,373) | \$ (23,761) |
| Authority's Covered Payroll | \$ - | \$ - | \$ 51,409 | \$ 54,004 | \$ 50,726 |
| Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | 0.00% | 0.00% | 86.43% | 65.50% | 46.84% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 144.55% | 137.14% | 169.88% | 157.67% | 145.28% |
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| Authority's Proportion of the Net Pension Asset | 0.009219% | 0.011384% | 0.011987% | 0.011350% | 0.012387% |
| Authority's Proportionate Share of the Net Pension (Asset) | \$ (10,309) | \$ (15,497) | \$ (6,672) | \$ (5,523) | \$ (4,770) |
| Authority's Covered Payroll | \$ 39,430 | \$ 46,621 | \$ 46,659 | \$ 41,311 | \$ 45,278 |
| Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | 26.15% | 33.24% | 14.30% | 13.37% | 10.53% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 126.64% | 137.28% | 116.55% | 116.90% | 114.83% |

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

See accompanying notes to the required supplementary information

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| <u>Contractually Required Contributions</u> | | | | | |
| Traditional Plan | \$ 456,502 | \$ 436,587 | \$ 425,204 | \$ 411,788 | \$ 415,144 |
| Combined Plan | - | - | 5,458 | 7,534 | 7,608 |
| Total Required Contributions | 456,502 | 436,587 | 430,662 | 419,322 | 422,752 |
| Contributions in Relation to the Contractually Required Contribution | (456,502) | (436,587) | (430,662) | (419,322) | (422,752) |
| Contribution Deficiency / (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>Authority's Covered Payroll</u> | | | | | |
| Traditional Plan | \$ 3,260,729 | \$ 3,118,479 | \$ 3,037,171 | \$ 2,941,343 | \$ 2,965,314 |
| Combined Plan | \$ - | \$ - | \$ 38,986 | \$ 53,814 | \$ 54,343 |
| <u>Pension Contributions as a Percentage of Covered Payroll</u> | | | | | |
| Traditional Plan | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |
| Combined Plan | 0.00% | 0.00% | 14.00% | 14.00% | 14.00% |
| | | | | | |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| <u>Contractually Required Contributions</u> | | | | | |
| Traditional Plan | \$ 408,761 | \$ 399,973 | \$ 346,763 | \$ 326,830 | \$ 320,157 |
| Combined Plan | 6,390 | 6,583 | 5,695 | 5,017 | 4,995 |
| Total Required Contributions | 415,151 | 406,556 | 352,458 | 331,847 | 325,152 |
| Contributions in Relation to the Contractually Required Contribution | (415,151) | (406,556) | (352,458) | (331,847) | (325,152) |
| Contribution Deficiency / (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>Authority's Covered Payroll</u> | | | | | |
| Traditional Plan | \$ 2,919,721 | \$ 2,967,443 | \$ 2,782,278 | \$ 2,723,583 | \$ 2,667,975 |
| Combined Plan | \$ 45,643 | \$ 48,841 | \$ 45,694 | \$ 41,808 | \$ 41,625 |
| <u>Pension Contributions as a Percentage of Covered Payroll</u> | | | | | |
| Traditional Plan | 14.00% | 13.48% | 12.46% | 12.00% | 12.00% |
| Combined Plan | 14.00% | 13.48% | 12.46% | 12.00% | 12.00% |

See accompanying notes to the required supplementary information

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|--------------|--------------|--------------|--------------|
| Authority's Proportion of the Net OPEB Liability/Asset | 0.018686% | 0.019125% | 0.019947% | 0.020621% |
| Authority's Proportionate Share of the Net OPEB Liability/(Asset) | \$ (168,646) | \$ 120,587 | \$ (624,771) | \$ (367,380) |
| Authority's Covered Payroll | \$ 3,298,844 | \$ 3,183,075 | \$ 3,110,575 | \$ 3,118,654 |
| Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll | -5.11% | -3.79% | 20.09% | 11.78% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 107.76% | 94.79% | 128.23% | 115.57% |
| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Authority's Proportion of the Net OPEB Liability/Asset | 0.020061% | 0.020524% | 0.020580% | 0.021150% |
| Authority's Proportionate Share of the Net OPEB Liability/(Asset) | \$ 2,770,945 | \$ 2,675,845 | \$ 2,234,836 | \$ 2,136,222 |
| Authority's Covered Payroll | \$ 3,030,783 | \$ 2,976,877 | \$ 2,915,577 | \$ 2,922,556 |
| Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll | 91.43% | 89.89% | 76.65% | 73.09% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.80% | 46.33% | 54.14% | 54.05% |

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

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

See accompanying notes to the required supplementary information

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1)**

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contribution | \$ 4,741 | \$ 4,140 | \$ 3,907 | \$ 3,338 | \$ 2,771 |
| Contributions in Relation to the Contractually Required Contribution | <u>(4,741)</u> | <u>(4,140)</u> | <u>(3,907)</u> | <u>(3,338)</u> | <u>(2,771)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Authority Covered Payroll | \$ 3,379,245 | \$ 3,221,979 | \$ 3,173,837 | \$ 3,078,603 | \$ 3,088,932 |
| Contributions as a Percentage of Covered Payroll | 0.14% | 0.13% | 0.12% | 0.11% | 0.09% |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| Contractually Required Contribution | \$ 1,632 | \$ 17,257 | \$ 44,746 | \$ 55,978 | \$ 54,592 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,632)</u> | <u>(17,257)</u> | <u>(44,746)</u> | <u>(55,978)</u> | <u>(54,592)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Authority Covered Payroll | \$ 3,006,175 | \$ 3,054,371 | \$ 2,856,434 | \$ 2,795,304 | \$ 2,741,941 |
| Contributions as a Percentage of Covered Payroll | 0.05% | 0.56% | 1.57% | 2.00% | 1.99% |

See accompanying notes to the required supplementary information

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability

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

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

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Trumbull Metropolitan Housing Authority (OH008)

WARREN, OH

Entity Wide Balance Sheet Summary

June 30, 2024

| Line Item | Project Total | 17.259 WIA Youth Activities | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account | 6.1 Component Unit - Discretely Presented | 14.871 Housing Choice Vouchers | COCC | Subtotal | ELIM | Total | PG |
|---|----------------|-----------------------------|--|--------------------------------------|---|--------------------------------|---------------|----------------|-------------|----------------|----------------|
| 111 Cash - Unrestricted | \$5,855,380 | \$0 | \$0 | \$0 | \$14,259,051 | \$770,767 | \$593,427 | \$21,478,625 | | \$21,478,625 | \$7,219,574 |
| 112 Cash - Restricted - Modernization and Development | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 113 Cash - Other Restricted | \$11,836 | \$0 | \$0 | \$26,560 | \$0 | \$112,354 | \$0 | \$150,750 | | \$150,750 | \$150,750 |
| 114 Cash - Tenant Security Deposits | \$187,185 | \$0 | \$0 | 0 | \$42,549 | \$0 | \$0 | \$229,734 | | \$229,734 | \$187,185 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$13,418 | \$0 | \$0 | 0 | \$0 | \$74,902 | \$0 | \$88,320 | | \$88,320 | \$88,320 |
| 100 Total Cash | \$6,067,819 | \$0 | \$0 | \$26,560 | \$14,301,600 | \$958,023 | \$593,427 | \$21,947,429 | | \$21,947,429 | \$7,645,829 |
| 121 Accounts Receivable - PHA Projects | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 122 Accounts Receivable - HUD Other Projects | \$829,764 | \$0 | \$21,623 | 0 | \$0 | \$0 | \$0 | \$851,387 | | \$851,387 | \$851,387 |
| 124 Accounts Receivable - Other Government | \$95 | \$51,341 | \$0 | 0 | \$0 | \$0 | \$0 | \$51,438 | | \$51,438 | \$51,438 |
| 125 Accounts Receivable - Miscellaneous | \$11,880 | \$0 | \$0 | 0 | \$73,619 | \$0 | \$311,216 | \$396,715 | | \$396,715 | \$323,096 |
| 126 Accounts Receivable - Tenants | \$30,008 | \$0 | \$0 | 0 | \$11,402 | \$0 | 0 | \$41,410 | | \$41,410 | \$30,008 |
| 126.1 Allowance for Doubtful Accounts - Tenants | (\$3,818) | \$0 | \$0 | 0 | (\$5,863) | \$0 | \$0 | (\$9,681) | | (\$9,681) | (\$3,818) |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | \$63,645 | \$0 | \$0 | 0 | \$75,360 | \$0 | \$0 | \$139,005 | | \$139,005 | \$63,645 |
| 128 Fraud Recovery | \$110,018 | \$0 | \$0 | 0 | \$7,896 | \$17,878 | \$0 | \$135,792 | | \$135,792 | \$127,896 |
| 128.1 Allowance for Doubtful Accounts - Fraud | (\$3,823) | \$0 | \$0 | 0 | \$0 | (\$6,106) | \$0 | (\$9,929) | | (\$9,929) | (\$9,929) |
| 129 Accrued Interest Receivable | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$1,037,769 | \$51,341 | \$21,623 | \$0 | \$162,416 | \$11,772 | \$311,216 | \$1,596,137 | | \$1,596,137 | \$1,433,721 |
| | | | | | | | | \$0 | | \$0 | \$0 |
| 131 Investments - Unrestricted | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 132 Investments - Restricted | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 133 Investments - Restricted for Payment of Current Liability | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 142 Prepaid Expenses and Other Assets | \$104,442 | \$0 | \$0 | 0 | \$82,689 | \$1,026 | \$34,060 | \$222,217 | | \$222,217 | \$139,528 |
| 143 Inventories | \$184,846 | \$0 | \$0 | 0 | \$44,454 | \$0 | \$12,995 | \$242,295 | | \$242,295 | \$197,841 |
| 143.1 Allowance for Obsolete Inventories | (\$9,183) | \$0 | \$0 | 0 | (\$1,233) | \$0 | (\$371) | (\$10,787) | | (\$10,787) | (\$9,554) |
| 144 Inter Program Due From | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$173,031 | \$173,031 | (\$173,031) | \$0 | \$0 |
| 145 Assets Held for Sale | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 150 Total Current Assets | \$7,385,693 | \$51,341 | \$21,623 | \$26,560 | \$14,589,926 | \$970,821 | \$1,124,358 | \$24,170,322 | (\$173,031) | \$23,997,291 | \$9,407,365 |
| | | | | | | | | \$0 | | \$0 | \$0 |
| 161 Land | \$916,759 | \$0 | \$0 | 0 | \$941,773 | \$0 | \$240,152 | \$2,098,684 | | \$2,098,684 | \$1,156,911 |
| 162 Buildings | \$82,383,305 | \$0 | \$0 | 0 | \$11,884,920 | \$0 | \$6,500,000 | \$100,768,225 | | \$100,768,225 | \$88,883,305 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$961,669 | \$0 | \$0 | 0 | \$174,003 | \$0 | \$2,809 | \$1,138,481 | | \$1,138,481 | \$964,478 |
| 164 Furniture, Equipment & Machinery - Administration | \$399,747 | \$0 | \$0 | 0 | \$367,856 | \$43,209 | \$800,767 | \$1,611,579 | | \$1,611,579 | \$1,243,723 |
| 165 Leasehold Improvements | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 166 Accumulated Depreciation | (\$72,727,556) | \$0 | \$0 | 0 | (\$8,323,871) | (\$30,773) | (\$1,403,072) | (\$82,485,272) | | (\$82,485,272) | (\$74,161,401) |
| 167 Construction in Progress | \$6,299,691 | \$0 | \$0 | 0 | \$896,856 | \$0 | \$0 | \$7,196,547 | | \$7,196,547 | \$6,299,691 |
| 168 Infrastructure | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$18,233,615 | \$0 | \$0 | \$0 | \$5,941,537 | \$12,436 | \$6,140,656 | \$30,328,244 | | \$30,328,244 | \$24,386,707 |
| | | | | | | | | \$0 | | \$0 | \$0 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | \$0 | \$0 | \$0 | 0 | \$14,921,343 | \$0 | \$6,500,000 | \$21,421,343 | | \$21,421,343 | \$6,500,000 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 173 Grants Receivable - Non Current | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 174 Other Assets | \$79,973 | \$0 | \$0 | 0 | \$11,181 | \$20,625 | \$56,867 | \$168,646 | | \$168,646 | \$157,465 |
| 176 Investments in Joint Ventures | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 180 Total Non-Current Assets | \$18,313,588 | \$0 | \$0 | \$0 | \$20,874,061 | \$33,061 | \$12,697,523 | \$51,918,233 | | \$51,918,233 | \$31,044,172 |

Trumbull Metropolitan Housing Authority (OH008)

WARREN, OH

Entity Wide Balance Sheet Summary

June 30, 2024

| Line Item | Project Total | 17.259 WIA Youth Activities | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account | 6.1 Component Unit - Discretely Presented | 14.871 Housing Choice Vouchers | COCC | Subtotal | ELIM | Total | PG |
|---|---------------|-----------------------------|--|--------------------------------------|---|--------------------------------|---------------|--------------|-------------|--------------|--------------|
| 200 Deferred Outflow of Resources | \$646,976 | \$0 | \$0 | \$0 | \$90,456 | \$166,860 | \$460,060 | \$1,364,352 | | \$1,364,352 | \$1,273,896 |
| 290 Total Assets and Deferred Outflow of Resources | \$26,346,257 | \$51,341 | \$21,623 | \$26,560 | \$35,554,443 | \$1,170,742 | \$14,281,941 | \$77,452,907 | (\$173,031) | \$77,279,876 | \$41,725,433 |
| 311 Bank Overdraft | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 312 Accounts Payable <= 90 Days | \$158,901 | \$49,859 | \$0 | 0 | \$169,783 | \$23,836 | \$222,716 | \$625,095 | | \$625,095 | \$455,312 |
| 313 Accounts Payable >90 Days Past Due | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 321 Accrued Wage/Payroll Taxes Payable | \$29,782 | \$1,483 | \$2,267 | 0 | \$5,349 | \$6,742 | \$60,804 | \$126,427 | | \$126,427 | \$121,078 |
| 322 Accrued Compensated Absences - Current Portion | \$39,604 | \$0 | \$0 | 0 | \$10,114 | \$8,629 | \$90,995 | \$149,342 | | \$149,342 | \$139,228 |
| 324 Accrued Contingency Liability | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 325 Accrued Interest Payable | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 331 Accounts Payable - HUD PHA Programs | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 332 Account Payable - PHA Projects | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 333 Accounts Payable - Other Government | \$146,124 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$146,124 | | \$146,124 | \$146,124 |
| 341 Tenant Security Deposits | \$187,185 | \$0 | \$0 | 0 | \$42,549 | \$0 | \$0 | \$229,734 | | \$229,734 | \$187,185 |
| 342 Unearned Revenue | \$42,634 | \$0 | \$0 | 0 | \$28,848 | \$0 | \$489 | \$71,971 | | \$71,971 | \$43,123 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | \$12,492 | \$0 | \$0 | 0 | \$146,411 | \$0 | \$0 | \$158,903 | | \$158,903 | \$12,492 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 345 Other Current Liabilities | \$13,418 | \$0 | \$0 | 0 | \$867 | \$13,859 | \$72,797 | \$100,941 | | \$100,941 | \$100,074 |
| 346 Accrued Liabilities - Other | \$829,764 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$829,764 | | \$829,764 | \$829,764 |
| 347 Inter Program - Due To | \$0 | \$0 | \$19,356 | 0 | \$0 | \$153,675 | 0 | \$173,031 | (\$173,031) | \$0 | \$0 |
| 348 Loan Liability - Current | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 310 Total Current Liabilities | \$1,459,904 | \$51,342 | \$21,623 | \$0 | \$403,921 | \$206,741 | \$467,801 | \$2,611,332 | (\$173,031) | \$2,438,301 | \$2,034,380 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | \$0 | \$0 | \$0 | 0 | \$3,467,646 | \$0 | \$0 | \$3,467,646 | | \$3,467,646 | \$0 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$6,500,000 | \$6,500,000 | | \$6,500,000 | \$6,500,000 |
| 353 Non-current Liabilities - Other | \$46,419 | \$0 | \$0 | 0 | \$62,482 | \$74,908 | \$235,131 | \$418,940 | | \$418,940 | \$356,458 |
| 354 Accrued Compensated Absences - Non Current | \$128,854 | \$0 | \$0 | 0 | \$26,752 | \$20,096 | \$253,319 | \$429,021 | | \$429,021 | \$402,269 |
| 355 Loan Liability - Non Current | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 356 FASB 5 Liabilities | \$0 | \$0 | \$0 | 0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| 357 Accrued Pension and OPEB Liabilities | \$2,402,999 | \$0 | \$0 | \$0 | \$335,974 | \$619,753 | \$1,708,754 | \$5,067,480 | | \$5,067,480 | \$4,731,506 |
| 350 Total Non-Current Liabilities | \$2,578,272 | \$0 | \$0 | \$0 | \$3,892,854 | \$714,757 | \$8,697,204 | \$15,883,087 | | \$15,883,087 | \$11,990,233 |
| 300 Total Liabilities | \$4,038,176 | \$51,342 | \$21,623 | \$0 | \$4,296,775 | \$921,498 | \$9,165,005 | \$18,494,419 | (\$173,031) | \$18,321,388 | \$14,024,613 |
| 400 Deferred Inflow of Resources | \$80,430 | \$0 | \$0 | 0 | \$11,244 | \$20,743 | \$6,557,195 | \$6,669,612 | | \$6,669,612 | \$6,658,368 |
| 508.4 Net Investment in Capital Assets | \$18,221,123 | \$0 | \$0 | 0 | \$4,218,165 | \$12,436 | (\$359,344) | \$22,092,380 | | \$22,092,380 | \$17,874,215 |
| 511.4 Restricted Net Position | \$0 | \$0 | \$0 | \$25,712 | \$0 | \$98,495 | \$0 | \$124,207 | | \$124,207 | \$124,207 |
| 512.4 Unrestricted Net Position | \$4,006,528 | \$0 | \$0 | \$847 | \$27,028,259 | \$117,570 | (\$1,080,915) | \$30,072,289 | | \$30,072,289 | \$3,044,030 |
| 513 Total Equity - Net Assets / Position | \$22,227,651 | \$0 | \$0 | \$26,559 | \$31,246,424 | \$228,501 | (\$1,440,259) | \$52,288,876 | | \$52,288,876 | \$21,042,452 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$26,346,257 | \$51,342 | \$21,623 | \$26,559 | \$35,554,443 | \$1,170,742 | \$14,281,941 | \$77,452,907 | (\$173,031) | \$77,279,876 | \$41,725,433 |

Trumbull Metropolitan Housing Authority (OH008)
 WARREN, OH
 Entity Wide Revenue and Expense Summary

June 30, 2024

| Line Item | Project Total | 17,259 WIA Youth Activities | 14,896 PIH Family Self-Sufficiency Program | 14,844 FSS Escrow Forfeiture Account | 6,1 Component Unit - Discretely Presented | 14,871 Housing Choice Vouchers | COCC | Subtotal | ELIM | Total | PG | CU |
|--|---------------|-----------------------------|--|--------------------------------------|---|--------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| 96200 Other General Expenses | \$0 | \$181,354 | \$0 | | \$102,094 | \$2,677 | \$45,151 | \$331,276 | | \$331,276 | \$229,182 | \$102,094 |
| 96210 Compensated Absences | \$4,530 | \$0 | \$0 | | \$5,150 | \$0 | \$39,721 | \$49,401 | | \$49,401 | \$44,251 | \$5,150 |
| 96300 Payments in Lieu of Taxes | \$146,378 | \$0 | \$0 | | \$8,050 | \$0 | \$267 | \$154,695 | | \$154,695 | \$146,645 | \$8,050 |
| 96400 Bad debt - Tenant Rents | \$193,055 | \$0 | \$0 | | \$24,000 | \$11,414 | \$0 | \$228,469 | | \$228,469 | \$204,469 | \$24,000 |
| 96500 Bad debt - Mortgages | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 96600 Bad debt - Other | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 96800 Severance Expense | \$40,302 | \$0 | \$0 | | \$3,109 | \$0 | \$908 | \$44,319 | | \$44,319 | \$41,210 | \$3,109 |
| 96000 Total Other General Expenses | \$384,265 | \$181,354 | \$0 | \$0 | \$142,403 | \$14,091 | \$86,047 | \$808,160 | \$0 | \$808,160 | \$665,757 | \$142,403 |
| 96710 Interest of Mortgage (or Bonds) Payable | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 96720 Interest on Notes Payable (Short and Long Term) | \$0 | \$0 | \$0 | | \$100,073 | \$0 | \$0 | \$100,073 | | \$100,073 | \$0 | \$100,073 |
| 96730 Amortization of Bond Issue Costs | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 | \$100,073 | \$0 | \$0 | \$100,073 | \$0 | \$100,073 | \$0 | \$100,073 |
| 96900 Total Operating Expenses | \$7,441,487 | \$308,238 | \$127,316 | \$7,079 | \$1,525,141 | \$821,616 | \$2,324,317 | \$12,555,194 | (\$1,590,136) | \$14,145,330 | \$12,620,189 | \$1,525,141 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$4,486,484 | (\$1) | \$0 | \$848 | \$772,442 | \$6,521,356 | (\$89,486) | \$11,691,643 | \$0 | \$11,691,643 | \$10,919,201 | \$772,442 |
| 97100 Extraordinary Maintenance | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 97200 Casualty Losses - Non-capitalized | \$17,851 | \$0 | \$0 | | (\$42,846) | \$0 | \$0 | (\$24,995) | | (\$24,995) | \$17,851 | (\$42,846) |
| 97300 Housing Assistance Payments | \$24,099 | \$0 | \$0 | | \$867 | \$6,544,645 | \$0 | \$6,569,611 | | \$6,569,611 | \$6,568,744 | \$867 |
| 97350 HAP Portability-In | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 97400 Depreciation Expense | \$1,642,920 | \$0 | \$0 | | \$219,550 | \$6,801 | \$221,207 | \$2,090,478 | | \$2,090,478 | \$1,870,928 | \$219,550 |
| 97500 Fraud Losses | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 97600 Capital Outlays - Governmental Funds | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 97700 Debt Principal Payment - Governmental Funds | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 97800 Dwelling Units Rent Expense | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 90000 Total Expenses | \$9,126,357 | \$308,238 | \$127,316 | \$7,079 | \$1,702,712 | \$7,373,062 | \$2,545,524 | \$21,190,288 | (\$1,590,136) | \$22,780,424 | \$21,077,712 | \$1,702,712 |
| 10010 Operating Transfer In | \$4,032,920 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$4,032,920 | | \$4,032,920 | \$4,032,920 | \$0 |
| 10020 Operating transfer Out | (\$4,032,920) | \$0 | \$0 | | \$0 | \$0 | \$0 | (\$4,032,920) | | (\$4,032,920) | (\$4,032,920) | \$0 |
| 10030 Operating Transfers from/to Primary Government | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10040 Operating Transfers from/to Component Unit | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10050 Proceeds from Notes, Loans and Bonds | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10060 Proceeds from Property Sales | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10070 Extraordinary Items, Net Gain/Loss | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10080 Special Items (Net Gain/Loss) | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10091 Inter Project Excess Cash Transfer In | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10092 Inter Project Excess Cash Transfer Out | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10093 Transfers between Program and Project - In | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10094 Transfers between Project and Program - Out | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$2,782,980 | \$0 | \$0 | \$848 | \$594,871 | (\$34,083) | (\$158,286) | \$3,186,330 | \$0 | \$3,186,330 | \$2,591,459 | \$594,871 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$19,706,467 | \$0 | \$0 | \$25,712 | \$30,643,219 | \$386,915 | (\$1,420,017) | \$50,116,591 | | \$50,116,591 | \$18,699,076 | \$30,643,219 |
| 11040 Prior Period Adjustments, Equity Transfers and Corrections | (\$280,430) | \$0 | \$0 | \$0 | \$24,930 | (\$128,324) | \$290,449 | (\$85,375) | | (\$85,375) | (\$118,305) | \$24,930 |
| 11050 Changes in Compensated Absence Balance | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11060 Changes in Contingent Liability Balance | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11070 Changes in Unrecognized Pension Transition Liability | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11080 Changes in Special Term/Severance Benefits Liability | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11100 Changes in Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11170 Administrative Fee Equity | \$0 | \$0 | \$0 | | \$0 | \$126,013 | \$0 | \$126,013 | | \$126,013 | \$126,013 | \$0 |
| 11180 Housing Assistance Payments Equity | \$0 | \$0 | \$0 | | \$0 | \$98,495 | \$0 | \$98,495 | | \$98,495 | \$98,495 | \$0 |
| 11190 Unit Months Available | 240 | 0 | 0 | | 2088 | 15031 | 0 | 15271 | | 15271 | \$13,183 | \$2,088 |
| 11210 Number of Unit Months Leased | 238 | 0 | 0 | | 2009 | 12533 | 0 | 12771 | | 12771 | \$10,762 | \$2,009 |
| 11270 Excess Cash | \$5,026,899 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$5,026,899 | | \$5,026,899 | \$5,026,899 | \$0 |
| 11610 Land Purchases | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11620 Building Purchases | \$4,032,920 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$4,032,920 | | \$4,032,920 | \$4,032,920 | \$0 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 11660 Infrastructure Purchases | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 |

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| Federal Grantor/ Program Title | Assistance Listing Number | Total Federal Expenditures |
|--|--|---|
| <u>U.S. Department of Housing and Urban Development</u> | | |
| <i>Direct Programs</i> | | |
| Housing Voucher Cluster: | | |
| Section 8 Housing Choice Vouchers | 14.871 | \$ 6,466,734 |
| Total Housing Voucher Cluster | | <u>6,466,734</u> |
| Public and Indian Housing | 14.850 | <u>5,333,120</u> |
| Public Housing Capital Fund | 14.872 | <u>4,032,920</u> |
| Family Self-Sufficiency Program | 14.896 | <u>127,316</u> |
| Total U.S. Department of Housing and Urban Development | | <u>15,960,090</u> |
| <u>U.S. Department of Labor</u> | | |
| <i>Pass-Through Programs</i> | | |
| <i>Passed Through Trumbull County Department of Jobs</i> | | |
| WIOA Youth Activities | 17.259 | <u>308,237</u> |
| <i>Total Pass-Through Programs</i> | | <u>308,237</u> |
| Total U.S. Department of Labor | | <u>308,237</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | <u>\$ 16,268,327</u> |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1: **BASIS OF PRESENTATION**

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

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

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

NOTE 3: **INDIRECT COST RATE**

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

NOTE 4: **SUBRECIPIENT**

The Authority provided no federal awards to subrecipients during the year ended June 30, 2024.

NOTE 5: **DISCLOSURE OF OTHER FORMS OF ASSISTANCE**

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2024.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended June 30, 2024.

OHIO AUDITOR OF STATE KEITH FABER



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

Trumbull Metropolitan Housing Authority
Trumbull County
4076 Youngstown Road SE
Warren, Ohio 44484

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 Trumbull Metropolitan Housing Authority, Trumbull County, (the Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 16, 2025, wherein we noted the Authority restated capital assets, deferred inflows of resources, depreciation, and net position as of June 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the Warren Housing Development Corporation and the Western Reserve Housing Development Component Units, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Efficient • Effective • Transparent

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*.

Authority's Response to Findings

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 16, 2025

OHIO AUDITOR OF STATE KEITH FABER



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

Trumbull Metropolitan Housing Authority
Trumbull County
4076 Youngstown Road SE
Warren, Ohio 44484

To the Board of Commissioners:

Report on Compliance for The Major Federal Program

Opinion on the Major Federal Program

We have audited Trumbull Metropolitan Housing Authority's, Trumbull County, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Trumbull Metropolitan Housing Authority's major federal program for the year ended June 30, 2024. Trumbull 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, Trumbull Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on The Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

May 16, 2025

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**TRUMBULL METROPOLITAN HOUSING AUTHORITY
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | Yes |
| (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): | AL #s 14.871 – Housing Voucher Cluster |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 750,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee under 2 CFR § 200.520? | Yes |

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

Financial Reporting

FINDING NUMBER 2024-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The Authority entered into a lease agreement with The Elms of Warren Associates, Ltd. (the Elms Partnership) on June 24, 2019, for a base rent amount of \$6,500,000 which has been presented as notes receivable. The Authority has not been presenting this transaction properly under GASB 87 lease accounting. The Authority has corrected the issue by making a prior period error correction to bring on the building as an asset and present deferred inflows for the notes receivable. Beginning net position, net investments in capital assets, accumulated depreciation and depreciation expense were also adjusted.

The Authority did not have the necessary controls to prevent or detect these errors.

The Authority should implement controls to help ensure all transactions are reviewed to help ensure proper presentation.

Officials' Response: See the Corrective Action Plan.

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS |
|--|

None



TRUMBULL METROPOLITAN HOUSING AUTHORITY

Donald W. Emerson, Jr.
Executive Director

4076 Youngstown Road, S.E. • Suite 101 • Warren, Ohio 44484 • (330) 369-1533 • Fax (330) 369-6731

CORRECTIVE ACTION PLAN JUNE 30, 2024

| | |
|-------------------------------------|---|
| Finding Number: | 2024-001 |
| Planned Corrective Action: | We have made the appropriate adjustments on the financial statements to correctly report the lease in accordance with GASB 87 and will carry the fixed asset on the TMHA depreciation schedule going forward. |
| Anticipated Completion Date: | 05/12/2025 |
| Responsible Contact Person: | Garrett Hassay |



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OHIO AUDITOR OF STATE KEITH FABER



TRUMBULL METROPOLITAN HOUSING AUTHORITY

TRUMBULL 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 6/3/2025

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