

GALLIA METROPOLITAN HOUSING AUTHORITY

GALLIA COUNTY

SINGLE AUDIT

JANUARY 1, 2023 – DECEMBER 31, 2023



WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Commissioners
Gallia Metropolitan Housing Authority
381 Buck Ridge Road
Bidwell, OH 45614

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

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

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

July 16, 2024

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**GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Gallia Metropolitan Housing Authority
Gallia County
381 Buck Ridge Road
Bidwell, Ohio 45614

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Gallia Metropolitan Housing Authority, Gallia County, Ohio (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Gallia Metropolitan Housing Authority, Gallia County, Ohio as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Gallia Metropolitan Housing Authority
Gallia County
Independent Auditor's Report

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities/assets 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.

Gallia Metropolitan Housing Authority
Gallia County
Independent Auditor's Report

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 as required by the U.S. Department of Housing and Urban Development and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
June 17, 2024

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
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The Gallia Metropolitan Housing Authority’s (“the Authority”) Management’s Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s position, and (d) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current years 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 \$147,333 (or 3.56%) during 2023, resulting from the operations of the Authority. Since the Authority engages only in business-type activities, the increase is all in the category of business-type Net Position. Net Position was \$4,290,736 and \$4,143,403 for 2023 and 2022 (as restated) respectively.
- Revenues increased by \$358,152 (or 18.72%) during 2023 and were \$2,270,994 and \$1,912,842 for 2023 and 2022 respectively.
- The total expenses increased by \$196,041 (or 10.17%). Total expenses were \$2,123,661 and \$1,927,620 for 2023 and 2022 respectively.

USING THIS ANNUAL REPORT

This report includes the following sections:

<p>MD&A ~Management’s Discussion and Analysis ~</p>
<p>Basic Financial Statement ~Statement of Net Position ~ ~Statement of Revenue, Expenses, and Change in Net Position ~ ~Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~</p>
<p>Required Supplementary Information ~ Pension and OPEB Schedules ~</p>
<p>Other Supplementary Information ~Schedule of Expenditure of Federal Award~ ~ Financial Data Schedule ~</p>

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
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Basic 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 and deferred outflows of resources minus liabilities and deferred inflows of resources, equals “Net Position”. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position 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. The Authority has \$532,587 of outstanding debt related to capital assets as of December 31, 2023.

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

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

The Authority financial statements also include a Statement of Revenues, Expenses and Change in Fund Net Position (like an Income Statement). This Statement includes Operating Revenue, such as operating grant revenue and tenant revenues, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue, such as capital grant revenue and investment revenue. The focus of the Statement of Revenues, Expenses and Change in Fund Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

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

Fund Financial Statements

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

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

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GALLIA COUNTY
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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 PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties.

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

Business Activities - Represents non-HUD resources developed from Supported Living Program (Gallia County DD and Meigs County DD) activity. During the calendar year, Gallia Metropolitan Housing Authority obtained 17 properties to own and manage. These properties are to provide rental assistance to the two counties' Board of Development Delays clients.

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GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED

AUTHORITY STATEMENTS

Statement of Net Position

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

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

	2023	Restated 2022
Current and Other Assets	\$ 751,659	\$ 906,234
Capital Assets	4,571,093	3,813,246
Deferred Outflows of Resources	<u>318,455</u>	<u>75,115</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 5,641,207</u>	 <u>\$ 4,794,595</u>
 Current Liabilities	 \$ 158,157	 \$ 118,430
Long-Term Liabilities	1,152,891	193,355
Deferred Inflows of Resources	<u>39,423</u>	<u>339,407</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>1,350,471</u>	 <u>651,192</u>
 Net Position:		
Net Investment in Capital Assets	4,038,506	3,806,432
Restricted Net Position	116,120	147,949
Unrestricted Net Position	<u>136,110</u>	<u>189,022</u>
 Total Net Position	 <u>4,290,736</u>	 <u>4,143,403</u>
 Total Liabilities, Deferred Inflows and Net Position	 <u>\$ 5,641,207</u>	 <u>\$ 4,794,595</u>

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

Major Factors Affecting the Statement of Net Position

During 2023, current and other assets decreased by \$154,575 and total liabilities and deferred inflows of resources increased by \$699,279. The current and other assets, primarily cash and investments, decreased due to results from operations. Total liabilities and deferred inflows of resources increase is due to changes in pension and OPEB liabilities as per GASB 68 and 75 and the debt from Ohio Department of Developmental Disabilities (ODODD) for the properties acquired during the year.

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
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Capital assets also changed, increasing from \$3,813,246 (as restated) to \$4,571,093. The \$757,847 increase can be contributed primarily to current year purchases less depreciation expense.

Table 2 - Changes of Net Position

	Unrestricted	Investment in Capital Assets	Restricted
Net Position December 31, 2022 - Restated	\$ 189,022	\$ 3,806,432	\$ 147,949
Results of Operation	179,162	-	(31,829)
Adjustments:			
Depreciation/Amortization Expense (1)	470,030	(470,030)	-
Capital Expenditure (2)	(1,227,876)	1,227,876	-
Debt Principal Payment/Retirement	(28,316)	28,316	-
ODODD Loans Issued	554,089	(554,089)	
Rounding Adjustment	(1)	1	-
Net Position December 31, 2023	<u>\$ 136,110</u>	<u>\$ 4,038,506</u>	<u>\$ 116,120</u>

(1) Depreciation and Amortization are 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. In addition, this amount includes capital assets purchased through ODODD loans and related contributed capital associated with these assets.

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

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

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GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED

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

	<u>2023</u>	<u>Restated 2022</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 321,451	\$ 282,952
Government Operating Grants	1,214,676	1,525,467
Other Revenues	48,229	14,582
Capital Grants	-	89,776
Interest Income	372	65
Contributed Capital	686,266	-
Total Revenues	<u>2,270,994</u>	<u>1,912,842</u>
<u>Expenses</u>		
Administrative	306,528	245,448
Utilities	146,243	135,298
Maintenance	376,784	281,690
Protective services	24,362	16,275
General and Interest Expenses	149,395	139,877
Housing Assistance Payments	650,319	619,922
Depreciation & Amortization	470,030	489,110
Total Expenses	<u>2,123,661</u>	<u>1,927,620</u>
Change in Net Position	147,333	(14,778)
Total beginning net position	<u>4,143,403</u>	<u>4,158,181</u>
Total net position - ending	<u><u>\$ 4,290,736</u></u>	<u><u>\$ 4,143,403</u></u>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION**

Total revenue increased compared to the prior year by \$358,152. This increase was due to the contributed capital from acquiring the properties from ODODD.

The expenses increased by \$196,041 in the current year. The increase was mainly due to changes in the proportion share of Net Pension and OPEB liabilities.

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
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CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had \$4,571,093 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$757,847. See table 5 for details of current year change.

Table 4 - Condensed Statement of Changes in Capital Assets

	<u>2023</u>	<u>Restated</u> <u>2022</u>
Land and Land Rights	\$ 1,136,588	\$ 869,068
Buildings	16,240,184	15,279,828
Equipment	417,658	419,005
Intangible Right-To-Use: leased Equipment	7,573	7,573
Accumulated Depreciation / Amortization	<u>(13,230,910)</u>	<u>(12,762,228)</u>
 Total	 <u>\$ 4,571,093</u>	 <u>\$ 3,813,246</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on the notes to the financial statements.

Table 5 - Changes in Capital Assets

Beginning Balance - December 31, 2022	\$	3,813,246
Current year Additions		1,227,876
Current year Depreciation Expense		(467,877)
Current year Amortization Expense		(2,153)
Rounding Adjustment		<u>1</u>
 Ending Balance - December 31, 2023	 \$	 <u><u>4,571,093</u></u>
 Current year Additions are summarized as follows:		
Land	\$	267,520
Buildings		946,670
Building Improvements		<u>13,686</u>
 Total 2023 Additions	 \$	 <u><u>1,227,876</u></u>

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED

Debt Outstanding

The table below summarizes the debt outstanding at the end of the year:

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - December 31, 2022	\$	6,814
Current Year Issued		554,089
Current Year Retired		<u>(28,316)</u>
 Ending Balance - December 31, 2023	 \$	 <u><u>532,587</u></u>

See Note 10 and Note 13 of the notes to the basic financial statements for summary of outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Andrew Kott, Executive Director of the Gallia Metropolitan Housing Authority, at (740) 446-0251. Specific requests may be submitted to the Gallia Metropolitan Housing Authority at 381 Buck Ridge Road, Bidwell, Ohio 45614.

Gallia Metropolitan Housing Authority
Statement of Net Position
December 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$528,226
Restricted cash and cash equivalents	153,972
Receivables, net	28,554
Prepaid items and other assets	11,439
Inventory, net	29,468
Total current assets	751,659

Noncurrent assets

Capital assets:	
Nondepreciable Assets	1,136,588
Depreciable/Amortized capital assets	16,665,415
Less accumulated depreciation	(13,230,910)
Total noncurrent assets	4,571,093
Total assets	5,322,752

Deferred Outflows of Resources

Pension	281,430
OPEB	37,025

Total Deferred Outflows of Resources

	318,455
Total Assets and Deferred Outflows of Resources	\$5,641,207

LIABILITIES

Current liabilities

Accounts payable	\$34,166
Accrued liabilities	25,005
Intergovernmental payable	12,821
Accrued compensated absences current	4,549
Tenant security deposits	37,852
Unearned revenue	4,767
Leases - Current Portion	2,058
Forgivable loans - Current Portion	36,939
Total current liabilities	158,157

Noncurrent liabilities

Accrued compensated absences Non-current	18,192
Lease liability Non-current	2,605
Forgivable loans - Non-current Portion	490,985
Net pension liability	628,612
Net OPEB liability	12,497
Total noncurrent liabilities	1,152,891
Total liabilities	1,311,048

Deferred Inflows of Resources

Pension	18,335
OPEB	21,088

Total Deferred Inflows of Resources

	39,423
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Net Position

Net Invested in capital assets	4,038,506
Restricted Net Position	116,120
Unrestricted Net Position	136,110
Total Net Position	4,290,736

Total Liabilities, Deferred Inflows of Resources and Net Position

	\$5,641,207
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The accompanying notes to the basic financial statements are an integral part of these statements.

Gallia Metropolitan Housing Authority
Statement of Revenues, Expenses, and Change in Fund Net Position
For the Year Ended December 31, 2023

OPERATING REVENUES

Tenant Revenue	\$321,451
Government operating grants	1,214,676
Other revenue	48,229
Total operating revenues	<u>1,584,356</u>

OPERATING EXPENSES

Administrative	306,528
Utilities	146,243
Maintenance	376,784
Protective services	24,362
General and Insurance	149,311
Housing assistance payment	650,319
Amortization	2,153
Depreciation	467,877
Total operating expenses	<u>2,123,577</u>
Operating Loss	<u>(539,221)</u>

NONOPERATING REVENUES (EXPENSES)

Interest Income	372
Contributed Capital	686,266
Interest Expense	(84)
Total nonoperating revenues	<u>686,554</u>
Change in Net Position	147,333
Net Position - beginning, restated	4,143,403
Total Net Position - ending	<u>\$4,290,736</u>

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

Gallia Metropolitan Housing Authority
Statement of Cash Flows
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$1,214,676
Tenant revenue received	319,699
Other revenue received	36,592
General and administrative expenses paid	(1,000,204)
Housing assistance payments	(650,319)

Net cash used by operating activities (79,556)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned	372
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Net cash provided by investing activities 372

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

Interest expense	(84)
Lease principal payment	(2,151)
Acquisition of capital assets	(13,686)

Net cash used by financing activities (15,921)

Net decrease in cash (95,105)

Cash and cash equivalents - Beginning of year 777,303

Cash and cash equivalents - End of year \$682,198

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating Loss (\$539,221)

Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities

- Depreciation	467,877
- Amortization	2,153
- (Increases) Decreases in Accounts Receivable	(13,922)
- (Increases) Decreases in Prepaid Assets	16,096
- (Increases) Decreases in Inventory	2,797
- (Increases) Decreases in OPEB Asset	54,499
- (Increases) Decreases in Deferred Outflows	(243,340)
- Increases (Decreases) in Accounts Payable	280
- Increases (Decreases) in Accrued Compensated Absence	(9,753)
- Increases (Decreases) in Accrued Expenses Payable	292
- Increases (Decreases) in Unearned Revenue	2,587
- Increases (Decreases) in Deferred Inflows	(299,984)
- Increases (Decreases) in Pension Liability	465,914
- Increases (Decreases) in OPEB Liability	12,497
- Increases (Decreases) in Tenant Security Deposits	1,672

Net cash used by operating activities (79,556)

Noncash Capital Financing Activities:

During 2023, the Authority received \$686,266 in contributed capital from Gallia and Meigs County Board of Developmental Disabilities. In addition, the Authority received ODODD loans related to these assets in the amount of \$554,089; current year amortization of these loans is \$26,165.

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

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards. Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if

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the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization. Management believes the financial statements included in this report represent all funds of the Authority over which the Authority is financially accountable. The Authority has no component units nor is a component unit of another entity.

Basis of Presentation

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

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

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

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Description of programs

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

A. Public Housing Program

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

B. Capital Fund Program

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

C. Housing Choice Voucher Program

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

D. Business Activities

Business Activities are the miscellaneous activities of the authority that currently include housing activities outside the scope of the conventional and housing choice voucher programs. The Business Activity Program represents MR/DD Supported Living Program activities. The revenue and expenses for these services are identified and tracked separate from HUD activities.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in the year ending December 31, 2023 totaled \$372.

Capital Assets

Capital assets are stated at cost or fair market value if donated. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and cost/value of \$1,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	40 years
Buildings Improvements	15 years
Furniture and Equipment	7 years
Vehicles	5 years

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Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation and related debt. Net position is reported as restricted when there are limitations imposed on their use either enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses

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

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts more than FDIC insurance limits are fully collateralized through the financial institution.

Compensated Absences

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

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

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

Accrued Liabilities

All payables and accrued liabilities are reported in the basic financial statements.

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Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the amount is recorded at the time of purchase and an expense is reported in the year in which the services are consumed.

Receivables – net of allowance

Bad debts are provided on the allowance method based on management’s evaluation of the collectability of outstanding tenant receivable and fraud recovery balances at the end of the year. The allowance for doubtful accounts was \$15,295 on December 31, 2023.

Inventories

Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was \$3,274 on December 31, 2023.

Budgetary Accounting

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

Accounting and Reporting for Non-exchange Transactions

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return. In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after September 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying Statement of Revenues, Expenses and Change in Net Position.

Estimates

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

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Deferred Outflows/Inflows of Resources

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

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

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deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

On December 31, 2023, the carrying amount of the Authority's deposits totaled \$682,198 and its bank balance was \$744,170 Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2023, \$494,170 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

The Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

NOTE 3: RESTRICTED CASH

Restricted cash as of December 31, 2023, represent money held that can only be used for specific purpose or money held on behalf of the tenants:

Cash advance by HUD that is to be used for the Housing Assistance Payments	\$5,214
Tenant security deposit	37,852
Proceeds from sale of a house (carryover from 2012)	110,149
Resident Council Fund	<u>757</u>
Total Restricted Cash Balance	<u><u>\$153,972</u></u>

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NOTE 4: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year ending December 31, 2023, the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

NOTE 5: CAPITAL ASSETS

This is a summary of the changes in Capital Assets:

	Restated Balance 12/31/2022	Adjustment	Additions	Deletions	Balance 12/31/2023
Capital Assets Not Being Depreciated:					
Land	\$869,068	\$0	\$267,520	\$0	\$1,136,588
Total Capital Assets Not Being Depreciated	869,068	0	267,520	0	1,136,588
Capital Assets Being Depreciated:					
Buildings	15,279,828	0	960,356	0	16,240,184
Furnt, Mach. and Equip.	419,005	0	0	(1,347)	417,658
Intangible Right-To Use: Leased Equipment	7,573	0	0	0	7,573
Total Capital Assets Being Depreciated	15,706,406	0	960,356	(1,347)	16,665,415
Accumulated Depreciation:					
Buildings	(12,381,649)	1	(453,353)	0	(12,835,001)
Furnt, Mach. and Equip.	(379,822)	0	(14,524)	1,347	(392,999)
Intangible Right-To Use: Leased Equipment	(757)	0	(2,153)	0	(2,910)
Total Accumulated Depreciation	(12,762,228)	1	(470,030)	1,347	(13,230,910)
Total Capital Assets Being Depreciated, Net	2,944,178	1	490,326	0	3,434,505
Total Capital Assets, Net	\$3,813,246	\$1	\$757,846	\$0	\$4,571,093

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NOTE 6: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

The 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 accrued liabilities on the accrual basis of accounting.

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

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plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined 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 www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-PERS.

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 reference above for additional information):

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

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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.

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

	State and <u>Local</u>
2023 Statutory Maximum Contribution Rates:	
- Employer	14.0%
- Employee	10.0%
 2023 Actual Contribution Rates:	
Employer: January 1, 2023 through December 31, 2023	
- Pension	14.0%
- Post-employment Health Care Benefits	<u>0.0%</u>
Total Employer Contributions	<u>14.0%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$47,548 for the year ended December 31, 2023. Of this amount \$4,963 is report with accrued liabilities.

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

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>Traditional Plan</u>
Proportionate Share of Net Pension Liability	\$628,612
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.001870%
- Current Measurement Date	<u>0.002128%</u>
Change in Proportion from Prior	<u>0.000258%</u>
Pension Expense	\$15,991

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

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	Traditional Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$179,174
Assumption Changes	6,641
Difference between expected and actual experience	20,880
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	27,187
Authority contributions subsequent to the measurement date	47,548
Total Deferred Outflows of Resources	\$281,430

	Traditional Plan
Deferred Inflows of Resources	
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	\$18,335
Total Deferred Inflows of Resources	\$18,335

\$47,548 reported as deferred outflows of resources related to pension resulting from Authority contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. 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,:	
2024	\$24,398
2025	50,636
2026	52,740
2027	87,773
Total	\$215,547

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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, 2022, 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, 2022
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 State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that the 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan, was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets 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 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2022	Weighted Average Long- Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	5.00%	3.27%
TOTAL	100.00%	

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions in the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

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

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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	\$941,640	\$628,612	\$368,229

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 pension plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including

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estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability/asset 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/asset. 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 *accrued liabilities* on accrual basis 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.

In order 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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 2023, 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 2022. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2023 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 2022 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 the year ending December 31, 2023.

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

The total OPEB liability/asset were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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/asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of Net OPEB Liability	\$12,497
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.001740%
- Current Measurement Date	0.001982%
Change in Proportion from Prior	0.000242%
OPEB Expense (Revenue)	(\$26,406)

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

	Health Care Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$24,819
Assumption Changes	12,206
Total Deferred Outflows of Resources	\$37,025
Deferred Inflows of Resources	
Assumption Changes	\$1,004
Difference between expected and actual experience	3,117
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	16,967
Total Deferred Inflows of Resources	\$21,088

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Other 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
Fiscal Year Ending December 31:	
2024	(\$9,253)
2025	5,461
2026	7,739
2027	11,990
Total	\$15,937

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/asset was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Valuation Date	December 31, 2021
Rolled-Forward Measurement Date	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate - Current Measurement Period	5.22%
Single Discount Rate - Prior Measurement Period	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate - Current Measurement Period	4.05%
Municipal Bond Rate - Prior Measurement Period	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 2036

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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 2022 and the long-term expected real rates of return:

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Asset Class	Target Allocation as of December 31, 2022	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
 TOTAL	 <u>100.00%</u>	

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year.

Accordingly, the money weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability/asset 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 4.05 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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

Sensitivity of the Authority's Proportionate Share of the Net OPEB liability/asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability/asset calculated using the single discount rate of 5.22 percent, as well as what the Authority's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Single Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB liability/(asset)	\$42,534	\$12,497	(\$12,288)

Sensitivity of the Authority's Proportionate Share of the Net OPEB liability/asset 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/asset. The following table presents the Authority's proportionate share of the net OPEB liability/asset calculated using the assumed trend rates, and the expected net OPEB liability/asset 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 2023 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 actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	\$11,714	\$12,497	\$13,379

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GALLIA METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8: CBDD PROJECT AGREEMENT

Gallia Metropolitan Housing Authority has agreements with Gallia County Board Developmental Disabilities (GCBDD) and Meigs County Board Developmental Disabilities (MCBDD) for a supported living program. The agreement outlines that monies received by the Counties Board of Development Disabilities for supported living will be forwarded to the Authority to purchase real estate with homes previously constructed and title to the said real estate will be in the name of the Authority. The Counties Board of Development Disabilities clients will benefit from these real estate transactions. The real estate monies will revert back to The Counties Board of Development Disabilities if the property is not being used by eligible persons for a specified period of time.

NOTE 9: COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of December 31, 2023, the accrual for compensated absences totaled \$22,741 and has been included in the accrued liabilities account balance in the accompanying Statement of Net Position. The Authority considers \$4,549 of compensated absences payable as due within one year.

The following is a summary of changes in compensated absence for the year ended December 31, 2023:

Description	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
Compensated Absence Payable	\$32,494	\$27,282	(\$37,035)	\$22,741	\$4,549

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GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10: LONG-TERM LIABILITIES

The change in the Authority’s long-term obligations during 2023 were as follows:

<u>Description</u>	<u>Balance 1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>
Net Pension Liability	\$162,698	\$465,914	\$0	\$628,612	\$0
Net OPEB Liability	0	12,497	0	12,497	0
Leases Payable	6,814	0	(2,151)	4,663	2,058
ODODD Loans	0	554,089	(26,165)	527,924	36,939
Total	<u>\$169,512</u>	<u>\$1,032,500</u>	<u>(\$28,316)</u>	<u>\$1,173,696</u>	<u>\$38,997</u>

See more information on leases in Note 13.

During 2023, the Authority entered into an agreements with the Gallia DD and Meigs DD to manage various properties for housing opportunities for persons with developmental disabilities. In addition, the Authority received mortgage loans of \$554,089 from the Ohio Department of Developmental Disabilities (ODODD) related to these properties. The loans will not be repaid if the Authority continues to comply with the Master Agreements and the balance is forgiven up to a 15-year period. The outstanding balance as of December 31, 2023 is \$527,924. Debt maturities for the period after December 31, 2023 are as follows:

2024	\$ 36,939
2025	36,939
2026	36,939
2027	36,939
2028	36,939
2029-2033	184,696
2034-2038	<u>158,533</u>
Total	<u>\$ 527,924</u>

NOTE 11: 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, 2023.

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2023, the Authority was involved in such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

NOTE 12: REPAYMENT AGREEMENT WITH HUD

On May 8, 2017, the Authority entered into a repayment agreement with HUD to resolve an audit finding issued by the Office of Inspector General back in 2008. The original finding noted that the Low Rent Public Housing Program was paying expense that related to the administration of the Housing Choice Voucher Program. The finding required that the Voucher Program had to reimburse the Public Housing Program \$158,974. The repayment agreement signed with the Cleveland Office of HUD established a repayment amount up to \$36,000, but not less than \$6,000 annually. The funds for the repayment shall come from the Housing Choice Voucher Program Unrestricted Net Position and the payment to be made no later than ninety days after the end of the year starting with the year ending December 31, 2017.

For the Year Ending December 31, 2023, the Financial Data Schedule properly reported the Low Rent Public Housing Program an Asset of \$116,974 and the Housing Choice Voucher Program reported a non-current liability of \$116,974. Since these amounts are an Inter-Agency asset and liability, the amounts are eliminated to properly report the basic financial statements.

NOTE 13: 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:

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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<u>PURPOSE</u>	<u>LEASE COMMENCEME NT DATE</u>	<u>TERM (YEARS)</u>	<u>LEASE END DATE</u>	<u>PAYMENT METHOD</u>
Postage Meter	March 1, 2022	5	February 28, 2027	Monthly
Dumpsters	December 1, 2022	3	December 31, 2027	Monthly

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 2024	\$ 2,058	\$ 179	\$ 2,237
December 31, 2025	1,862	253	2,115
December 31, 2026	639	136	775
December 31, 2027	104	25	129
Total	<u>\$ 4,663</u>	<u>\$ 593</u>	<u>\$ 5,256</u>

NOTE 14: PRIOR PERIOD ADJUSTMENT

Prior year financial statements were restated to correct an error in reporting the capital assets by \$13,500. The adjustment was necessary to reconcile the financial statements with the depreciation schedule.

This had the following impact on beginning net position:

Net Position at December 31, 2022	\$4,129,903
Restatement	<u>13,500</u>
Restated Net Position at December 31, 2022	<u>\$4,143,403</u>

NOTE 15: ACCOUNTABILITY AND COMPLIANCE

For year 2023, the Authority has implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the Authority’s financial statements; however, there was no effect on the beginning net position.

Gallia Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share of
 the Net Pension Liability
 Last Ten Years

Traditional Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.002128%	0.001870%	0.002341%	0.002354%	0.002256%	0.002275%	0.002243%	0.002305%	0.002382%	0.002382%
Authority's Proportionate Share of the Net Pension Liability	\$628,612	\$162,698	\$346,650	\$465,284	\$617,873	\$356,903	\$509,347	\$399,255	\$287,296	\$280,807
Authority's Covered-Employee Payroll	\$329,804	\$271,383	\$334,100	\$331,229	\$304,803	\$300,662	\$289,946	\$297,775	\$294,207	\$304,803
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	190.60%	59.95%	103.76%	140.47%	202.71%	118.71%	175.67%	134.08%	97.65%	92.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

See accompanying notes to the required supplementary information.

Gallia Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the
Net OPEB Liability/(Asset)
Last Seven Years Available

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.001982%	0.001740%	0.002180%	0.002192%	0.002101%	0.002120%	0.002120%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$12,497	(\$54,499)	(\$38,838)	\$302,772	\$273,921	\$230,216	\$214,127
Authority's Covered Payroll	\$329,804	\$271,383	\$334,100	\$331,229	\$304,803	\$300,662	\$289,946
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.79%	(20.08%)	(11.62%)	91.41%	89.87%	76.57%	73.85%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

(1) The amounts presented is as of the Authority plan measurement date, which is the prior calendar year.

(2) Information prior to 2017 is not available.

See accompanying notes to the required supplementary information.

Gallia Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution										
- Pension	\$47,548	\$46,173	\$44,674	\$46,774	\$46,372	\$42,672	\$39,086	\$34,796	\$35,737	\$36,613
- OPEB	\$0	\$0	\$0	\$0	\$0	\$0	\$3,007	\$5,797	\$5,955	\$4,576
Contributions in Relation to the Contractually Required Contribution	\$47,548	\$46,173	\$44,674	\$46,774	\$46,372	\$42,672	\$42,093	\$40,593	\$41,692	\$41,189
Authority's Covered-Employee Payroll	\$339,664	\$329,804	\$319,101	\$334,100	\$331,229	\$304,803	\$300,662	\$289,946	\$297,775	\$294,207
Contributions as a Percentage of Covered-Employee Payroll										
- Pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
- OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%

See accompanying notes to the required supplementary information.

**GALLIA METROPOLITAN HOUSING AGENCY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2015-2023.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016 and 2023.

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 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.75% to 3.25% (b) future salary increases changed from 4.25% - 10.05% to 3.25% - 10.75%.

For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: 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, then 2.15% simple to 1.40% simple through 2020, then 2.15% simple.

For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020, then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75% (b) future salary increases changed from 3.25% - 10.75% to 2.75% - 10.75% (c) the cost-of-living adjustments for post-1/7/2013 retirees was increase from 0.5% simple through 2021, then 2.15% simple to 3.0% simple through 2022 then 2.05% simple (d) Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent 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 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 these tables.

Net OPEB liability/asset

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020 and 2022-2023.

The 2021, the following change was reflected: on January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, like the program for Medicare retirees.

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 (c) the single discount rate changed from 3.85% to 3.96%. (d) the municipal bond rate changed from 3.31% to 3.71% (e) the healthcare cost trend rate changed from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

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% (b) the municipal bond rate changed from 3.71% to 2.75% (c) the healthcare cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the healthcare cost trend rate changed from 10.5% initial, 3.5% ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate remained at 6.00% (b) the municipal bond rate changed from 2.00% to 1.84% (c) the projected salary increase changed from 3.25% - 10.75% to 2.75% - 10.75% (d) wage inflation changed from 3.25% to 2.75% (e) the healthcare cost trend rate changed from 8.5% initial, 3.5% ultimate in 2035 to 5.5% initial, 3.5% ultimate in 2034.

For 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.00% (c) the healthcare cost trend rate changed from 5.5% initial, 3.5% ultimate in 2034 to 5.5% initial, 3.5% ultimate in 2036.

Gallia Metropolitan Housing Authority
Entity Wide Balance Sheet Summary - FDS Schedule Submitted to HUD

December 31, 2023

	Project Total	14,871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$349,634	\$145,372	\$33,220	\$528,226	\$0	\$528,226
113 Cash - Other Restricted	\$110,906	\$5,214	\$0	\$116,120	\$0	\$116,120
114 Cash - Tenant Security Deposits	\$37,852	\$0	\$0	\$37,852	\$0	\$37,852
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$498,392	\$150,586	\$33,220	\$682,198	\$0	\$682,198
125 Accounts Receivable - Miscellaneous	\$12,913	\$0	\$0	\$12,913	\$0	\$12,913
126 Accounts Receivable - Tenants	\$20,256	\$0	\$0	\$20,256	\$0	\$20,256
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,615	\$0	\$0	-\$4,615	\$0	-\$4,615
128 Fraud Recovery	\$0	\$10,680	\$0	\$10,680	\$0	\$10,680
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$10,680	\$0	-\$10,680	\$0	-\$10,680
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$28,554	\$0	\$0	\$28,554	\$0	\$28,554
142 Prepaid Expenses and Other Assets	\$11,026	\$413	\$0	\$11,439	\$0	\$11,439
143 Inventories	\$32,742	\$0	\$0	\$32,742	\$0	\$32,742
143.1 Allowance for Obsolete Inventories	-\$3,274	\$0	\$0	-\$3,274	\$0	-\$3,274
150 Total Current Assets	\$567,440	\$150,999	\$33,220	\$751,659	\$0	\$751,659
161 Land	\$869,068	\$0	\$267,520	\$1,136,588	\$0	\$1,136,588
162 Buildings	\$15,293,514	\$0	\$946,670	\$16,240,184	\$0	\$16,240,184
163 Furniture, Equipment & Machinery - Dwellings	\$116,829	\$0	\$0	\$116,829	\$0	\$116,829
164 Furniture, Equipment & Machinery - Administration	\$308,050	\$352	\$0	\$308,402	\$0	\$308,402
166 Accumulated Depreciation	-\$13,218,725	-\$352	-\$11,833	-\$13,230,910	\$0	-\$13,230,910
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,368,736	\$0	\$1,202,357	\$4,571,093	\$0	\$4,571,093
174 Other Assets	\$116,974	\$0	\$0	\$116,974	-\$116,974	\$0
180 Total Non-Current Assets	\$3,485,710	\$0	\$1,202,357	\$4,688,067	-\$116,974	\$4,571,093
200 Deferred Outflow of Resources	\$262,722	\$55,733	\$0	\$318,455	\$0	\$318,455
290 Total Assets and Deferred Outflow of Resources	\$4,315,872	\$206,732	\$1,235,577	\$5,758,181	-\$116,974	\$5,641,207
312 Accounts Payable <= 90 Days	\$26,592	\$7,574	\$0	\$34,166	\$0	\$34,166
321 Accrued Wage/Payroll Taxes Payable	\$23,669	\$1,336	\$0	\$25,005	\$0	\$25,005
322 Accrued Compensated Absences - Current Portion	\$4,321	\$228	\$0	\$4,549	\$0	\$4,549
333 Accounts Payable - Other Government	\$12,821	\$0	\$0	\$12,821	\$0	\$12,821
341 Tenant Security Deposits	\$37,852	\$0	\$0	\$37,852	\$0	\$37,852
342 Unearned Revenue	\$4,767	\$0	\$0	\$4,767	\$0	\$4,767
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$2,058	\$0	\$36,939	\$38,997	\$0	\$38,997
310 Total Current Liabilities	\$112,080	\$9,138	\$36,939	\$158,157	\$0	\$158,157
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$2,605	\$0	\$490,985	\$493,590	\$0	\$493,590
353 Non-current Liabilities - Other	\$0	\$116,974	\$0	\$116,974	-\$116,974	\$0
354 Accrued Compensated Absences - Non Current	\$17,282	\$910	\$0	\$18,192	\$0	\$18,192
357 Accrued Pension and OPEB Liabilities	\$530,870	\$110,239	\$0	\$641,109	\$0	\$641,109
350 Total Non-Current Liabilities	\$550,757	\$228,123	\$490,985	\$1,269,865	-\$116,974	\$1,152,891
300 Total Liabilities	\$662,837	\$237,261	\$527,924	\$1,428,022	-\$116,974	\$1,311,048
400 Deferred Inflow of Resources	\$26,942	\$12,481	\$0	\$39,423	\$0	\$39,423
508.4 Net Investment in Capital Assets	\$3,364,073	\$0	\$674,433	\$4,038,506	\$0	\$4,038,506
511.4 Restricted Net Position	\$110,906	\$5,214	\$0	\$116,120	\$0	\$116,120
512.4 Unrestricted Net Position	\$151,114	-\$48,224	\$33,220	\$136,110	\$0	\$136,110
513 Total Equity - Net Assets / Position	\$3,626,093	-\$43,010	\$707,653	\$4,290,736	\$0	\$4,290,736
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,315,872	\$206,732	\$1,235,577	\$5,758,181	-\$116,974	\$5,641,207

Gallia Metropolitan Housing Authority
 Entity Wide Revenue and Expense Summary - FDS Schedule Submitted to HUD
 For the Year Ended December 31, 2023

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$271,751	\$0	\$29,133	\$300,884	\$0	\$300,884
70400 Tenant Revenue - Other	\$20,567	\$0	\$0	\$20,567	\$0	\$20,567
70500 Total Tenant Revenue	\$292,318	\$0	\$29,133	\$321,451	\$0	\$321,451
70600 HUD PHA Operating Grants	\$482,087	\$732,589	\$0	\$1,214,676	\$0	\$1,214,676
71100 Investment Income - Unrestricted	\$229	\$112	\$31	\$372	\$0	\$372
71400 Fraud Recovery	\$0	\$2,778	\$0	\$2,778	\$0	\$2,778
71500 Other Revenue	\$6,657	\$0	\$26,165	\$32,822	\$0	\$32,822
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$698,895	\$698,895	\$0	\$698,895
70000 Total Revenue	\$781,291	\$735,479	\$754,224	\$2,270,994	\$0	\$2,270,994
91100 Administrative Salaries	\$97,320	\$45,508	\$0	\$142,828	\$0	\$142,828
91200 Auditing Fees	\$6,564	\$1,700	\$0	\$8,264	\$0	\$8,264
91500 Employee Benefit contributions - Administrative	\$35,886	\$17,919	\$0	\$53,805	\$0	\$53,805
91600 Office Expenses	\$28,410	\$4,984	\$450	\$33,844	\$0	\$33,844
91700 Legal Expense	\$2,813	\$0	\$6,300	\$9,113	\$0	\$9,113
91800 Travel	\$8,472	\$84	\$0	\$8,556	\$0	\$8,556
91900 Other	\$42,739	\$6,755	\$624	\$50,118	\$0	\$50,118
91000 Total Operating - Administrative	\$222,204	\$76,950	\$7,374	\$306,528	\$0	\$306,528
93100 Water	\$55,060	\$0	\$1,504	\$56,564	\$0	\$56,564
93200 Electricity	\$26,495	\$0	\$832	\$27,327	\$0	\$27,327
93300 Gas	\$1,069	\$0	\$0	\$1,069	\$0	\$1,069
93600 Sewer	\$60,911	\$0	\$372	\$61,283	\$0	\$61,283
93000 Total Utilities	\$143,535	\$0	\$2,708	\$146,243	\$0	\$146,243
94100 Ordinary Maintenance and Operations - Labor	\$150,933	\$0	\$0	\$150,933	\$0	\$150,933
94200 Ordinary Maintenance and Operations - Materials and Other	\$76,554	\$0	\$2,375	\$78,929	\$0	\$78,929
94300 Ordinary Maintenance and Operations Contracts	\$51,073	\$0	\$17,917	\$68,990	\$0	\$68,990
94500 Employee Benefit Contributions - Ordinary Maintenance	\$77,932	\$0	\$0	\$77,932	\$0	\$77,932
94000 Total Maintenance	\$356,492	\$0	\$20,292	\$376,784	\$0	\$376,784
95100 Protective Services - Labor	\$19,763	\$0	\$0	\$19,763	\$0	\$19,763
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$1,600	\$0	\$0	\$1,600	\$0	\$1,600
95500 Employee Benefit Contributions - Protective Services	\$2,999	\$0	\$0	\$2,999	\$0	\$2,999
95000 Total Protective Services	\$24,362	\$0	\$0	\$24,362	\$0	\$24,362
96110 Property Insurance	\$61,186	\$0	\$3,877	\$65,063	\$0	\$65,063
96120 Liability Insurance	\$14,597	\$1,424	\$487	\$16,508	\$0	\$16,508
96130 Workmen's Compensation	\$1,915	\$5	\$0	\$1,920	\$0	\$1,920
96100 Total Insurance Premiums	\$77,698	\$1,429	\$4,364	\$83,491	\$0	\$83,491
96200 Other General Expenses	\$2,153	\$0	\$0	\$2,153	\$0	\$2,153
96210 Compensated Absences	\$26,371	\$911	\$0	\$27,282	\$0	\$27,282
96300 Payments in Lieu of Taxes	\$12,821	\$0	\$0	\$12,821	\$0	\$12,821
96400 Bad debt - Tenant Rents	\$25,717	\$0	\$0	\$25,717	\$0	\$25,717
96000 Total Other General Expenses	\$67,062	\$911	\$0	\$67,973	\$0	\$67,973
96720 Interest on Notes Payable (Short and Long Term)	\$84	\$0	\$0	\$84	\$0	\$84
96700 Total Interest Expense and Amortization Cost	\$84	\$0	\$0	\$84	\$0	\$84
96900 Total Operating Expenses	\$891,437	\$79,290	\$34,738	\$1,005,465	\$0	\$1,005,465
97000 Excess of Operating Revenue over Operating Expenses	-\$110,146	\$656,189	\$719,486	\$1,265,529	\$0	\$1,265,529
97300 Housing Assistance Payments	\$0	\$650,319	\$0	\$650,319	\$0	\$650,319
97400 Depreciation Expense	\$456,044	\$0	\$11,833	\$467,877	\$0	\$467,877
90000 Total Expenses	\$1,347,481	\$729,609	\$46,571	\$2,123,661	\$0	\$2,123,661
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$566,190	\$5,870	\$707,653	\$147,333	\$0	\$147,333
11030 Beginning Equity	\$4,178,783	-\$48,880	\$0	\$4,129,903	\$0	\$4,129,903
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$13,500	\$0	\$0	\$13,500	\$0	\$13,500
11170 Administrative Fee Equity	\$0	-\$48,224	\$0	-\$48,224	\$0	-\$48,224
11180 Housing Assistance Payments Equity	\$0	\$5,214	\$0	\$5,214	\$0	\$5,214
11190 Unit Months Available	1,728	2,208	0	3,936	0	3,936
11210 Number of Unit Months Leased	1,689	1,743	0	3,432	0	3,432

**GALLIA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/Pass Through Grantor Program/Cluster Title</u>	<u>Pass-Through Number</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Funding:</i>			
Public and Indian Housing	N/A	14.850	\$ 482,087
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	<u>732,589</u>
Total Housing Voucher Cluster			<u>732,589</u>
Total U.S. Department of Housing and Urban Development			<u>1,214,676</u>
Total Expenditures of Federal Awards			<u>\$ 1,214,676</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Gallia Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior fiscal years.

NOTE C – INDIRECT COST RATE

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

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

Gallia Metropolitan Housing Authority
Gallia County
381 Buck Ridge Road
Bidwell, Ohio 45614

To the 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 Gallia Metropolitan Housing Authority, Gallia County, (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 17, 2024, wherein we noted the Authority restated the 2022 financial statements to correct a misstatement.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 17, 2024

**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**

Gallia Metropolitan Housing Authority
Gallia County
381 Buck Ridge Road
Bidwell, Ohio 45614

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Gallia Metropolitan Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2023. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Gallia Metropolitan Housing Authority
Gallia County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance
Page 3

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

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

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

Wilson, Shannon E Snow, Inc.

Newark, Ohio
June 17, 2024

**GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



GALLIA METROPOLITAN HOUSING AUTHORITY

Roger Brandeberry
Chairman

Andrew A. Kott
Executive Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Noncompliance/Material Weakness – Procurement, Suspension & Debarment	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-002	Noncompliance/Material Weakness – Reasonable Rent Certifications	Corrective Action Taken and Finding is Fully Corrected	N/A
2022-003	Noncompliance/Material Weakness – Housing Quality Standards Inspections and Enforcement	Corrective Action Taken and Finding is Fully Corrected	N/A

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OHIO AUDITOR OF STATE KEITH FABER



GALLIA METROPOLITAN HOUSING AUTHORITY

GALLIA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/30/2024

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

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