

GALLIA METROPOLITAN HOUSING AUTHORITY

GALLIA COUNTY

SINGLE AUDIT

JANUARY 1, 2020 – DECEMBER 31, 2020



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, Ohio 45614

We have reviewed the *Independent Auditor's Report* of Gallia Metropolitan Housing Authority, Gallia County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2020 through December 31, 2020. 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. 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

August 05, 2021

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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 Financial Statements

We have audited the accompanying financial statements of the Gallia Metropolitan Housing Authority, Gallia County, Ohio (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Gallia Metropolitan Housing Authority
Gallia County
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Gallia Metropolitan Housing Authority, Gallia County as of December 31, 2020, and the changes in its 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.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedules as required by the Department of Housing and Urban Development present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gallia Metropolitan Housing Authority
Gallia County
Independent Auditor's Report

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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, Sherman & Snow, Inc.

Newark, Ohio
June 28, 2021

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED

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 decreased by \$228,041 (or 5.53%) during 2020, resulting from the operations of the Authority. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type Net Position. Net Position was \$3,897,457 and \$4,125,498 for 2020 and 2019, respectively.
- Revenues decreased by \$228,324 (or 11.01%) during 2020 and were \$1,844,872 and \$2,073,196 for 2020 and 2019, respectively.
- The total expenses increased by \$30,001 (or 1.47%). Total expenses were \$2,072,913 and \$2,042,912 for 2020 and 2019, respectively.

USING THIS ANNUAL REPORT

This report includes the following major sections:

MD&A ~Management’s Discussion and Analysis ~
Basic Financial Statement ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~
Required Supplementary Information ~ Pension and OPEB Schedules ~
Other Supplementary Information ~ Schedule of Expenditures of Federal Awards ~ ~ Financial Data Schedules ~

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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Authority Financial Statements

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

These Statements include a Statement of Net Position, which is like a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets 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 New Position (the "Unrestricted New 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:

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 does not have outstanding debt related to capital assets as of December 31, 2020.

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 Changes 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 Changes 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.

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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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.

CARES Act Funding – In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. HUD provided CARES Act funding for administrative funds to the Authority's Public Housing and Housing Choice Voucher Program to help the Authority prepare for, prevent, and respond to the coronavirus, which helped the Authority maintain normal operations during the period.

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GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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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

	<u>2020</u>	<u>2019</u>
Current Assets	\$ 730,450	\$ 683,027
Capital Assets	4,117,127	4,253,066
Deferred Outflows of Resources	<u>139,814</u>	<u>208,442</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,987,391</u>	<u>\$ 5,144,535</u>
Current Liabilities	\$ 148,801	\$ 90,131
Long-Term Liabilities	798,274	917,597
Deferred Inflows of Resources	<u>142,859</u>	<u>11,309</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,089,934</u>	<u>1,019,037</u>
Net Position:		
Investment in Capital Assets	4,117,127	4,253,066
Restricted Net Position	145,299	134,866
Unrestricted Net Position	<u>(364,969)</u>	<u>(262,434)</u>
Total Net Position	<u>3,897,457</u>	<u>4,125,498</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 4,987,391</u>	<u>\$ 5,144,535</u>

Major Factors Affecting the Statement of Net Position

During 2020, current assets increased by \$47,423 and total liabilities decreased by \$60,653. The current assets, primarily cash, increased due to results from operation. Total liabilities decrease is due to change in pension and OPEB liabilities as per GASB 68 and 75.

Capital assets also changed, decreasing from \$4,253,066 to \$4,117,127. The \$135,939 decrease can be contributed primarily to current year purchase less depreciation expense.

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT’S DISCUSSION AND ANALYSIS
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Table 2 - Changes of Net Position

	Unrestricted	Investment in Capital Assets	Restricted
Net Position December 31, 2019	\$ (262,434)	\$ 4,253,066	\$ 134,866
Results of Operation	(238,474)	-	10,433
Adjustments:			
Current year Depreciation Expense (1)	437,156	(437,156)	-
Capital Expenditure (2)	<u>(301,217)</u>	<u>301,217</u>	<u>-</u>
Net Position December 31, 2020	<u><u>\$ (364,969)</u></u>	<u><u>\$ 4,117,127</u></u>	<u><u>\$ 145,299</u></u>

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

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

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

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

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GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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Table 3 - Statement of Revenues, Expenses & Changes in Net Position

	<u>2020</u>	<u>2019</u>
<u>Revenues</u>		
Tenant Revenues	\$ 171,461	\$ 187,640
Government Operating Grants	1,417,559	1,371,900
Capital Grants	193,162	476,605
Investment Income	1,562	1,191
Other Revenues	61,128	35,860
Total Revenues	<u>1,844,872</u>	<u>2,073,196</u>
<u>Expenses</u>		
Administrative	353,833	415,070
Tenant Services	916	-
Utilities	143,642	99,558
Maintenance	375,684	361,763
Protective services	28,205	22,988
General Expenses	98,460	84,627
Housing Assistance Payments	635,017	648,449
Depreciation	437,156	410,457
Total Expenses	<u>2,072,913</u>	<u>2,042,912</u>
Changes in Net Position	(228,041)	30,284
Total beginning net position	<u>4,125,498</u>	<u>4,095,214</u>
Total net position - ending	<u><u>\$ 3,897,457</u></u>	<u><u>\$ 4,125,498</u></u>

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

Total revenue decreased compared to the prior year by \$228,324. This decrease was due to less capital grant activities during the year that resulted in less grant revenue earned from HUD.

The expenses increased by \$30,001 in the current year. The increase was mainly due to increase in utilities and maintenance expenses incurred for the year.

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GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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CAPITAL ASSETS

Capital Assets

As of year end, the Authority had \$4,117,127 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$135,939. See table 5 for detail of current year change.

Table 4 - Condensed Statement of Changes in Capital Assets

	<u>2020</u>	<u>2019</u>
Land and Land Rights	\$ 869,068	\$ 869,068
Buildings	14,654,102	14,407,916
Equipment	431,625	400,165
Construction in Progress	22,500	-
Accumulated Depreciation	<u>(11,860,168)</u>	<u>(11,424,083)</u>
 Total	 <u>\$ 4,117,127</u>	 <u>\$ 4,253,066</u>

The following reconciliation summarizes the change in Capital Assets, which presented in detail in Note 5 of the notes to the basic financial statements.

Table 5 - Changes in Capital Assets

Beginning Balance - December 31, 2019	\$	4,253,066
Current year Additions		301,217
Current year Depreciation Expense		<u>(437,156)</u>
 Ending Balance - December 31, 2020	 \$	 <u>4,117,127</u>
 Current year Additions are summarized as follows:		
Building Improvements	\$	268,685
Equipment		<u>32,532</u>
 Total 2020 Additions	 \$	 <u>301,217</u>

Debt Outstanding

As of year-end, the Authority had no outstanding debt.

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
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ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic.

FINANCIAL CONTACT

The individual to be contacted regarding this report is 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, 2020**

ASSETS

Current assets

Cash and cash equivalents	\$ 475,072
Cash and cash equivalents - restricted	187,420
Receivables, net	9,660
Inventories, net	31,035
Prepaid items	27,263
TOTAL CURRENT ASSETS	730,450

Noncurrent assets

Capital assets:	
Land	869,068
Construction in progress	22,500
Building and equipment	15,085,727
Less: accumulated depreciation	(11,860,168)
Total capital assets, net	4,117,127
TOTAL NONCURRENT ASSETS	4,117,127

TOTAL ASSETS

4,847,577

DEFERRED OUTFLOWS OF RESOURCES

Pension	84,478
OPEB	55,336
TOTAL DEFERRED OUTFLOWS OF RESOURCES	139,814

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

4,987,391

LIABILITIES

Current liabilities

Accounts payable	81,193
Accrued liabilities	7,263
Intergovernmental payable	10,670
Unearned revenue	10,043
Accrued compensated absences payable	7,554
Tenant security deposits	32,078
TOTAL CURRENT LIABILITIES	148,801

Noncurrent liabilities

Accrued compensated absences payable	30,218
Net pension liability	465,284
Net OPEB liability	302,772
TOTAL NONCURRENT LIABILITIES	798,274

TOTAL LIABILITIES

947,075

DEFERRED INFLOWS OF RESOURCES

Pension	99,754
OPEB	43,105
TOTAL DEFERRED INFLOWS OF RESOURCES	142,859

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

1,089,934

NET POSITION

Investment in capital assets	4,117,127
Restricted net position	145,299
Unrestricted net position	(364,969)
TOTAL NET POSITION	\$ 3,897,457

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

GALLIA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES	
Tenant revenues	\$ 171,461
Government operating grants	1,417,559
Other revenues	61,128
TOTAL OPERATING REVENUES	<u>1,650,148</u>
OPERATING EXPENSES	
Administrative	353,833
Tenant services	916
Utilities	143,642
Maintenance	375,684
Protective services	28,205
General and insurance	98,460
Housing assistance payments	635,017
Depreciation	437,156
TOTAL OPERATING EXPENSES	<u>2,072,913</u>
OPERATING LOSS	(422,765)
NON-OPERATING REVENUES	
Investment income	1,562
Capital grants	193,162
TOTAL NON-OPERATING REVENUES	<u>194,724</u>
CHANGES IN NET POSITION	(228,041)
TOTAL NET POSITION - BEGINNING	<u>4,125,498</u>
TOTAL NET POSITION - ENDING	<u><u>\$ 3,897,457</u></u>

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

**GALLIA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	\$ 1,417,559
Tenant revenue received	162,269
Other revenue received	59,935
General and administrative expenses paid	(883,485)
Housing assistance payments	<u>(635,017)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>121,261</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>1,562</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,562</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants funds received	193,162
Property and equipment purchased	<u>(262,896)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(69,734)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	53,089
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>609,403</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 662,492</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (422,765)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	437,156
(Increases) decreases in:	
Accounts receivables, net of allowance	(2,002)
Inventory, net of allowance	(1,902)
Prepaid items and other assets	9,570
Deferred outflows of resources	68,628
Increases (decreases) in:	
Accounts payable	28,734
Accrued liabilities	(19,598)
Unearned Revenue	10,043
Tenant security deposits	67
Accrued compensated absences	5,518
Net pension liability	(152,589)
Net OPEB liability	28,851
Deferred inflows of resources	<u>131,550</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 121,261</u></u>

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

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 changes 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 Changes 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. CARES Act Funding

In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. HUD provided CARES Act funding for administrative funds to the Authority's Public Housing and Housing Choice Voucher Program to help the Authority prepare for, prevent, and respond to the coronavirus, which helped the Authority maintain normal operations during the period.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2020 totaled \$1,562.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$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

Investment in capital assets consists of capital assets, net of accumulated depreciation. 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. At December 31, 2020, the Authority did have net position restricted for HAP reserve of \$35,206 and for Public Housing of \$110,093.

The Housing 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.

Capital Contributions

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

Cash and Cash Equivalents

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.

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.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, 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 \$3,448 at December 31, 2020.

Inventories

Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was \$3,448 at December 31, 2020.

Accrued Liabilities

All payables and accrued liabilities (which include accrued wages and payroll taxes) are reported in the basic financial statements.

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 Changes in Net Position.

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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.

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.

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

At December 31, 2020, the carrying amount of the Authority’s deposits totaled \$662,492 and its bank balance was \$686,570. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of December 31, 2020, \$436,570 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits.

Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 3: RESTRICTED CASH

Restricted cash as of December 31, 2020 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 Housing Assistance Payments	\$35,206
Tenant security deposit	32,078
Proceeds from sale of a house	110,093
HCV CARES Act Unearned Revenue	10,043
Total Restricted Cash Balance	\$187,420

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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, 2020 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:

	Balance 12/31/2019	Adjustment	Additions	Deletions	Balance 12/31/2020
Capital Assets Not Being Depreciated:					
Land	\$869,068	\$0	\$0	\$0	\$869,068
Construction in Progress	0	0	22,500	0	22,500
Total Capital Assets Not Being Depreciated	869,068	0	22,500	0	891,568
Capital Assets Being Depreciated:					
Buildings	14,407,916	1	246,185	0	14,654,102
Furnt, Mach. and Equip.	400,165	0	32,532	(1,072)	431,625
Total Capital Assets Being Depreciated	14,808,081	1	278,717	(1,072)	15,085,727
Accumulated Depreciation:					
Buildings	(11,031,885)	0	(426,492)	0	(11,458,377)
Furnt, Mach. and Equip.	(392,198)	(1)	(10,664)	1,072	(401,791)
Total Accumulated Depreciation	(11,424,083)	(1)	(437,156)	1,072	(11,860,168)
Total Capital Assets Being Depreciated, Net	3,383,998	0	(158,439)	0	3,225,559
Total Capital Assets, Net	\$4,253,066	\$0	(\$135,939)	\$0	\$4,117,127

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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 Comprehensive Annual Financial Report 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.

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

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	State and Local
2020 Statutory Maximum Contribution Rates:	
- Employer	14.0%
- Employee	10.0%
 2020 Actual Contribution Rates:	
Employer: January 1, 2020 through December 31, 2020	
- Pension	14.0%
- Post-employment Health Care Benefits	<u>0.0%</u>
Total Employer Contributions	<u><u>14.0%</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$46,776 for the year ended December 31, 2020. Of this amount \$3,874 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	<u>\$465,284</u>
Percentate for Proportionate Share of Net Pension Liability	0.002354%
Change in Proportion from Prior Measurement Date	0.000098%
Pension Expense	\$37,808

At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Traditional Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earning on pension plan investments	\$24,852
Difference Between Expected and Actual Experience	12,850
Authority contributions subsequent to the measurement date	<u>46,776</u>
Total Deferred Outflows of Resources	<u><u>\$84,478</u></u>
Deferred Inflows of Resources	
Net difference between projected and actual earning on pension plan investments	\$92,815
Difference between expected and actual experience	5,883
Change in proportion share	<u>1,056</u>
Total Deferred Inflows of Resources	<u><u>\$99,754</u></u>

\$46,776 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	
2021	(\$3,655)
2022	(25,384)
2023	3,842
2024	<u>(36,855)</u>
Total	<u><u>(\$62,052)</u></u>

Actuarial Assumptions – OPERS

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

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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, 2019, 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:

Valuation Date	December 31, 2019
Experience Study	5 year ended 12/31/15
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Return	7.20%
Wage Inflation	3.25%
Projected salary increase	3.25%-10.75% (includes wage inflation at 3.25%)
Cost-of-living adjustments	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2020, then 2.15% Simple

The total pension asset in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Return	7.20%
Wage Inflation	3.25%
Projected salary increase	3.25%-8.25%
Cost-of-living adjustments	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2020, then 2.15% Simple

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 2019 and the long-term expected real rates of return:

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Asset Class	Target Allocation for 2019	Weighted Average Long- Term Expected Real Rate of Return
Fixed Income	25.00%	1.83%
Domestic Equities	19.00%	5.75%
Real Estate	10.00%	5.20%
Private Equity	12.00%	10.70%
International Equities	21.00%	7.66%
Other investments	13.00%	4.98%
Total	100.00%	5.61%

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount rate of 7.2%	1% Increase (8.2%)
	Authority's proportionate share of the net pension liability - Traditional Pension Plan	\$767,404	\$465,284

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 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.

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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 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 OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB.

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

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

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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 provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Rreport 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 2020, 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 2019. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

beginning January 1, 2020 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 2019 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, 2020.

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

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS Traditional OPEB Plan
Proportion of the OPEB Liability	
Prior Measurement Date	0.002101%
Proportion of the Net OPEB Liability	
Current Measurement Date	0.002192%
Change in Proportionate Share	0.000091%
Proportionate Share of the Net OPEB	
Liability	\$ 302,772
OPEB Expense	\$ 38,631

At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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	OPERS
Deferred Outflows of Resources	
Assumption Changes	\$47,927
Difference between expected and actual experience	7
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	7,402
Total Deferred Outflows of Resources	<u>\$55,336</u>
Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$15,416
Difference between expected and actual experience	27,689
Total Deferred Inflows of Resources	<u>\$43,105</u>

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

	OPERS
Year Ending December 31:	
2021	\$12,395
2022	6,412
2023	13
2024	(6,589)
Total	<u>\$12,231</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Information	
Wage Inflation	3.25%
Future Salary Increases, including inflation 3.25%	3.25 - 10.75%
Single Discount Rate:	
Current measurement rate	3.16%
Prior measurement rate	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	2.75%
Health Care Cost Trend Rate	10.5% initial, 3.50% ultimate in 2030
Actuarial Cost Method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

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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 19.70 percent for 2019.

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 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	36.00%	1.53%
Domestic Equities	21.00%	5.75%
REITs	6.00%	5.69%
International Equities	23.00%	7.66%
Other Investments	14.00%	4.90%
TOTAL	100.00%	4.55%

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 2.75 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 2034. As a result, the long-term expected rate of return

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FOR THE YEAR ENDED DECEMBER 31, 2020

on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the Authority’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Single Discount Rate (3.16%)	1% Increase (4.16%)
Authority's proportionate share of the net OPEB liability	\$396,226	\$302,772	\$227,946

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.5 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 (9.0%)	Current Health Care Cost Trend Rate Assumption (10.0%)	1% Increase (11.0%)
Authority's proportionate share of the net OPEB liability	\$293,838	\$302,772	\$311,593

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 8: 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, 2020, the accrual for compensated absences totaled \$37,772 and has been included in the accrued liabilities account balance in the accompanying Statement of Net Position. The Authority considers \$7,554 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, 2020:

<u>Description</u>	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
Compensated Absence Payable	\$32,254	\$37,572	(\$32,054)	\$37,772	\$7,554

NOTE 9: LONG-TERM LIABILITIES

The change in the Authority's long-term obligations during 2020 were as follows:

<u>Description</u>	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
Net Pension Liability	\$617,873	\$0	(\$152,589)	\$465,284	\$0
Net OPEB Liability	273,921	28,851	0	302,772	0
Total	<u>\$891,794</u>	<u>\$28,851</u>	<u>(\$152,589)</u>	<u>\$768,056</u>	<u>\$0</u>

NOTE 10: CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2020.

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2020, 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.

GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11: 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 fiscal year starting with the year ending December 31, 2017.

For the year ending December 31, 2020, the Financial Data Schedule properly report the Low Rent Public Housing Program an Asset of \$134,974 and the Housing Choice Voucher Program reported a non-current liability of \$134,974. Since these amounts are an Inter-Agency asset and liability; the amounts are eliminated to properly report the basic financial statements.

NOTE 12: COVID-19

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

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

Traditional Plan	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.002354%	0.002256%	0.002275%	0.002243%	0.002305%	0.002382%	0.002382%
Authority's Proportionate Share of the Net Pension Liability	\$465,284	\$617,873	\$356,903	\$509,347	\$399,255	\$287,296	\$280,807
Authority's Covered-Employee Payroll	\$334,100	\$331,229	\$304,803	\$300,662	\$289,946	\$297,775	\$294,207
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	139.26%	186.54%	117.09%	169.41%	137.70%	96.48%	95.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.

(2) The amounts presented for each fiscal year were determined as of the calendar year-ended that occurred within the fiscal year.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.002192%	0.002101%	0.002120%	0.002120%
Authority's Proportionate Share of the Net OPEB Liability	\$302,772	\$273,921	\$230,216	\$214,127
Authority's Covered Payroll	\$334,100	\$331,229	\$304,803	\$300,662
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	90.62%	82.70%	75.53%	71.22%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually Required Contribution										
- Pension	\$46,776	\$46,372	\$42,672	\$39,086	\$34,796	\$35,737	\$36,613	\$31,882	\$29,720	\$31,333
- OPEB	\$0	\$0	\$0	\$3,007	\$5,797	\$5,955	\$4,576	\$2,453	\$13,171	\$12,532
Contributions in Relation to the Contractually Required Contribution	\$46,776	\$46,372	\$42,672	\$42,093	\$40,593	\$41,692	\$41,189	\$34,335	\$42,891	\$43,865
Authority's Covered-Employee Payroll	\$334,100	\$331,229	\$304,803	\$300,662	\$289,946	\$297,775	\$294,207	\$304,803	\$300,662	\$289,946
Contributions as a Percentage of Covered-Employee Payroll										
- Pension	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
- OPEB	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.00%	4.00%

**GALLIA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020**

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

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

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%.

**GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor / Pass Through Grantor Program Title	Pass-Through Number	CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Funding:</i>			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	\$ 706,003
COVID-19 - HCV CARES Act Funding	N/A	14.HCC	32,319
Total Housing Voucher Cluster			<u>738,322</u>
Public and Indian Housing:			
Public and Indian Housing - Low Rent Public Housing	N/A	14.850	614,637
COVID-19 - Public Housing CARES Act Funding	N/A	14.PHC	64,600
Total Public and Indian Housing			<u>679,237</u>
Public Housing Capital Fund	N/A	14.872	193,162
Total Federal Award Expenditures			<u>\$ 1,610,721</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, 2020. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$386,782	\$0	\$88,290	\$0	\$475,072	\$0	\$475,072
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$110,093	\$0	\$35,206	\$10,043	\$155,342	\$0	\$155,342
114 Cash - Tenant Security Deposits	\$32,078	\$0	\$0	\$0	\$32,078	\$0	\$32,078
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$528,953	\$0	\$123,496	\$10,043	\$662,492	\$0	\$662,492
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$1,314	\$0	\$754	\$0	\$2,068	\$0	\$2,068
126 Accounts Receivable - Tenants	\$9,954	\$0	\$0	\$0	\$9,954	\$0	\$9,954
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,365	\$0	\$0	\$0	-\$2,365	\$0	-\$2,365
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$3	\$0	\$0	\$0	\$3	\$0	\$3
128 Fraud Recovery	\$0	\$0	\$1,083	\$0	\$1,083	\$0	\$1,083
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	-\$1,083	\$0	-\$1,083	\$0	-\$1,083
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$8,906	\$0	\$754	\$0	\$9,660	\$0	\$9,660
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$26,858	\$0	\$405	\$0	\$27,263	\$0	\$27,263
143 Inventories	\$34,483	\$0	\$0	\$0	\$34,483	\$0	\$34,483
143.1 Allowance for Obsolete Inventories	-\$3,448	\$0	\$0	\$0	-\$3,448	\$0	-\$3,448
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$595,752	\$0	\$124,655	\$10,043	\$730,450	\$0	\$730,450

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
161 Land	\$869,068	\$0	\$0	\$0	\$869,068	\$0	\$869,068
162 Buildings	\$14,654,102	\$0	\$0	\$0	\$14,654,102	\$0	\$14,654,102
163 Furniture, Equipment & Machinery - Dwellings	\$118,850	\$0	\$0	\$0	\$118,850	\$0	\$118,850
164 Furniture, Equipment & Machinery - Administration	\$312,423	\$0	\$352	\$0	\$312,775	\$0	\$312,775
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$11,859,851	\$0	-\$317	\$0	-\$11,860,168	\$0	-\$11,860,168
167 Construction in Progress	\$22,500	\$0	\$0	\$0	\$22,500	\$0	\$22,500
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,117,092	\$0	\$35	\$0	\$4,117,127	\$0	\$4,117,127
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$134,974	\$0	\$0	\$0	\$134,974	-\$134,974	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$4,252,066	\$0	\$35	\$0	\$4,252,101	-\$134,974	\$4,117,127
200 Deferred Outflow of Resources	\$105,676	\$0	\$34,138	\$0	\$139,814	\$0	\$139,814
290 Total Assets and Deferred Outflow of Resources	\$4,953,494	\$0	\$158,828	\$10,043	\$5,122,365	-\$134,974	\$4,987,391
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$81,193	\$0	\$0	\$0	\$81,193	\$0	\$81,193
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$6,032	\$0	\$1,231	\$0	\$7,263	\$0	\$7,263
322 Accrued Compensated Absences - Current Portion	\$4,493	\$0	\$3,061	\$0	\$7,554	\$0	\$7,554
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
333 Accounts Payable - Other Government	\$10,515	\$0	\$155	\$0	\$10,670	\$0	\$10,670
341 Tenant Security Deposits	\$32,078	\$0	\$0	\$0	\$32,078	\$0	\$32,078
342 Unearned Revenue	\$0	\$0	\$0	\$10,043	\$10,043	\$0	\$10,043
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$134,311	\$0	\$4,447	\$10,043	\$148,801	\$0	\$148,801
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$134,974	\$0	\$134,974	-\$134,974	\$0
354 Accrued Compensated Absences - Non Current	\$17,972	\$0	\$12,246	\$0	\$30,218	\$0	\$30,218
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$629,736	\$0	\$138,320	\$0	\$768,056	\$0	\$768,056
350 Total Non-Current Liabilities	\$647,708	\$0	\$285,540	\$0	\$933,248	-\$134,974	\$798,274
300 Total Liabilities	\$782,019	\$0	\$289,987	\$10,043	\$1,082,049	-\$134,974	\$947,075
400 Deferred Inflow of Resources	\$121,454	\$0	\$21,405	\$0	\$142,859	\$0	\$142,859
508.4 Net Investment in Capital Assets	\$4,117,092	\$0	\$35	\$0	\$4,117,127	\$0	\$4,117,127
511.4 Restricted Net Position	\$110,093	\$0	\$35,206	\$0	\$145,299	\$0	\$145,299
512.4 Unrestricted Net Position	-\$177,164	\$0	-\$187,805	\$0	-\$364,969	\$0	-\$364,969
513 Total Equity - Net Assets / Position	\$4,050,021	\$0	-\$152,564	\$0	\$3,897,457	\$0	\$3,897,457
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,953,494	\$0	\$158,828	\$10,043	\$5,122,365	-\$134,974	\$4,987,391

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$169,946	\$0	\$0	\$0	\$169,946	\$0	\$169,946
70400 Tenant Revenue - Other	\$1,515	\$0	\$0	\$0	\$1,515	\$0	\$1,515
70500 Total Tenant Revenue	\$171,461	\$0	\$0	\$0	\$171,461	\$0	\$171,461
70600 HUD PHA Operating Grants	\$614,637	\$64,600	\$706,003	\$32,319	\$1,417,559	\$0	\$1,417,559
70610 Capital Grants	\$193,162	\$0	\$0	\$0	\$193,162	\$0	\$193,162
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70740 Front Line Service Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$1,544	\$0	\$18	\$0	\$1,562	\$0	\$1,562
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$1,620	\$0	\$1,620	\$0	\$1,620
71500 Other Revenue	\$14,725	\$0	\$44,783	\$0	\$59,508	\$0	\$59,508
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Total Revenue	\$995,529	\$64,600	\$752,424	\$32,319	\$1,844,872	\$0	\$1,844,872
91100 Administrative Salaries	\$31,818	\$64,600	\$13,194	\$32,319	\$141,931	\$0	\$141,931
91200 Auditing Fees	\$4,514	\$0	\$1,700	\$0	\$6,214	\$0	\$6,214
91300 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$87,991	\$0	\$24,133	\$0	\$112,124	\$0	\$112,124

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
91600 Office Expenses	\$32,252	\$0	\$4,561	\$0	\$36,813	\$0	\$36,813
91700 Legal Expense	\$2,038	\$0	\$0	\$0	\$2,038	\$0	\$2,038
91800 Travel	\$1,748	\$0	\$84	\$0	\$1,832	\$0	\$1,832
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91900 Other	\$46,401	\$0	\$6,480	\$0	\$52,881	\$0	\$52,881
91000 Total Operating - Administrative	\$206,762	\$64,600	\$50,152	\$32,319	\$353,833	\$0	\$353,833
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$916	\$0	\$0	\$0	\$916	\$0	\$916
92500 Total Tenant Services	\$916	\$0	\$0	\$0	\$916	\$0	\$916
93100 Water	\$51,936	\$0	\$0	\$0	\$51,936	\$0	\$51,936
93200 Electricity	\$20,581	\$0	\$0	\$0	\$20,581	\$0	\$20,581
93300 Gas	\$4,581	\$0	\$0	\$0	\$4,581	\$0	\$4,581
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$66,544	\$0	\$0	\$0	\$66,544	\$0	\$66,544
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$143,642	\$0	\$0	\$0	\$143,642	\$0	\$143,642
94100 Ordinary Maintenance and Operations - Labor	\$155,474	\$0	\$0	\$0	\$155,474	\$0	\$155,474
94200 Ordinary Maintenance and Operations - Materials and Other	\$48,293	\$0	\$0	\$0	\$48,293	\$0	\$48,293
94300 Ordinary Maintenance and Operations Contracts	\$75,027	\$0	\$0	\$0	\$75,027	\$0	\$75,027
94500 Employee Benefit Contributions - Ordinary Maintenance	\$96,890	\$0	\$0	\$0	\$96,890	\$0	\$96,890
94000 Total Maintenance	\$375,684	\$0	\$0	\$0	\$375,684	\$0	\$375,684

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
95100 Protective Services - Labor	\$20,795	\$0	\$0	\$0	\$20,795	\$0	\$20,795
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$4,302	\$0	\$0	\$0	\$4,302	\$0	\$4,302
95500 Employee Benefit Contributions - Protective Services	\$3,108	\$0	\$0	\$0	\$3,108	\$0	\$3,108
95000 Total Protective Services	\$28,205	\$0	\$0	\$0	\$28,205	\$0	\$28,205
96110 Property Insurance	\$43,899	\$0	\$2,394	\$0	\$46,293	\$0	\$46,293
96120 Liability Insurance	\$22,303	\$0	\$0	\$0	\$22,303	\$0	\$22,303
96130 Workmen's Compensation	\$1,510	\$0	\$246	\$0	\$1,756	\$0	\$1,756
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$67,712	\$0	\$2,640	\$0	\$70,352	\$0	\$70,352
96200 Other General Expenses	\$434	\$0	\$1,844	\$0	\$2,278	\$0	\$2,278
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$2,873	\$0	\$0	\$0	\$2,873	\$0	\$2,873
96400 Bad debt - Tenant Rents	\$22,957	\$0	\$0	\$0	\$22,957	\$0	\$22,957
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$26,264	\$0	\$1,844	\$0	\$28,108	\$0	\$28,108
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$849,185	\$64,600	\$54,636	\$32,319	\$1,000,740	\$0	\$1,000,740
97000 Excess of Operating Revenue over Operating Expenses	\$146,344	\$0	\$697,788	\$0	\$844,132	\$0	\$844,132

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$595,602	\$0	\$595,602	\$0	\$595,602
97350 HAP Portability-In	\$0	\$0	\$39,415	\$0	\$39,415	\$0	\$39,415
97400 Depreciation Expense	\$437,086	\$0	\$70	\$0	\$437,156	\$0	\$437,156
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97700 Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$1,286,271	\$64,600	\$689,723	\$32,319	\$2,072,913	\$0	\$2,072,913
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10060 Proceeds from Property Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$290,742	\$0	\$62,701	\$0	-\$228,041	\$0	-\$228,041
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$4,340,763	\$0	-\$215,265	\$0	\$4,125,498	\$0	\$4,125,498
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0

GALLIA METROPOLITAN HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
11050 Changes in Compensated Absence Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11060 Changes in Contingent Liability Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11070 Changes in Unrecognized Pension Transition Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11080 Changes in Special Term/Severance Benefits Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11100 Changes in Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity	\$0	\$0	-\$187,770	\$0	-\$187,770	\$0	-\$187,770
11180 Housing Assistance Payments Equity	\$0	\$0	\$35,206	\$0	\$35,206	\$0	\$35,206
11190 Unit Months Available	1,728	0	2,208	0	3,936	0	3,936
11210 Number of Unit Months Leased	1,648	0	1,949	0	3,597	0	3,597
11270 Excess Cash	\$222,689	\$0	\$0	\$0	\$222,689	\$0	\$222,689
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$193,162	\$0	\$0	\$0	\$193,162	\$0	\$193,162
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**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
385 Center Street
Chardon, Ohio 44024

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Gallia Metropolitan Housing Authority, Gallia County, (the Authority) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon June 28, 2021, wherein we noted the Authority considered the financial impact of COVID-19 as disclosed in Note 12.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 28, 2021

**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
385 Center Street
Chardon, Ohio 44024

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited the Gallia Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Gallia Metropolitan Housing Authority's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Gallia Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Newark, Ohio
June 28, 2021

**GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

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?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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 8/17/2021

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This report is a matter of public record and is available online at
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