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PASSION Beyond the Numbers

PARMA PUBLIC HOUSING AGENCY
CUYAHOGA COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

PARMA PUBLIC HOUSING AGENCY
CUYAHOGA COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Parma Public Housing Agency
Cuyahoga County
1440 Rockside Road, Suite 306
Parma, OH 44134

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Parma Public Housing Agency**, Cuyahoga County, Ohio (the Agency), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Parma Public Housing Agency, Cuyahoga County, Ohio as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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, 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 Financial Data Schedule and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023, on our consideration of the Agency’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 Agency'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 Agency's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2023

Unaudited

The Parma Public Housing Agency's ("the Authority") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's position, and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the 2022 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's Net Position increased by $ 95,662 or 7.7% during 2022, resulting from changes in operations. Since the Authority engages only in business-type activities, the increase is all in the category of business-type Net Position.
- Revenues increased by $1,015,968 or 17.43% during 2022. The increase was due to more HUD funding received for the year.
- The total expenses of the Authority programs increased by $134,241 or 2.03%. The change was mainly due to PH sale of the Public Housing Property resulting in decrease in operating expenses and increase in housing assistance payments.

Authority Financial statements

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

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

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

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

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

Unaudited

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

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

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

Fund Financial statements

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

Many of the programs maintained by the Authority are done so as required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

The Authority's Programs

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% 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.

During the current year, the sale of public housing units was finalized. The Authority will no longer be operating this program.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord.

AUTHORITY STATEMENTS

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

Unaudited

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

	2022	Restated 2021
Current and Other Assets	$ 1,983,782	$ 2,002,799
Capital Assets	84,237	97,071
Total Assets	2,068,019	2,099,870
Deferred Outflows of Resources	94,611	67,846
Total Assets and Deferred Outflows	$ 2,162,630	$ 2,167,716
Current Liabilities	$ 105,536	$ 105,912
Long-Term Liabilities	383,456	527,444
Total Liabilities	488,992	633,356
Deferred Inflows of Resources	335,266	291,650
Net Positions:		
Net Investment in Capital Assets	19,846	12,854
Restricted Net Positions	-	506,810
Unrestricted Net Positions	1,318,526	723,046
Total Net Positions	1,338,372	1,242,710
Total Liabilities, Deferred Inflows and Net Positions	$ 2,162,630	$ 2,167,716

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

During 2022, current and other assets decreased by $19,017 and current liabilities decreased by $376. The change in current assets was due to a change in cash. The change in current liability was due to the implantation of GASB 87 resulting in reporting the lease liability.

Long-term liability decreased by $143,988. This decrease is mainly related to the change net Pension and OPEB liability.

Capital assets changed from $97,071 in 2021 to $84,237 in 2022. The $12,834 decrease is attributed primarily to the implementation of GASB 87. For more detail see "Capital Assets" presented later in this report.

The following table presents details on the change in Net Position.

Unaudited

Table 2 - Changes of Net Positions

	Unrestricted	Restricted	Net Invest in C/A
Beginning Balance - December 31, 2021	$ 723,046	$ 506,810	$ 12,854
Results of Operation	602,472	(506,810)	-
Adjustments:			
Current year Depreciation / Amortization Expense	25,789	-	(25,789)
Capital Expenditure (2)	(12,956)	-	12,956
Current year Lease Liability Retired	(19,826)	-	19,826
Rounding Adjustment	1	-	(1)
Ending Balance - December 31, 2022	$ 1,318,526	$ -	$ 19,846

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

(2) Capital expenditures represent an outflow of unrestricted Net Position but are not treated as an expense against Results of Operations, and therefore must be deducted.

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

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

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Unaudited

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

	2022	Restated 2021
Revenues		
Total Tenant Revenues	$ -	$ 61,693
Operating Subsidies	6,720,982	5,693,235
Investment Income	1,866	151
Other Revenues	122,459	74,260
Total Revenues	**6,845,307**	**5,829,339**
Expenses		
Administrative	487,976	646,546
Tenant Services	55,034	74,018
Utilities	3,203	45,050
Maintenance	1,348	(48,978)
General & Interest Expenses	166,733	73,169
Housing Assistance Payments	6,011,221	5,632,308
Depreciation & Amortization	25,789	3,235
(Gain) Loss on Sale of Capital Assets	(1,659)	190,056
Total Expenses	**6,749,645**	**6,615,404**
Net Increases (Decreases)	95,662	(786,065)
Total Net Position - Beginning	1,242,710	2,028,775
Total Net Position - Beginning	**$ 1,338,372**	**$ 1,242,710**

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

Total revenue increased by $1,015,968 for the year. The revenue was $5,829,339 in 2021 and $6,845,307 in 2022. The increase in revenue is mainly due to an increase in grant revenue earned from HUD for the Housing Choice Voucher program.

Total expenses increased by $134,241 for the year. The increase was mainly due to the change in housing assistance payments and pension liability.

Unaudited

CAPITAL ASSETS

As of year-end, the Authority had $84,237 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of $12,834 or 13.222% from the end of last year.

Table 4 - Condensed Statement of Changes in Capital Assets

	2022	Restated 2021
Furniture, Equipment & Machinery - Admin	$ 116,300	$ 103,344
Leasehold Improvements	1,815	1,816
Intangible Right-To-Use: leased Equipment	198,390	198,390
Accumulated Depreciation / Amortization	(232,268)	(206,479)
Total	$ 84,237	$ 97,071

The following reconciliation identifies the change in Capital Assets.

Beginning Balance - December 31, 2021 - Restated	$ 97,071
Current year Additions	12,956
Current year Depreciation / Amortization Expense	(25,789)
Rounding adjustment	(1)
Ending Balance - December 31, 2022	$ 84,237
Current year Additions are summarized as follows:	
New Server	$ 12,956
Total 2022 Additions	$ 12,956

DEBT OUTSTANDING

As of year-end, the Agency had no debt (bonds, Notes, etc.) outstanding.

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.
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic

FINANCIAL CONTACT

The individual to be contacted regarding this report is Amy Waxman, Executive Director of the Parma Public Housing Agency, at (216) 661-2015 ext 15. Specific requests may be submitted to the Parma Public Housing Agency, 1440 Rockside Road, Suite 306, Parma, OH 44134.

Parma Public Housing Agency
Statement of Net Position
December 31, 2022

ASSETS		
Current assets		
Cash and cash equivalents	$	1,680,159
Restricted cash and cash equivalents		109,296
Receivables, net		114,135
Prepaid expenses and other assets		11,470
Total current assets		1,915,060
Noncurrent assets		
Capital assets:		
Depreciatable/Amortized capital assets, net		84,237
OPEB Asset		68,722
Total noncurrent assets		152,959
Deferred Outflows of Resources		
Pension Liability		94,611
Total Deferred Outflows of Resources		94,611
Total Assets and Deferred Outflows of Resources	$	2,162,630
LIABILITIES		
Current liabilities		
Accounts payable	$	14,201
Accrued liabilities		72,380
Leases - Current portion		18,955
Total current liabilities		105,536
Noncurrent liabilities		
Accrued compensated absences non-current		28,429
Net Pension Liability		200,295
Other noncurrent liabilities		109,296
Leases - Non-current portion		45,436
Total noncurrent liabilities		383,456
Total Liabilities	$	488,992

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

Parma Public Housing Agency
Statement of Net Position - Cont'd.
December 31, 2022

Deferred Inflows of Resources		
Pension	$	259,333
OPEB		75,933
Total Deferred Outflows of Resources		335,266
Net Position		
Net investment in capital assets		19,846
Unrestricted Net Position		1,318,526
Total Net Position		1,338,372
Total Liabilities, Deferred Inflows of Resources and Net Position	$	2,162,630

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

Parma Public Housing Agency
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2022

OPERATING REVENUES		
Government operating grants	$	6,720,982
Other revenue		122,459
Total operating revenues		6,843,441
OPERATING EXPENSES		
Administrative		487,976
Tenant services		55,034
Utilities		3,203
Maintenance		1,348
General		161,204
Housing assistance payment		6,011,221
Amortization		19,826
Depreciation		5,963
Total operating expenses		6,745,775
Operating Income		97,666
NONOPERATING REVENUES (EXPENSES)		
Interest and investment revenue		1,866
Interest Expense		(5,529)
Gain on sale of capital assets		1,659
Total nonoperating revenues (expenses)		(2,004)
Change in Net Position		95,662
Total Net Position - Beginning		1,242,710
Total Net Position - Ending	**$**	**1,338,372**

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

Parma Public Housing Agency
Statement of Cash Flows
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	$ 6,655,983
Other revenue received	121,705
General and administrative expenses paid	(818,078)
Housing assistance payments	(6,011,221)
Net cash provided (used) by operating activities	(51,611)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	1,866
Net cash provided (used) by investing activities	1,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest paid	(5,529)
Property and quipment purchased	(12,956)
Lease liability paid	(19,826)
Net cash provided (used) by capital and related financing activities	(38,311)
Net increase (decrease) in cash	(88,056)
Cash and cash equivalents - Beginning of year	1,877,511
Cash and cash equivalents - End of year	**$ 1,789,455**

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

Parma Public Housing Agency
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	$	97,666
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation		5,963
- Amortizaiton		19,826
- (Increases) Decreases in Accounts Receivable		(63,219)
- (Increases) Decreases in Prepaid Assets		23,995
- (Increases) Decreases in OPEB Asset		(28,152)
- (Increases) Decreases in Deferred Outflows		(26,765)
- Increases (Decreases) in Accounts Payable		(11,295)
- Increases (Decreases) in Accrued Expenses Payable		11,787
- Increases (Decreases) in Compensated Absence Payable		1,266
- Increases (Decreases) in Non-current Liabilities		24,998
- Increases (Decreases) in Pension Liability		(151,297)
- Increases (Decreases) in Deferred Inflows		43,616
Net cash provided by operating activities	**$**	**(51,611)**

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

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

Organization and Reporting Entity
The Department of Parma Public Housing, City of Parma, Ohio, was created by the Codified Ordinances of the City of Parma, Chapter 2101, Ordinance 66-85 that was passed on March 20, 1985. The Department of Parma Public Housing, City of Parma, Ohio, contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Department of Parma Public Housing, City of Parma, Ohio, depends on subsidies from HUD to operate.

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

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

The Agency's basic financial statements consist of a statement of Net Position, a statement of revenues, expenses, and changes in Net Position, and a statement of cash flows.

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

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

Measurement Focus and Basis of Accounting
The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Agency are included on the statement of Net Position. The statement of changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses)

in net total assets. The statement of cash flows provides information about how the Agency finances and meets the cash flow needs of its enterprise activity.

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

Use of Estimates

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

Cash and Cash Equivalents

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

Capital Assets

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

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	7 years
Autos	5 years
Computers	3 years

Capitalization of Interest

The Agency's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments

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

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: **(1)** the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee; 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.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

Deferred Outflow and 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 Note 6 and 7.

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

Pension / Other Post-Employment Benefits

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

NOTE 2: **ACCOUNTABILITY AND COMPLIANCE**

Change in Accounting Principles
For fiscal year 2022, the Authority has implemented Government Accounting Standards Board (GASB) Statement No. 87 "*Leases*", and the related guidance from GASB Implementation Guide 2019-3, "*Leases*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A Lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The leases of the Authority have been reflected in the financial statements.

The Authority also implemented Guide 2020-1 "*Implementation Guide Update – 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 92, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position balance.*"

NOTE 3: **DEPOSITS AND INVESTMENTS**

Cash on Hand
At December 31, 2022, the carrying amount of the Agency's cash deposits was $1,789,455 and the bank balance was $1,798,094. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2022, deposits totaling $500,000 were covered by Federal Depository Insurance and deposits totaling $1,298,094 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Agency's name.

Custodial credit is the risk that, in the event of a bank failure, the Agency's deposits may not be returned. The Agency's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Agency.

Investments
The Agency does not have a formal investment policy. The Agency follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and records all its investments at fair value. At December 31, 2022, the Agency had no investments.

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

Credit Risk
The credit risk of the Agency's investments is in the table below. The Agency has no investment policy that would further limit its investment choices.

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

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

NOTE 4: RESTRICTED CASH

The restricted cash balance of $109,296 on the financial statements represents:

FSS Escrow funds held for tenants	$109,296
Total Restricted Cash	$109,296

NOTE 5: CAPITAL ASSETS

A summary of capital assets on December 31, 2022 by class is as follows:

	Restated 12/31/2021	Adjustment	Additions	Deletions	12/31/2022
Capital Assets Depreciated					
Funiture, Equipment - Admin	$ 103,344	$ -	$ 12,956	$ -	$ 116,300
Leasehold Improvements	1,816	(1)	-	-	1,815
Intangible Right-To Use: Leased Assets	198,390	-	-	-	198,390
Total Capital Assets Depreciated	303,550	(1)	12,956	-	316,505
Accumulated Depreciation					
Building	-	-	-	-	-
Funiture, Equipment - Admin	(90,732)	-	(5,842)	-	(96,574)
Leasehold Improvements	(1,574)	-	(121)	-	(1,695)
Intangible Right-To Use: Leased Assets	(114,173)	-	(19,826)	-	(133,999)
Total Accumulated Depreciation	(206,479)	-	(25,789)	-	(232,268)
Total Capital Assets Depreciated, Net	97,071	(1)	(12,833)	-	84,237
Total Capital Assets	$ 97,071	$ (1)	$ (12,833)	$ -	$ 84,237

NOTE 6: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

The Ohio Revised Code limits the Authority’s obligation for this liability to annually required payments. The Authority cannot control benefit terms, or the way 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 proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

When a traditional 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. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

A death benefit of $500 - $2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

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 purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
2022 Statutory Maximum Contribution Rates:	
- Employer	14.0%
- Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for pension was $59,356 for the year ending December 31, 2022.

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

The net pension liability/(asset) was measured as of December 31, 2021, 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:

	Traditional Plan
Proportionate Share of Net Pension Liability	$200,295
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.002374%
- Current Meassurement Date	0.002302%
Change in Proportion from Prior	-0.000072%
Pension Expense (Income)	($99,414)

On December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan
Deferred Outflows of Resources	
Assumption Changes	$25,045
Difference between expected and actual experience	10,210
Authority contributions subsequent to the measurement date	59,356
Total Deferred Outflows of Resources	$94,611

	Traditional Plan
Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$238,230
Difference between expected and actual experience	4,393
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	16,710
Total Deferred Inflows of Resources	$259,333

$59,356 reported as deferred outflows of resources related to pension resulting from the Authority's contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		Traditional Plan
Fiscal Year Ending December 31:		
	2023	$(43,536)
	2024	(86,627)
	2025	(56,017)
	2026	(37,898)
	Total	$(224,078)

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, 2021, 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 methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Actuarial Information	Traditional Plan
Measurement and Valuation Date	December 31, 2021
Experience Study	5-year ended 12/31/2020
Actuarial Cost Method	Individual entry age
Actuarial Assumption:	
Investment Rate of Return	6.9%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3% Simple Post 01/07/13 Retirees: 3.0% Simple through 2022, then 2.05% Simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General 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.

The long-term 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.

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	24.00%	1.03%
Domestic Equities	21.00%	3.78%
Real Estate	11.00%	3.66%
Private Equity	12.00%	7.43%
International Equities	23.00%	4.88%
Risk Parity	5.00%	2.92%
Other Investments	4.00%	2.85%
TOTAL	100.00%	4.21%

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

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

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	$528,056	$200,295	$72,467

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2022, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2023 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

NOTE 7 – 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.

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 each 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 for 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 the 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 on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

To qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information.

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 the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2022 remained at 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

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

The Authority's contractually required contribution was $0 for fiscal year ending December 31, 2022.

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 were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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:

	Health Care Plan
Proportionate Share of Net OPEB Asset	$68,722
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.002277%
- Current Meassurement Date	0.002194%
Change in Proportion from Prior	-0.000083%
OPEB Expense (Revenue)	($63,184)

On December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$32,761
Assumption Changes	27,817
Difference between expected and actual experience	10,424
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	4,931
Total Deferred Inflows of Resources	$75,933

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

		Health Care Plan
Year Ending December 31:		
	2023	$(47,366)
	2024	(16,704)
	2025	(7,158)
	2026	(4,705)
	Total	$(75,933)

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 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, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Information	
Actuarial Valuation Date	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2021
Experianse Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	1.84%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75%
Health Care Cost Trend Rate	5.5% initial, 3.5% ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General 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.

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.

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

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	0.91%
Domestic Equities	25.00%	3.78%
REITs	7.00%	3.71%
International Equities	25.00%	4.88%
Risk Parity	2.00%	2.92%
Other Investments	7.00%	1.93%
TOTAL	100.00%	3.45%

Discount Rate – A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, 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 6.00 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.00 percent) or one percentage point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$40,413	$68,722	$92,214

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 Authority's proportionate share of 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 2022 is 5.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	**Current Health Care Cost Trend Rate Assumption**	**1% Increase**
Authority's proportionate share of the net OPEB asset	$69,462	$68,722	$67,838

NOTE 8: **COMPENSATED ABSENCES**

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

All permanent employees will earn 10 hours sick leave per month of service. Unused sick leave may be accumulated without limit. At the time of separation, union employees receive payment for thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation.

On December 31, 2022, the current portion of the liability is $41,711 and the long-term portion is $28,429.

The following is a summary of changes in compensated absences for the year ended December 31, 2022:

	Balance 12/31/2021	Amount Earned	Amount Used	Balance 12/31/2022	Due Within One Year
Compensated leave liability	$ 68,700	$ 51,867	$ 50,427	$ 70,140	$ 41,711

NOTE 9: **INSURANCE**

The Agency is covered for property damage, general liability, automobile liability, law enforcement liability, public official's liability, and other crime liabilities through membership in the Housing Authority Risk Retention Group, Inc. (HARRG). HARRG is an insurance risk pool comprised of Public Housing Authorities, of which Parma Public Housing Agency is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
General Liability	$500	1,000,000/2,000,000
Automobile Liability	$500	1,000,000/2,000,000
Public Officials	$500	1,000,000/2,000,000
Business Computers	$500	5,000 Software/ 7,500 Hardware

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Agency is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Agency's insurance in any of the past three years.

NOTE 10: **CONTINGENCIES**

Grants
Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2022.

Litigations and Claims
In the normal course of operations, the PHA may be subject to litigation and claims. At December 31, 2022, the PHA was not involved in such matters.

NOTE 11**: LONG-TERM LIABILITIES**

The change in the Authority's long-term obligations during 2022 were as follows:

Description	Restated Balance 01/01/22	Additions	Deletions	Balance 12/31/22	Due Within One Year
Net Pension Liability	$ 351,592	$ -	$ (151,297)	$ 200,295	$ -
Lease Liability	84,217	-	(19,826)	64,391	18,955
Total	$ 435,809	$ -	$ (171,123)	$ 264,686	$ 18,955

See note 6 for information on the Authority net pension liability.

NOTE 12: **LEASES**

GASB Statement No. 87, *Leases* (GASB 87), is a comprehensive change by the governmental accounting standards board for lease arrangements. Previous GASB lease guidance, including GASB 13 and GASB 62, did not require all leases to be recognized on the statement of financial position. Instead, only those classified as capital leases were recognized and disclosed as assets and liabilities in the financial statements.

To improve the consistency and transparency of accounting and financial reporting for leases by governments, GASB 87 requires lessees to recognize an intangible right-to-use asset and liability for leases that were previously classified as operating leases and establishes a single classification model for leases going forward.

GASB 87 requires lessees to recognize a lease asset associated with their lease agreements. Therefore, one of the newly required quantitative disclosures is to disclose the total amount of lease assets and the related accumulated amortization, summarized by the major classifications of the underlying assets:

PURPOSE	LEASE COMMENCEMENT DATE	TERM (YEARS)	LEASE END DATE	PAYMENT METHOD
Office Space	August 1, 2016	10	July 31, 2026	Monthly
Postage Meter	October 10, 2021	5	October 9, 2026	Monthly

The table below report projects the undiscounted cash flows to be made in the future:

Fiscal Year Ending	Principal	Interest	Total
December 31, 2023	$ 18,955	$ 6,400	$ 25,355
December 31, 2024	18,123	7,232	25,355
December 31, 2025	18,615	6,740	25,355
December 31, 2026	8,699	6,238	14,937
Total	$ 64,392	$ 26,610	$ 91,002

NOTE 13: **SUBSEQUENT EVENTS**

Parma Public Housing Agency officially changed its name to North Coast Housing Connections and has new branding and an updated web page.

Why the name change?

In 2021, Parma Public Housing Agency (PPHA) sold its only public housing property, leaving the agency with only a Housing Choice Voucher Program. Because the agency serves all of Cuyahoga County and not just Parma, the name was changed its name to better reflect its mission.

North Coast Housing Connections (NCHC) is a federally funded rental assistance program for low- to moderate-income families. NCHC administers 802 Housing Choice (Section 8) Vouchers throughout Cuyahoga County, providing participants access to quality affordable housing and a path to self-sufficiency. Although the organization will legally remain Parma Public Housing Agency, it is registered to do business as North Coast Housing Connections.

Quote from Executive Director Amy Waxman:

The rebranding comes one year after Amy Waxman was hired as the agency's executive director. "We wanted to break with the old name, start fresh and let the community know we service all of Cuyahoga County, not just Parma. Our mission is to provide our applicants and participants access to excellent affordable housing and offer a path to self-sufficieny through our voluntary Family Self-Sufficiency Program."

Website Link:

https://cityofparma-oh.gov/en-US/Housing%20Connections.aspx

NOTE 14: **COVID 19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Agency. The pension and other employee benefit plans in which the Agency participates fluctuate with market conditions and, due to market volatility, the amounts of gains or losses that will be recognized in subsequent periods, if any cannot be determined. In addition, the impact on the Agency's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Parma Public Housing Agency
Required Supplementary Information
Schedule of Parma Public Housing Agency
Proportionate Share of the Net Pension Liability
Last Fiscal Years Available

Traditional Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.002302%	0.002374%	0.002388%	0.002563%	0.002628%	0.002552%	0.002294%	0.001327%	0.001327%
Authority's Proportionate Share of the Net Pension Liability	$200,295	$351,592	$472,059	$701,988	$412,248	$579,491	$397,305	$160,040	$156,338
Authority's Covered Payroll	$342,148	$344,655	$344,389	$346,826	$341,165	$300,868	$322,908	$358,926	$342,191
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	58.54%	102.01%	137.07%	202.40%	120.84%	192.61%	123.04%	44.59%	45.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

1) The amounts presented for each year were determined as of the Authority's measurement date with is the prior year end.
2) Information prior to 2014 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Parma Public Housing Agency
Required Supplementary Information
Schedule of the Agency's
Proportionate Share of the Net OPEB Liability (Assets)
For the Fiscal Years Available

	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.002194%	0.002277%	0.002296%	0.002465%	0.002529%	0.002141%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	($68,722)	($40,570)	$317,093	$321,426	$274,653	$216,259
Authority's Covered-Employee Payroll	$342,148	$344,655	$346,826	$353,391	$341,165	$300,868
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll	(20.09%)	(11.77%)	91.43%	90.95%	80.50%	71.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

1) The amounts presented for each year were determined as of the Authority's measurement date with is the prior year end.

2) Information prior to 2017 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Parma Public Housing Agency
Required Supplementary Information
Schedule of Parma Public Housing Agency's
PERS Schedule of Ten Year Contributions
For the Last Ten Fiscal Years

	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Contractually Required Contribution										
- Pension	$59,356	$47,901	$48,214	$48,763	$49,475	$44,634	$36,107	$38,749	$43,789	$44,827
- OPEB	$0	$0	$0	$0	$0	$3,412	$6,015	$6,458	$3,912	$3,389
Contributions in Relation to the Contractually Required Contribution	$59,356	$47,901	$48,214	$48,763	$49,475	$48,046	$42,122	$45,207	$47,701	$48,216
Contirbution Deficiencey (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered Payroll	$423,971	$344,655	$344,389	$346,826	$353,391	$341,165	$300,868	$322,908	$358,926	$342,191
Contributions as a Percentage of Covered Payroll										
- Pension	14.00%	13.90%	14.00%	14.06%	14.00%	13.08%	12.00%	12.00%	12.00%	13.00%
- OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

PARMA PUBLIC HOUSING AGENCY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2022.

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 was reduced from 3.00% simple through 2022 then 2.05% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2022.

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/asset since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability/asset 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/asset 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%. For 2022, the single discount rate remained at 6.00%.

PARMA PUBLIC HOUSING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/ Pass Through Grantor/ Program Title	Federal Assistance Listing Number	Expenditures
U.S. Department of Housing and Urban Development		
Direct Programs:		
Housing Choice Voucher Program	14.871	$ 6,665,948
PIH Family Self-Sufficiency Program	14.896	55,034
Total U.S. Department of Housing and Urban Development		**$ 6,720,982**

PARMA PUBLIC HOUSING AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended December 31, 2022.

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended December 31, 2022.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended December 31, 2022.

Parma Public Housing Agency (OH073)

PARMA, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	$0	$0	$546,142	$1,134,017	$1,680,159	$0	$1,680,159
113 Cash - Other Restricted	$0	$0	$0	$109,296	$109,296	$0	$109,296
100 Total Cash	$0	$0	$546,142	$1,243,313	$1,789,455	$0	$1,789,455
122 Accounts Receivable - HUD Other Projects	$0	$0	$0	$111,414	$111,414	$0	$111,414
125 Accounts Receivable - Miscellaneous	$0	$0	$0	$2,721	$2,721	$0	$2,721
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$0	$0	$114,135	$114,135	$0	$114,135
142 Prepaid Expenses and Other Assets	$0	$0	$0	$11,470	$11,470	$0	$11,470
150 Total Current Assets	$0	$0	$546,142	$1,368,918	$1,915,060	$0	$1,915,060
162 Buildings	$0	$0	$0	$190,567	$190,567	$0	$190,567
164 Furniture, Equipment & Machinery - Administration	$0	$0	$12,956	$111,167	$124,123	$0	$124,123
165 Leasehold Improvements	$0	$0	$0	$1,815	$1,815	$0	$1,815
166 Accumulated Depreciation	$0	$0	-$2,159	-$230,109	-$232,268	$0	-$232,268
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$10,797	$73,440	$84,237	$0	$84,237
174 Other Assets	$0	$0	$0	$68,722	$68,722	$0	$68,722
180 Total Non-Current Assets	$0	$0	$10,797	$142,162	$152,959	$0	$152,959
200 Deferred Outflow of Resources	$0	$0	$0	$94,611	$94,611	$0	$94,611
290 Total Assets and Deferred Outflow of Resources	$0	$0	$556,939	$1,605,691	$2,162,630	$0	$2,162,630
312 Accounts Payable <= 90 Days	$0	$0	$1,125	$13,076	$14,201	$0	$14,201
321 Accrued Wage/Payroll Taxes Payable	$0	$0	$8,562	$22,107	$30,669	$0	$30,669
322 Accrued Compensated Absences - Current Portion	$0	$0	$0	$41,711	$41,711	$0	$41,711

Parma Public Housing Agency (OH073)

PARMA, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$0	$0	$0	$18,955	$18,955	$0	$18,955
310 Total Current Liabilities	$0	$0	$9,687	$95,849	$105,536	$0	$105,536
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$45,436	$45,436	$0	$45,436
353 Non-current Liabilities - Other	$0	$0	$0	$109,296	$109,296	$0	$109,296
354 Accrued Compensated Absences - Non Current	$0	$0	$0	$28,429	$28,429	$0	$28,429
357 Accrued Pension and OPEB Liabilities	$0	$0	$0	$200,295	$200,295	$0	$200,295
350 Total Non-Current Liabilities	$0	$0	$0	$383,456	$383,456	$0	$383,456
300 Total Liabilities	$0	$0	$9,687	$479,305	$488,992	$0	$488,992
400 Deferred Inflow of Resources	$0	$0	$0	$335,266	$335,266	$0	$335,266
508.4 Net Investment in Capital Assets	$0	$0	$10,797	$9,049	$19,846	$0	$19,846
511.4 Restricted Net Position	$0	$0	$0	$0	$0	$0	$0
512.4 Unrestricted Net Position	$0	$0	$536,455	$782,071	$1,318,526	$0	$1,318,526
513 Total Equity - Net Assets / Position	$0	$0	$547,252	$791,120	$1,338,372	$0	$1,338,372
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$0	$556,939	$1,605,691	$2,162,630	$0	$2,162,630

Parma Public Housing Agency (OH073)

PARMA, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70600 HUD PHA Operating Grants	$0	$55,034	$0	$6,665,948	$6,720,982	$0	$6,720,982
71100 Investment Income - Unrestricted	$3	$0	$448	$1,415	$1,866	$0	$1,866
71400 Fraud Recovery	$0	$0	$0	$71,262	$71,262	$0	$71,262
71500 Other Revenue	$375	$0	$0	$50,822	$51,197	$0	$51,197
71600 Gain or Loss on Sale of Capital Assets	$1,659	$0	$0	$0	$1,659	$0	$1,659
70000 Total Revenue	$2,037	$55,034	$448	$6,789,447	$6,846,966	$0	$6,846,966
91100 Administrative Salaries	$0	$0	$0	$336,299	$336,299	$0	$336,299
91200 Auditing Fees	$1,024	$0	$0	$7,824	$8,848	$0	$8,848
91500 Employee Benefit contributions - Administrative	$0	$0	$0	-$6,979	-$6,979	$0	-$6,979
91600 Office Expenses	$0	$0	$325	$24,154	$24,479	$0	$24,479
91800 Travel	$0	$0	$0	$1,456	$1,456	$0	$1,456
91900 Other	$15,330	$0	$1,516	$107,027	$123,873	$0	$123,873
91000 Total Operating - Administrative	$16,354	$0	$1,841	$469,781	$487,976	$0	$487,976
92100 Tenant Services - Salaries	$0	$42,732	$0	$0	$42,732	$0	$42,732
92300 Employee Benefit Contributions - Tenant Services	$0	$12,302	$0	$0	$12,302	$0	$12,302
92500 Total Tenant Services	$0	$55,034	$0	$0	$55,034	$0	$55,034
93200 Electricity	$0	$0	$0	$3,203	$3,203	$0	$3,203
93000 Total Utilities	$0	$0	$0	$3,203	$3,203	$0	$3,203
94200 Ordinary Maintenance and Operations - Materials and Other	$1,300	$0	$0	$48	$1,348	$0	$1,348
94000 Total Maintenance	$1,300	$0	$0	$48	$1,348	$0	$1,348
96120 Liability Insurance	$0	$0	$0	$12,640	$12,640	$0	$12,640

Parma Public Housing Agency (OH073)
PARMA, OH
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
96100 Total insurance Premiums	$0	$0	$0	$12,640	$12,640	$0	$12,640
96200 Other General Expenses	$57,118	$0	$39,075	$19,826	$116,019	$0	$116,019
96210 Compensated Absences	$0	$0	$0	$51,867	$51,867	$0	$51,867
96400 Bad debt - Tenant Rents	$0	$0	$0	$504	$504	$0	$504
96000 Total Other General Expenses	$57,118	$0	$39,075	$72,197	$168,390	$0	$168,390
96720 Interest on Notes Payable (Short and Long Term)	$0	$0	$0	$5,529	$5,529	$0	$5,529
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$5,529	$5,529	$0	$5,529
96900 Total Operating Expenses	$74,772	$55,034	$40,916	$563,398	$734,120	$0	$734,120
97000 Excess of Operating Revenue over Operating Expenses	-$72,735	$0	-$40,468	$6,226,049	$6,112,846	$0	$6,112,846
97300 Housing Assistance Payments	$0	$0	$0	$5,973,578	$5,973,578	$0	$5,973,578
97350 HAP Portability-In	$0	$0	$0	$37,643	$37,643	$0	$37,643
97400 Depreciation Expense	$0	$0	$2,159	$3,804	$5,963	$0	$5,963
90000 Total Expenses	$74,772	$55,034	$43,075	$6,578,423	$6,751,304	$0	$6,751,304
10010 Operating Transfer In	$4,399	$0	$0	$0	$4,399	-$4,399	$0
10020 Operating transfer Out	$0	$0	-$4,399	$0	-$4,399	$4,399	$0
10100 Total Other financing Sources (Uses)	$4,399	$0	-$4,399	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$68,336	$0	-$47,026	$211,024	$95,662	$0	$95,662
11020 Required Annual Debt Principal Payments	$0	$0	$0	$18,955	$18,955	$0	$18,955

Parma Public Housing Agency (OH073)

PARMA, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
11030 Beginning Equity	$586,769	$0	$75,845	$580,096	$1,242,710	$0	$1,242,710
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$518,433	$0	$518,433	$0	$0	$0	$0
11170 Administrative Fee Equity	$0	$0	$0	$791,120	$791,120	$0	$791,120
11180 Housing Assistance Payments Equity	$0	$0	$0	$0	$0	$0	$0
11190 Unit Months Available	0	0	0	9,624	9,624	0	9,624
11210 Number of Unit Months Leased	0	0	0	9,327	9,327	0	9,327

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

Parma Public Housing Agency
Cuyahoga County
1440 Rockside Road, Suite 306
Parma, OH 44134

To the Director and Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Parma Public Housing Agency,** Cuyahoga County, (the Agency) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated July 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2023

PERRY
& Associates CPAs

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

Parma Public Housing Agency
Cuyahoga County
1440 Rockside Road, Suite 306
Parma, OH 44134

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited **Parma Public Housing Agency's**, (the Agency) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Agency's major federal program for the year ended December 31, 2022. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Agency's major federal program.

Management's Responsibility

The Agency's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Agency's compliance for the Agency's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Agency's major program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on the Major Federal Program

In our opinion, the Agency complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2022.

Report on Internal Control Over Compliance

The Agency's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Agency's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Agency's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

July 31, 2023

PARMA PUBLIC HOUSING AGENCY
CUYAHOGA COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None