OHIO AUDITOR OF STATE
KEITH FABER

MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
SEPTEMBER 30, 2023

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OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

Meigs Metropolitan Housing Authority
Meigs County
441 General Hartinger Parkway
Middleport, Ohio 45760

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Unmodified Opinion

We have audited the financial statements of the Meigs Metropolitan Housing Authority, Meigs County, Ohio (Authority), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Meigs Metropolitan Housing Authority, Meigs County, Ohio as of September 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, the Authority has suffered recurring losses from operations resulting in low cash balances. Note 15 also describes management's evaluation of the events and conditions and their plans to mitigate these matters. Our opinion is unmodified regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Schedules of Proportionate Share of Net Pension and Other Post-Employment Benefit Liabilities/Assets and Pension and Other Post-Employment Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule as required by the Department of Housing and Urban Development is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

September 6, 2024

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It is a privilege to present for you the financial picture of Meigs Metropolitan Housing Authority. The Meigs Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- Total revenues increased by $71,394 (or 13%) during 2023, and were $626,897 and $555,503 for 2023 and 2022, respectively.

- Total expenses increased by $28,657 (or 5%) during 2023, and were $602,708 and $574,051 for 2023 and 2022, respectively.

USING THIS ANNUAL REPORT

The following is a summary of the presentation of the Authority's financial statements:

MD&A Management's Discussion and Analysis
Basic Financial Statements 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 Schedule of the Authority's Proportionate Share of the Net Pension Liability Schedule of the Authority's Contributions Schedule of the Authority's Proportionate Share of the OPEB Liability/(Asset) Schedule of the Authority's Contributions Notes to the Required Supplementary Information

The focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broadens a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability.

BASIC FINANCIAL STATEMENTS

The basic financial statements, beginning on page 11, are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the 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 plus deferred outflows of resources equals liabilities plus deferred inflows of resources and "Net Position." Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "non-current."

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

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

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

Unrestricted Net Position: This component of Net Position consists of Net Position that does not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position."

The basic financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as investment income.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position."

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

The Authority's programs that are consolidated into a single enterprise fund are as follows:

Housing Assistance Payments Program-Section 8 – The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Family Self Sufficiency (FSS) Program – This program is designed to help participants achieve economic independence and self-sufficiency.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

The following table reflects the condensed Statement of Net Position compared to the prior year.

TABLE 1
STATEMENT OF NET POSITION

	2023	2022	Variance
Current and Other Assets	$ 62,684	$ 60,430	$ 2,254
Total Assets	62,684	60,430	2,254
Deferred Outflows of Resources	73,891	21,219	52,672
Current and Other Liabilities	42,298	55,076	(12,778)
Long-Term Liabilities	149,648	47,249	102,399
Total Liabilities	191,946	102,325	89,621
Deferred Inflow of Resources	888	59,772	(58,884)
Net Position:			
Net Investment in Capital Assets	-	124	(124)
Unrestricted	(56,259)	(80,572)	24,313
Total Net Position	$ (56,259)	$ (80,448)	$ 24,189

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Cash increased by $21,289 primarily due to an increase in HUD grant receipts and decrease in payments to HAP. Long-Term Liabilities increased by $102,399 due to changes in Ohio Public Employees Retirement System (OPERS) net pension liabilities, net OPEB liabilities and lease obligation related to GASB 87.

The negative net position of the Authority would be $8,723 if the Deferred Outflows, Deferred Inflows, Net Pension Liability, and Net OPEB Asset was removed from the Statement of Net Positon.

The following schedule compares the revenues and expenses for the current and previous fiscal years.

TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2023	2022	Variance
Revenues			
HUD PHA Grants/Operating Grants	$ 615,908	$ 550,781	$ 65,127
Investment Income/Other/Fraud Recovery Revenues	10,989	4,722	6,267
Total Revenue	626,897	555,503	71,394
Expenses			
Administrative	121,871	62,557	59,314
Ordinary Maintenance & Operations	2,829	1,845	984
General Expenses	-	11,009	(11,009)
Housing Assistance Payment	470,077	490,379	(20,302)
Interest Expense	1,014	1,344	(330)
Amortization Expense	6,917	6,917	-
Total Expenses	602,708	574,051	28,657
Net Increase/(Decrease)	24,189	(18,548)	42,737
Net Position, Beginning of Year	(80,448)	(61,900)	(18,548)
Net Position, End of Year	$ (56,259)	$ (80,448)	$ 24,189

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

Government operating grants increased by $65,127 from fiscal year 2022 to 2023, due to increased government subsidy of rents. Housing Assistance Payments decreased during 2023 due timing of the HAP payments.

CAPITAL ASSETS

As of year-end, the Authority had $0 invested in a variety of capital assets (net of accumulated depreciation) as reflected in the following table.

TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	2023	2022
Furniture, Equipment & Machinery - Administration	$ 6,830	$ 6,830
Accumulated Depreciation	(6,830)	(6,830)
Total	$ -	$ -

The following reconciliation summarizes the change in Capital Assets.

TABLE 4
CHANGE IN CAPITAL ASSETS

Beginning Balance	$	-
Depreciation		-
Ending Balance	$	-

See Note 10 to the basic financial statements for more information regarding the Authority's capital assets.

The Authority implemented GASB 87 – Leases for which the Authority brought on a Right-of-Use Asset related to the lease of a building used for the Authority's operations. See Note 14 to the basic financial statements for more information regarding the Authority's Right-of-Use Asset and Lease Liability.

The Authority's Right-of-Use Asset related to a building lease totaled $34,587. The accumulated amortization on this asset was $19,003 and $12,086 in 2023 and 2022, respectively.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of 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; and
- Market rates for rental housing

IN CONCLUSION

Meigs Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Edna Lipke, Executive Director of the Meigs Metropolitan Housing Authority at 740-992-2733.

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MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

Assets	
Current Assets:	
Cash and Cash Equivalents- Unrestricted	$ 12,828
Cash and Cash Equivalents- Restricted	33,064
Total Cash and Cash Equivalents	45,892
Prepaid Expenses and Other Assets	1,208
Total Current Assets	47,100
Noncurrent Assets:	
Right-of-Use Assets:	
Buildings	34,587
Less Accumulated Amortization	(19,003)
Total Finance Lease Assets, Net of Amortization	15,584
Total Noncurrent Assets	15,584
Total Assets	62,684
Deferred Outflows of Resources - OPEB	8,643
Deferred Outflows of Resources - Pension	65,248
Total Deferred Outflows of Resources	73,891
Total Assets and Deferred Outflows of Resources	$ 136,575
Liabilities	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	$ 1,534
Compensated Absences	866
Current Portion of Long Term Leases	6,834
Undistributed Credits - Family Self-Sufficiency	33,064
Total Current Liabilities	42,298
Long-Term Liabilities:	
Long-Term Lease Payable	8,757
Net Pension Liability	135,293
Net OPEB Liability	2,692
Compensated Absences	2,906
Total Long-Term Liabilities	149,648
Total Liabilities	191,946
Deferred Inflows of Resources - OPEB	888
Total Deferred Inflows of Resources	888
Total Liabilities and Deferred Inflows of Resources	192,834
Net Position	
Unrestricted	(56,259)
Total Net Position	(56,259)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 136,575

See accompanying notes to the basic financial statements.

MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF SEPTEMBER 30, 2023

Operating Revenues	
HUD PHA Operating Grants	$ 615,908
Fraud Recovery	4,234
Other Revenue	6,096
Total Operating Revenues	626,238
Operating Expenses	
Administrative	121,871
Ordinary Maintenance & Operation	2,829
Housing Assistance Payments	470,077
Amortization Expense	6,917
Total Operating Expenses	601,694
Operating Income (Loss)	24,544
Non-Operating Revenues/(Expenses)	
Investment Income - Unrestricted	659
Interest Expense	(1,014)
Total Non-Operating Revenues/(Expenses)	(355)
Change in Net Position	24,189
Net Position, Beginning of Year	(80,448)
Net Position, End of Year	$ (56,259)

See accompanying notes to the basic financial statements.

MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
STATEMENT OF CASH FLOWS
AS OF SEPTEMBER 30, 2023

Cash Flows From Operating Activities:	
Receipts From Operating Grants	$ 615,908
Other Operating Receipts	10,330
Housing Assistance Payments	(470,077)
Payments for Employees and Services	(127,731)
Net Cash Provided by Operating Activities	28,430
Cash Flows From Capital and Related Financing Activities:	
Payments on Long-Term Lease	(6,786)
Interest Paid on Long-Term Debt	(1,014)
Net Cash Used in Capital and Related Financing Activities	(7,800)
Cash Flows From Investing Activities:	
Interest Received on Investments	659
Net Cash Provided by Investing Activities	659
Net Increase in Cash and Cash Equivalents	21,289
Cash and Cash Equivalents at Beginning of Year	24,603
Cash and Cash Equivalents at End of Year	$ 45,892

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Income	$ 24,544
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Amortization Expense	6,917
(Increase) Decrease In:	
Prepaid Expenses and Other Assets	(693)
Deferred Outflows of Resources	(52,672)
Increase (Decrease) In:	
Net Pension Liability	104,146
Net OPEB Liability	15,503
Bank Overdraft	(15,337)
Accrued Wages/Payroll Taxes Payable	-
Accounts Payble	-
Compensated Absences	(3,555)
Deferred Inflows of Resources	(58,884)
Other Current Liabilities	8,461
Net Cash Provided by Operating Activities	$ 28,430

See accompanying notes to the basic financial statements.

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NOTE 1 – DESCRIPTION OF THE AUTHORITY, PROGRAM AND REPORTING ENTITY

Description of the Authority and Programs

The Meigs Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.01 of the Ohio Revised Code.

The Meigs Metropolitan Housing Authority was established for the purpose of engaging the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction, and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

A summary of the significant programs administered by the Authority is provided below:

Section 8 Rental Voucher Program – Under the Section 8 Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn, contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Family Self Sufficiency (FSS) Program - This program is designed to help participants achieve economic independence and self-sufficiency.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Authority are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Authority. For the Authority, this includes general operations and Section 8. Component units are legally separate organizations for which the Authority is financially accountable.

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applies to governmental units. The Governmental Accounting Standards Board 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 here.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Basis of Presentation – Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. For financial statement presentation purposes, the funds of the Authority are grouped into the following fund type.

Proprietary Fund Type - The proprietary fund is used to account for the Authority's ongoing activities which are similar to those found in a private sector. The following is the Authority's proprietary fund:

Enterprise Fund – The enterprise fund is used to account for operations 1) that are financed and operated in a manner similar to private business enterprises where the intent of governing body is that the costs of providing goods or services to the general public on continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Pursuant to GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds.

Measurements Focus

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Authority are included on the statement of net position. The statement of change in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Basis of Accounting

The proprietary fund type uses the accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and measurable and expenses are recorded at the time liabilities are incurred, if measurable.

Deferred Outflows and Deferred Inflows 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 (expenditures/expenses) until then. The Authority reports a deferred outflow of resources for pensions and OPEB as of September 30, 2023. The deferred outflows of resources related to pension and OPEB are reported on the Statement of Net Position and explained in Notes 5 and 6. Deferred inflows of resources related to pension and OPEB are reported on the Statement of Net Position and explained in Notes 5 and 6.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Budgetary Data

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in checking accounts and are stated at cost, which approximates market value.

Unrestricted cash and cash equivalents represents the funds that are used for the general operations and the administrative portion of Section 8 program. Restricted cash and cash equivalents represent funds deposited for participants in the Family Self Sufficiency (FSS) Program, which is designed to help participants achieve economic independence and self-sufficiency and the portion of Section 8 designed to aid low-income families with rent.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, cash and cash equivalents include all highly liquid debt instruments with an original maturity of three months or less at the time they are purchased.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2023, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

Capital Assets

The capital asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Enterprise Fund Capital Assets: Capital assets reflected in the enterprise fund are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Lives
Building and Improvements	27.5
Equipment	7

Right-of-Use Assets

Right-of-use assets, which includes buildings are reported in the district-wide financial statements. The Authority defines right-of-use assets as the right to occupy, operate, or hold a leased asset during the rental period. This rental period must be for greater than 12 months including any option to renew if it is reasonably certain, based on all relevant factors, that the Authority will exercise that option. These assets do not include any lease contracts that transfer ownership at the end of the lease.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Right-of-Use Assets – (Continued)

Right-of-use assets are recorded at the present value of the payments expected to be made during the lease term, including any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives. Initial direct costs that are necessary to place the lease asset into service should also be included.

Buildings of the Authority are amortized using the straight-line method over the shorter period of the lease term or the useful life of the asset.

Compensated Absences

The Authority reports compensated absences in accordance with the provisions of GASB No. 16, Accounting for Compensated Absences.

Sick leave benefits are accrued as a liability using the vesting method. Sick leave benefits are accrued as a liability for employees who are currently eligible to receive termination benefits and those identified as probable to receiving payment in the future. Vacation benefits are accrued as a liability as the benefits are earned by the employees if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the Authority will compensate the employees for the benefits through paid time off or some other means. The liability for sick leave and vacation benefits is based on accumulated unused balances and employees' wage rates at fiscal year-end. Compensated absences are expensed when earned by the employees.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are operating grants from HUD and other miscellaneous revenue.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are primarily administrative, benefits, maintenance and operations, depreciation, and housing assistance payments.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability or asset, deferred outflows of resources, and deferred inflows of resources related to the pension/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

Net Position

Net position represents the difference between all other elements of the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints placed on its use are externally imposed, including HUD, creditors, grantors, contributions, or laws and regulators of other governments. Unrestricted net position represents the portion of net position not classified as net investment in capital assets or restricted.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Net Position (Continued)

The amount reported as restricted net position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts from Administration Fee which may be recaptured by HUD. When an expense is incurred for purposes which both restricted and unrestricted Net Position is available, the Authority first applies restricted Net Position.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Change in Accounting Principles

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and resulting from the SBITAs. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Authority.

NOTE 3 – CASH AND CASH EQUIVALENTS

Deposits

At fiscal year end, the carrying amount of the Authority's deposits was $45,892, and the bank balance was $47,126. The entire bank balance was covered by federal deposit insurance.

NOTE 4 - RESTRICTED CASH

The restricted cash of $33,064 on the financial statements represent the following:

FSS Escrow Funds	$	33,064
Total Restricted Cash	$	33,064

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

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

The proportionate share of each plan's excess 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 personnel costs on both the accrual and modified accrual bases of accounting.

Plan Description

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

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

NOTE 5 – DEFINED BENEFIT PENSION PLAN – (Continued)

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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

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

NOTE 5 – DEFINED BENEFIT PENSION PLAN – (Continued)

	State and Local
Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for the period ended September 30, 2023, 2022, and 2021 were $11,080, $9,212 and $8,235. 92% has been contributed for 2023, and a 100% for 2022 and 2021. Of this amount $898 is reported as accrued wages/payroll taxes payable.

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

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

	Traditional Pension Plan
Proportionate Share of the Net Pension Liability	$ 135,293
Proportion of the Net Pension Liability	0.000458%
Increase/(decrease) in % from prior proportion measured	0.000100%
Pension Expense	$ 23,208

At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 5 – DEFINED BENEFIT PENSION PLAN – (Continued)

	Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 38,563
Changes in assumptions	1,429
Differences between expected and actual experience	4,494
Changes in proportion and differences between contributions and proportionate share of contributions	12,476
District contributions subsequent to the measurement date	8,286
Total Deferred Outflows of Resources	$ 65,248

$8,286 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year Ending September 30:	Traditional Pension Plan
2024	$ 14,305
2025	12,419
2026	11,346
2027	18,892
Total	$ 56,962

Actuarial Assumptions - OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 5 – DEFINED BENEFIT PENSION PLAN – (Continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3% Simple through 2023, then 2.05% Simple

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

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

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.30%
Other Investments	5.00%	3.27%
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

Employer's Net Pension Liability/(Asset)	1% Decrease 5.9%	Current Discount Rate 6.9%	1% Increase 7.9%
Traditional Pension Plan	$ 202,665	$ 135,293	$ 79,252

NOTE 6 – DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/(Asset)

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

NOTE 6 – DEFINED BENEFIT OPEB PLAN (Continued)

Net OPEB Liability/(Asset) (Continued)

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

GASB 75 assumes the liability or asset 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 or asset. Resulting adjustments to the net OPEB liability or asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description

Authority's employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through September 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of September 30, 2016 and the net positions transferred to the trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the year ended December 31, 2022, in the Traditional Plan OPERS allocated 0.00% of employer contributions to post-employment health care.

The net OPEB liability/(asset) was measured as of December 31, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability/(asset) was based on the Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

NOTE 6 – DEFINED BENEFIT OPEB PLAN – (Continued)

Net OPEB Liability/(Asset)

	OPERS
Proportionate Share of the Net OPEB Liability/(Asset)	$ 2,692
Proportion of the Net OPEB Liability/(Asset)	0.000427%
Increase/(decrease) in % from prior proportion measured	0.000018%
OPEB Expense	$ (6,828)

At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 5,347
Changes in assumptions	2,630
Changes in proportion and differences Authority contributions and proportionate share of contributions	666
Total Deferred Outflows of Resources	$ 8,643
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 672
Changes in assumptions	216
Total Deferred Inflows of Resources	$ 888

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

Fiscal Year Ending September 30:	OPERS
2024	$ 1,548
2025	1,955
2026	1,667
2027	2,585
Total	$ 7,755

NOTE 6 – DEFINED BENEFIT OPEB PLAN – (Continued)

Actuarial Assumptions - OPERS

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Valuation Date	December 31, 2021
Rolled-forward measurement date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.05%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036

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

A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rates was applied to all health care costs after that date.

NOTE 6 – DEFINED BENEFIT OPEB PLAN – (Continued)

The following table presents the OPEB liability/(asset) calculated using the single discount rate of 5.22%, and the expected net OPEB liability/(asset) if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease 4.22%	Current Discount Rate 5.22%	1% Increase 6.22%
Authority's proportionate share of the Net OPEB Liability/(Asset)	$ 9,163	$ 2,692	$ (2,647)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset). The following table presents the net OPEB liability/(asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the Net OPEB Liability/(Asset)	$ 2,524	$ 2,692	$ 2,822

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
Total	100.00%	

NOTE 6 – DEFINED BENEFIT OPEB PLAN – (Continued)

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.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 15.6% for 2022.

NOTE 7 – COMPENSATED ABSENCES

Sick leave and vacation policies are established by the Housing Authority Board of Directors. All permanent employees earn 4.6 hours sick leave for each 80 hours of service, 3.1 hours vacation time for each 80 hours of service for employees with 1—7 years of service; and 4.6 hours vacation time for each 80 hours worked for employees with 8—14 years of service. The Executive Director receives 6.2 hours vacation time for every 80 hours of service. Unused sick leave may be accumulated up to 240 hours and is paid to employees at the time of retirement. All permanent employees earn vacation hours based on length of service. Unused vacation leave will be paid to the employees at the time of separation. As of September 30, 2023, $3,772 was accrued for unused sick leave and vacation.

NOTE 8 – RISK MANAGEMENT

The Authority maintains comprehensive liability insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage from the prior year. There were no settlements that exceeded insurance coverage during the past three years.

NOTE 9 – ADMINISTRATIVE FEE

The Authority receives an “administrative fee” as part of the annual contribution from HUD to cover the costs (including overhead) of administering the Section 8 Housing Assistance Payments (HAP) Programs. The fee is a percentage of a HUD determined base rate for each unit per month under HAP contracts.

NOTE 10 – CAPITAL ASSETS

A summary of changes in capital assets during fiscal year 2023 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Office Equipment	$ 6,830	$ -	$ -	$ 6,830
Total Capital Assets Being Depreciated:	6,830	-	-	6,830
Less: Accumulated Depreciation:				
Equipment	(6,830)	-	-	(6,830)
Total Accumulated Depreciation	(6,830)	-	-	(6,830)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	-	-	-	-
Total Capital Assets Net	$ -	$ -	$ -	$ -

NOTE 11 – LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the Authority during the 2023 fiscal year were as follows:

	Beginning Balance 09/30/22	Additions	Reductions	Ending Balance 09/30/23	Amounts Due In One Year
Compensated Absences	$ 7,327	$ -	$ 3,555	$ 3,772	$ 866
Net OPEB Liability	(12,811)	15,503	-	2,692	-
Net Pension Liability	31,147	104,146	-	135,293	-
Total Long-Term Obligations	$ 25,663	$ 119,649	$ 3,555	$ 141,757	$ 866

NOTE 12 – ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

NOTE 13 – CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as no appropriate under the terms for the grants. Such audits could lead to reimbursement to the grantor agencies. Authority’s management believes disallowance, if any will be immaterial.

In the normal course of operations, the Authority may be subject to litigation and claims. At September 30, 2023, the Authority was involved in no matters management believes will have a material effect on the basic financial statements.

NOTE 14 - RIGHT-OF-USE LEASE ASSETS AND LIABILITIES

The Authority implemented GASB Statement No. 87, *Leases*. The following chart displays the expenses incurred related to the recording of right-of-use lease assets and liabilities:

Right-of-Use Assets	Beginning of Year	Additions	Reductions	End of Year	Amounts Due Within One Year
Building	$ 34,587		$ -	$ 34,587	
	34,587	-	-	34,587	
Less: Accumulated Amortization					
Building	(12,086)	(6,917)	-	(19,003)	
	(12,086)	(6,917)	-	(19,003)	
Total Right-of-Use Assets, Net	$ 22,501	$ (6,917)	$ -	$ 15,584	
Lease Liabilities	$ 22,377	$ -	$ (6,786)	$ 15,591	$ 6,834

Amortization of the above liabilities, including principal and interest, is as follows:

Year Ending September 30:	Principal	Interest
2024	6,834	966
2025	6,999	801
2026	1,758	192
Total	$ 15,591	$ 1,959

NOTE 15 – SUBSEQUENT EVENT/FINANCIAL DIFICULTY

At the January 24, 2024 Board meeting (most recent available) the Board discussed being overdrawn at the bank and what options they could take including possibly a loan and talking with HUD concerning available options as the Authority had already been denied HUD held reserves. The Authority was also seeking possible ways to reduce expenditures to eliminate the deficit. A deficit fund balance can impede or prevent the Authority from performing its stated purpose. There has not been any discontinuation of services as of the date of this report.

MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employee Retirement System
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability (asset) (percentage)	0.000458%	0.000358%	0.000304%	0.000424%	0.000396%	0.000443%	0.000444%	0.000381%	0.000372%	0.000372%
Authority's proportionate share of the net pension liability (asset)	$ 135,293	$ 31,147	$ 45,016	$ 83,806	$ 108,456	$ 69,498	$ 100,825	$ 65,994	$ 44,867	$ 43,854
Authority's covered-payroll	$ 65,804	$ 58,823	$ 49,504	$ 59,607	$ 57,956	$ 58,564	$ 57,252	$ 37,650	$ 45,600	$ 49,359
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-payroll	205.60%	52.95%	90.93%	140.60%	187.14%	118.67%	176.11%	175.28%	98.39%	88.85%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.45%

*The amounts presented were determined as of OPERS fiscal year ended December 31.

See accompanying notes to the required supplemental information.

MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
Required Supplementary Information
Schedule of the Authority's Contributions
Ohio Public Employees Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 11,080	$ 9,212	$ 8,235	$ 6,930	$ 8,119	$ 7,413	$ 7,189	$ 6,712	$ 5,718	$ 5,455
Contributions in relation to contractually required contribution	(11,080)	(9,212)	(8,235)	(6,930)	(8,119)	(7,413)	(7,189)	(6,712)	(5,718)	(5,455)
Contribution deficit (surplus)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-payroll	$ 79,140	$ 65,804	$ 58,823	$ 49,504	$ 57,994	$ 53,900	$ 59,910	$ 55,936	$ 47,650	$ 44,550
Contributions as a percentage of covered-payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.75%	12.00%	12.00%	12.00%	12.24%

See accompanying notes to the required supplemental information.

MEIGS METROPOLTAN HOUSING AUTHORITY

MEIGS COUNTY

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability/(Asset)

Ohio Public Employees Retirement System

Last Seven Fiscal Years (1)

For the Fiscal Year Ended September 30, 2023

	2022	2021	2020	2019	2018	2017	2016
Authority's Proportion of the Net OPEB Liability/Asset	0.000427%	0.000409%	0.000296%	0.000395%	0.000369%	0.000410%	0.000410%
Authority's Proportionate Share of the Net OPEB Liability(Asset)	$ 2,692	$ (12,811)	$ (5,273)	$ 54,560	$ 48,109	$ 44,523	$ 41,411
Authority's Covered Payroll	$ 65,804	$ 58,823	$ 49,504	$ 59,607	$ 57,956	$ 58,564	$ 57,252
Authority's Proportionate Share of the Net OPEB Liability(Asset) as a Percentage of its Covered Payroll	4.09%	-21.78%	-10.65%	91.53%	83.01%	76.02%	72.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/Asset	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	N/A

(1) Information prior to 2016 is not available.
(2) The amounts presented were determined as of OPERS fiscal year ended December 31.

See accompanying notes to the required supplemental information.

MEIGS METROPOLTAN HOUSING AUTHORITY
MEIGS COUNTY
Required Supplementary Information
Schedule of the Authority's Contributions
Ohio Public Employees Retirement System - OPEB Plan
Last Eight Fiscal Years (1)
For the Fiscal Year Ended September 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ 134	$ 746	$ 1,119
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	(134)	(746)	(1,119)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority Covered Payroll	$ 79,140	$ 65,804	$ 58,823	$ 49,504	$ 57,994	$ 53,900	$ 59,910	$ 55,936
Contributions as Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	1.25%	2.00%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2016 is not available.
(2) Information is presented on a fiscal year basis, consistent with Authority's financial statements.

See accompanying notes to the required supplemental information.

Note 1 - Changes in Assumptions – OPERS Pension

Amounts reported for fiscal year 2017 (Measurement Period 2016) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 (Measurement Period 2015) and prior are presented below:

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from RP-2000 mortality tables to the RP-2014 mortality tables.

There are no changes in actuarial valuation for measurement period 2017 versus measurement period 2016.

Valuation Date	December 31, 2018	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Indiviual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 8.25% (Includes wage inflation of 3.25%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3/00% Simple through 2018, then 2.15% Simple

Changes for the period 2018 versus the measurement period 2017 included a reduction of the discount rate from 7.5% to 7.2%.

There were no signification changes for the measurement period 2019 versus the measurement period 2018.

There were no signification changes for the measurement period 2020 versus the measurement period 2019.

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Notes to the Required Supplemental Information (Continued)
For the Fiscal Year Ended September 30, 2023

Note 1 - Changes in Assumptions – OPERS Pension (Continued)

Key Methods and Assumptions Used in Valution of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	7.20%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2021, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from RP-2014 mortality tables to the Pub-2010 mortality tables.

Amounts reported for fiscal year 2023 (Measurement Period 2022) reported no changes in assumptions.

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2019 (Measurement Period 2018) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2018 (Measurement Period 2017) are presented below:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2017	December 31, 2016
Rolled-forward measurement date	December 31, 2018	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.96%	3.85%
Investment Rate of Return	6.00%	6.50%
Municipal Bond Rate	3.71%	3.31%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10% initial, 3.25% ultimate in 2029	7.5% initial, 3.25% ultimate in 2028

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included an increase of the discount rate from 3.85% to 3.96%, a reduction in the investment rate of return 6.50% to 6.00%, and an increase in bond rate from 3.31% to 3.71%.

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2020 (Measurement Period 2019) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2019 (Measurement Period 2018) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2018	December 31, 2017
Rolled-forward measurement date	December 31, 2019	December 31, 2018
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.16%	3.96%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.75%	3.71%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10.5% initial, 3.50% ultimate in 2030	10% initial, 3.25% ultimate in 2029

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.96% to 3.16% and a decrease in bond rate from 3.71% to 2.75%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2021 (Measurement Period 2020) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/asset in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2020 (Measurement Period 2019) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2019	December 31, 2018
Rolled-forward measurement date	December 31, 2020	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	6.00%	3.16%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.00%	2.75%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	8.50% initial, 3.50% ultimate in 2035	10.5% initial, 3.50% ultimate in 2030

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included an increase in the discount rate from 3.16% to 6.00%. There is also a change in the Health Care Cost Trend Rates.

Note 2 - Changes in Assumptions – OPERS OPEB (Continued)

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability/asset in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2020	December 31, 2019
Rolled-forward measurment date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age normal
Actuarial Assumptions:		
Single Discount Rate	6.00%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	1.84%	2.00%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034	8.50% initial, 3.50% ultimate in 2035

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a decrease of the municipal bond rate from 2.00% to 1.84%, and a decrease in the minimum projected salary increases from 3.25% to 2.75%. There is also a change in the Health Care Cost Trend Rates.

Amounts reported for fiscal year 2023 (Measurement Period 2022) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2022 (Measurement Period 2021) are presented below:

Actuarial Information		
Valuation Date	December 31, 2021	December 31, 2020
Rolled-forward measurement date	December 31, 2022	December 31, 2021
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036	5.5% initial, 3.50% ultimate in 2034

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. The significant change includes a decrease in the Single Discount Rate from 6.00% to 5.22% and an increase in the Municipal Bond Rate from 1.84% to 4.05%.

Meigs Metropolitan Housing Authority
Meigs County
Financial Data ScheduleEntity Wide Balance Sheet Summary
For the Year Ended September 30, 2023

	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	$12,828	$12,828	$12,828
112 Cash - Restricted - Modernization and Development	0	0	0
113 Cash - Other Restricted	0	0	0
114 Cash - Tenant Security Deposits	0	0	0
115 Cash - Restricted for Payment of Current Liabilities	33,064	33,064	33,064
100 Total Cash	45,892	45,892	45,892
121 Accounts Receivable - PHA Projects	0	0	0
122 Accounts Receivable - HUD Other Projects	0	0	0
124 Accounts Receivable - Other Government	0	0	0
125 Accounts Receivable - Miscellaneous	0	0	0
126 Accounts Receivable - Tenants	0	0	0
126.1 Allowance for Doubtful Accounts -Tenants	0	0	0
126.2 Allowance for Doubtful Accounts - Other	0	0	0
127 Notes, Loans, & Mortgages Receivable - Current	0	0	0
128 Fraud Recovery	0	0	0
128.1 Allowance for Doubtful Accounts - Fraud	0	0	0
129 Accrued Interest Receivable	0	0	0
120 Total Receivables, Net of Allowances for Doubtful Accounts	0	0	0
131 Investments - Unrestricted	0	0	0
132 Investments - Restricted	0	0	0
135 Investments - Restricted for Payment of Current Liability	0	0	0
142 Prepaid Expenses and Other Assets	1,208	1,208	1,208
143 Inventories	0	0	0
143.1 Allowance for Obsolete Inventories	0	0	0
144 Inter Program Due From	0	0	0
145 Assets Held for Sale	0	0	0
150 Total Current Assets	47,100	47,100	47,100
161 Land	0	0	0
162 Buildings	34,587	34,587	34,587
163 Furniture, Equipment & Machinery - Dwellings	0	0	0
164 Furniture, Equipment & Machinery - Administration	6,830	6,830	6,830
165 Leasehold Improvements	0	0	0
166 Accumulated Depreciation	(25,833)	(25,833)	(25,833)
167 Construction in Progress	0	0	0
168 Infrastructure	0	0	0
160 Total Capital Assets, Net of Accumulated Depreciation	15,584	15,584	15,584
171 Notes, Loans and Mortgages Receivable - Non-Current	0	0	0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	0	0	0
173 Grants Receivable - Non Current	0	0	0
174 Other Assets	0	0	0
176 Investments in Joint Ventures	0	0	0
180 Total Non-Current Assets	15,584	15,584	15,584
200 Deferred Outflow of Resources	73,891	73,891	73,891

Meigs Metropolitan Housing Authority
Meigs County
Financial Data ScheduleEntity Wide Balance Sheet Summary
For the Year Ended September 30, 2023

	14.871 Housing Choice Vouchers	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	136,575	136,575	136,575
311 Bank Overdraft	0	0	0
312 Accounts Payable <= 90 Days	0	0	0
313 Accounts Payable >90 Days Past Due	0	0	0
321 Accrued Wage/Payroll Taxes Payable	1,534	1,534	1,534
322 Accrued Compensated Absences - Current Portion	866	866	866
324 Accrued Contingency Liability	0	0	0
325 Accrued Interest Payable	0	0	0
331 Accounts Payable - HUD PHA Programs	0	0	0
332 Account Payable - PHA Projects	0	0	0
333 Accounts Payable - Other Government	0	0	0
341 Tenant Security Deposits	0	0	0
342 Unearned Revenue	0	0	0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	6,834	6,834	6,834
344 Current Portion of Long-term Debt - Operating Borrowings	0	0	0
345 Other Current Liabilities	33,064	33,064	33,064
346 Accrued Liabilities - Other	0	0	0
347 Inter Program - Due To	0	0	0
348 Loan Liability - Current	0	0	0
310 Total Current Liabilities	42,298	42,298	42,298
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	8,757	8,757	8,757
352 Long-term Debt, Net of Current - Operating Borrowings	0	0	0
353 Non-current Liabilities - Other	0	0	0
354 Accrued Compensated Absences - Non Current	2,906	2,906	2,906
355 Loan Liability - Non Current	0	0	0
356 FASB 5 Liabilities	0	0	0
357 Accrued Pension and OPEB Liabilities	137,985	137,985	137,985
350 Total Non-Current Liabilities	149,648	149,648	149,648
300 Total Liabilities	191,946	191,946	191,946
400 Deferred Inflow of Resources	888	888	888
	0	0	0
508.4 Net Investment in Capital Assets	0	0	0
511.4 Restricted Net Position	0	0	0
512.4 Unrestricted Net Position	(56,259)	(56,259)	(56,259)
513 Total Equity - Net Assets / Position	(56,259)	(56,259)	(56,259)
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$136,575	$136,575	$136,575

Meigs Metropolitan Housing Authority
Meigs County
Financial Data Schedule- Entity Wide Revenue and Expense Summary
For the Year Ended September 30, 2023

	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	$0	$0	$0
70400 Tenant Revenue - Other	0	0	0
70500 Total Tenant Revenue	0	0	0
70600 HUD PHA Operating Grants	615,908	615,908	615,908
70610 Capital Grants	0	0	0
70710 Management Fee	0	0	0
70720 Asset Management Fee	0	0	0
70730 Book Keeping Fee	0	0	0
70740 Front Line Service Fee	0	0	0
70750 Other Fees	0	0	0
70700 Total Fee Revenue	0	0	0
70800 Other Government Grants	0	0	0
71100 Investment Income - Unrestricted	659	659	659
71200 Mortgage Interest Income	0	0	0
71300 Proceeds from Disposition of Assets Held for Sale	0	0	0
71310 Cost of Sale of Assets	0	0	0
71400 Fraud Recovery	4,234	4,234	4,234
71500 Other Revenue	6,096	6,096	6,096
71600 Gain or Loss on Sale of Capital Assets	0	0	0
72000 Investment Income - Restricted	0	0	0
70000 Total Revenue	626,897	626,897	626,897
91100 Administrative Salaries	60,438	60,438	60,438
91200 Auditing Fees	6,509	6,509	6,509
91300 Management Fee	0	0	0
91310 Book-keeping Fee	0	0	0
91400 Advertising and Marketing	395	395	395
91500 Employee Benefit contributions - Administrative	44,944	44,944	44,944
91600 Office Expenses	7,887	7,887	7,887
91700 Legal Expense	868	868	868
91800 Travel	830	830	830
91810 Allocated Overhead	0	0	0
91900 Other	0	0	0
91000 Total Operating - Administrative	121,871	121,871	121,871
92000 Asset Management Fee	0	0	0
92100 Tenant Services - Salaries	0	0	0
92200 Relocation Costs	0	0	0
92300 Employee Benefit Contributions - Tenant Services	0	0	0
92400 Tenant Services - Other	0	0	0
92500 Total Tenant Services	0	0	0
93100 Water	0	0	0

Meigs Metropolitan Housing Authority
Meigs County
Financial Data Schedule- Entity Wide Revenue and Expense Summary
For the Year Ended September 30, 2023

	14.871 Housing Choice Vouchers	Subtotal	Total
93200 Electricity	0	0	0
93300 Gas	0	0	0
93400 Fuel	0	0	0
93500 Labor	0	0	0
93600 Sewer	0	0	0
93700 Employee Benefit Contributions - Utilities	0	0	0
93800 Other Utilities Expense	0	0	0
93000 Total Utilities	0	0	0
94100 Ordinary Maintenance and Operations - Labor	1,829	1,829	1,829
94200 Ordinary Maintenance and Operations - Materials and Other	0	0	0
94300 Ordinary Maintenance and Operations Contracts	0	0	0
94500 Employee Benefit Contributions - Ordinary Maintenance	0	0	0
94000 Total Maintenance	1,829	1,829	1,829
95100 Protective Services - Labor	0	0	0
95200 Protective Services - Other Contract Costs	0	0	0
95300 Protective Services - Other	0	0	0
95500 Employee Benefit Contributions - Protective Services	0	0	0
95000 Total Protective Services	0	0	0
96110 Property Insurance	0	0	0
96120 Liability Insurance	632	632	632
96130 Workmen's Compensation	368	368	368
96140 All Other Insurance	0	0	0
96100 Total insurance Premiums	1,000	1,000	1,000
96200 Other General Expenses	0	0	0
96210 Compensated Absences	0	0	0
96300 Payments in Lieu of Taxes	0	0	0
96400 Bad debt - Tenant Rents	0	0	0
96500 Bad debt - Mortgages	0	0	0
96600 Bad debt - Other	0	0	0
96800 Severance Expense	0	0	0
96000 Total Other General Expenses	0	0	0
96710 Interest of Mortgage (or Bonds) Payable	0	0	0
96720 Interest on Notes Payable (Short and Long Term)	1,014	1,014	1,014
96730 Amortization of Bond Issue Costs	0	0	0
96700 Total Interest Expense and Amortization Cost	1,014	1,014	1,014
96900 Total Operating Expenses	125,714	125,714	125,714
97000 Excess of Operating Revenue over Operating Expenses	501,183	501,183	501,183

Meigs Metropolitan Housing Authority
Meigs County
Financial Data Schedule- Entity Wide Revenue and Expense Summary
For the Year Ended September 30, 2023

	14.871 Housing Choice Vouchers	Subtotal	Total
97100 Extraordinary Maintenance	0	0	0
97200 Casualty Losses - Non-capitalized	0	0	0
97300 Housing Assistance Payments	470,077	470,077	470,077
97350 HAP Portability-In	0	0	0
97400 Depreciation Expense	6,917	6,917	6,917
97500 Fraud Losses	0	0	0
97600 Capital Outlays - Governmental Funds	0	0	0
97700 Debt Principal Payment - Governmental Funds	0	0	0
97800 Dwelling Units Rent Expense	0	0	0
90000 Total Expenses	602,708	602,708	602,708
10010 Operating Transfer In	0	0	0
10020 Operating transfer Out	0	0	0
10030 Operating Transfers from/to Primary Government	0	0	0
10040 Operating Transfers from/to Component Unit	0	0	0
10050 Proceeds from Notes, Loans and Bonds	0	0	0
10060 Proceeds from Property Sales	0	0	0
10070 Extraordinary Items, Net Gain/Loss	0	0	0
10080 Special Items (Net Gain/Loss)	0	0	0
10091 Inter Project Excess Cash Transfer In	0	0	0
10092 Inter Project Excess Cash Transfer Out	0	0	0
10093 Transfers between Program and Project - In	0	0	0
10094 Transfers between Project and Program - Out	0	0	0
10100 Total Other financing Sources (Uses)	0	0	0
		0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	24,189	24,189	24,189
11020 Required Annual Debt Principal Payments	0	0	0
11030 Beginning Equity	(80,448)	(80,448)	(80,448)
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	0	0	0
11050 Changes in Compensated Absence Balance	0	0	0
11060 Changes in Contingent Liability Balance	0	0	0
11070 Changes in Unrecognized Pension Transition Liability	0	0	0
11080 Changes in Special Term/Severance Benefits Liability	0	0	0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	0	0	0
11100 Changes in Allowance for Doubtful Accounts - Other	0	0	0
11170 Administrative Fee Equity	(56,259)	(56,259)	(56,259)
11180 Housing Assistance Payments Equity	$0	$0	$0
11190 Unit Months Available	1,500	1,500	1,500
11210 Number of Unit Months Leased	1,232	1,232	1,232

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OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

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

Meigs Metropolitan Housing Authority
Meigs County
441 General Hartinger Parkway
Middleport, Ohio 45760

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the Meigs Metropolitan Housing Authority, Meigs County, Ohio (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 6, 2024 wherein we noted the Authority has suffered recurring losses from operations resulting in low cash balances.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2023-001.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

September 6, 2024

SCHEDULE OF FINDINGS
SEPTEMBER 30, 2023

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

FINDING NUMBER 2023-001

Noncompliance and Material Weakness

24 CFR § 984.305(a)(2) provides for the accounting for Family Self-Sufficiency (FSS) Program escrow account funds. The total of the combined FSS escrow account funds will be supported in the accounting records by a subsidiary ledger showing the balance applicable to each FSS family.

Further, all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

The Authority operated a Family Self-Sufficiency (FSS) Program during 2023. A listing of FSS amounts by participant, with the totals on September 30, 2023, was provided to auditors and used for testing of Undistributed Credits - Family Self-Sufficiency. The listing provided contained errors in amounts recorded resulting in adjustments to the related general ledger accounts. Further, a comparison of the monthly listings indicated participants dropped from the listing without adequate documentation to support how these transactions were recorded. One month showed five participants were removed, for various reasons, but the Authority was unable to account for why the additional amount for these participants is not an additional balance in the bank statement.

The Executive Director should review HUD guidance and work with HUD to determine all participants and their balances are accurately recorded. Further, the Authority should implement policies and procedures to help ensure FSS records are complete and accurate.

Officials' Response: We have been going through all tenant records for FSS and updating all the files to include financials, active or dropped from the program, anything to do with the FSS program. The new FSS Coordinator has taken online classes to better understand her program going forward.

FINDING NUMBER 2023-002

Material Weakness- Bank Reconciliation and Monitoring

When designing the public office's system of internal control and the specific control activities, management should plan for adequate segregation of duties or compensating controls. The small size of the Authority's staff did not allow for an adequate segregation of duties; the Executive Director performed all accounting functions. It is therefore important that the Board of Director's function as a finance committee to monitor financial activity closely.

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2023-002 (Continued)

Material Weakness- Bank Reconciliation and Monitoring (Continued)

The Executive Director was responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board is responsible for reviewing the reconciliations and related support.

The Board did not meet, nor maintain evidence of any review of financial reports or reconciliation, between May 17, 2023 and September 30, 2023. This does not allow for sufficient monitoring of the financial activity of the Authority. Further, the Executive Director did not perform monthly reconciliations on the FSS bank account for five months in fiscal year 2023.

This could result in errors and omissions in posting or reconciling to occur and not be identified by the Authority in a timely manner. This can also result in unidentified fluctuations in the Authority's actual financial activity that may impact management's decisions.

Officials' Response: We have made the change in our software program to one program now and are doing the reconciliations monthly to FSS and Section 8. We have worked with a software programmer and accountant to get things to where they are in a good balance now and will no longer be in error in the future hopefully. The board president will be signing each bank reconciliation from now on.

FINDING NUMBER 2023-003

Material Weakness- Financial Reporting

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

The annual financial report amounts, and financial data schedule amounts, did not agree to the underlying accounting records. As a result of our audit procedures, the following material errors were identified:

- Cash and Cash Equivalents - Unrestricted was understated by $874;
- HUD PHA Operating Grants was overstated by $46,118;
- Fraud Recovery was overstated by $150;
- Other Revenue was overstated by $171;
- Administrative was overstated by $6,243;
- Ordinary Maintenance & Operation was overstated by $150;
- Housing Assistance Payments was overstated by $40,948
- Investment Income was overstated by $28.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2023-003 (Continued)

Material Weakness- Financial Reporting (Continued)

Further, errors were identified in the FSS amounts recorded in the general ledger resulting in the following material errors:

- Accounts Payable was overstated by $22,424;
- HUD PHA Operating Grants was overstated by $32,309;
- Administrative was understated by $1,875;
- Housing Assistance Payments was overstated by $56,608.

This was caused primarily from a changeover in the accounting system and confusion relating to required documentation/transactions needed related to the FSS program. As a result, significant adjustments with which the Authority's management agrees, along with other immaterial adjustments, were made to the financial statements, and are reflected in the accompanying financial statements.

To ensure the Authority's financial statements and notes to the financial statements are complete and accurate, the Executive Director, or other designated employee, should review the basic financial statements prior to filing those statements in the Hinkle System.

Officials' Response: We have worked with the software program, accountant and feel like this will not happen going forward as we have corrected these errors and have made great efforts in understanding the software program more.

OHIO AUDITOR OF STATE
KEITH FABER

MEIGS METROPOLITAN HOUSING AUTHORITY

MEIGS 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 10/1/2024

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