OHIO AUDITOR OF STATE
KEITH FABER

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY

DECEMBER 31, 2023

TABLE OF CONTENTS

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY

DECEMBER 31, 2023

TABLE OF CONTENTS
(Continued)

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INDEPENDENT AUDITOR'S REPORT

Miami Metropolitan Housing Authority
Miami County
1695 Troy-Sidney Road
Troy, Ohio 45373

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority’s basic financial statements. The Financial Data Schedules and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 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

August 22, 2024

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The Miami 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 basic financial statements.

FINANCIAL HIGHLIGHTS

- Total revenues increased by $847,132 over year-end 2022, and were $7,404,079 and $6,556,947 for 2023 and 2022, respectively.

- Total expenses increased by $1,069,797. Total expenses were $7,109,337 and $6,039,540 for 2023 and 2022, respectively.

- The Authority reports a special item of $139,800 related to the fair value of land acquired that is being leased by the Authority to a partnership to allow for the renovation and operation of 65 units of affordable housing in the community.

USING THIS ANNUAL REPORT

The following outlines the format of these financial statements:

MD&A ~ Management's Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Change in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
Supplementary Information ~ Required Supplementary Information ~ ~Other Supplementary Information~

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

BASIC FINANCIAL STATEMENTS

The basic financial statements 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 similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, equals Net Position. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

> (Net) Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted: 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: This component of Net Position consists of assets that do not meet the definition of Net Investment in Capital Assets, or Restricted. This account resembles the old operating reserves account.

The basic financial statements also include a Statement of Revenues, Expenses and Change 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 Capital Grant revenue, investment income and interest expense.

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

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

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

Project (Conventional Public Housing and Capital Fund Program) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidies to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation, subject to Federal budgets and legislative changes, and based on size and age of the Authority's units.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

Business Activities – This reflects internal reimbursement of organizational expenses according to proportionate use of the building space and services between programs, as well as a Payroll Cost Pool. There is also a separate General Fund account of unrestricted non-HUD funds from independent development sources.

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table compares the condensed Statement of Net Position for the current and previous fiscal year.

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

	2023	2022
Assets and Deferred Outflows		
Current and Other Assets	$ 1,488,410	$ 1,263,463
Current and Other Assets - Restricted	149,681	54,222
Capital Assets	2,552,250	2,279,091
Other Non-Current Assets	0	168,061
Deferred Outflows of Resources	812,614	336,285
Total Assets and Deferred Outflows of Resources	$ 5,002,955	$ 4,101,122
Liabilities and Deferred Inflows		
Current Liabilites	194,683	170,271
Non-Current Liabilities	1,670,340	474,433
Deferred Inflows of Resources	11,257	764,285
Total Liabilities and Deferred Inflows of Resources	$ 1,876,280	$ 1,408,989
Net Position		
Investment in Capital Assets	2,552,250	2,279,091
Restricted Net Position	98,535	2,289
Unrestricted Net Position	475,890	410,753
Total Net Position	$ 3,126,675	$ 2,692,133

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased by $224,947 (or 18%), despite that current liabilities only increased $24,412. The largest part of the change in current assets was to cash, the result of favorable results from operations in the period. Current assets – restricted increased $95,459 with the corresponding change being to restricted net position. That is due to an increase in unspent funding provided by HUD to make rental assistance payments in the Housing Choice Voucher program, a normal fluctuation in the flow of funding provided for that purpose.

HUD provides funding for the Authority to make rental assistance payments based on spending in recent months reported by the Authority with the goal to minimize unspent funds held by the Authority, so it is expected this balance will decrease in coming months. And capital additions in the period outpaced depreciation on assets resulting in an increase of $273,159 over the prior year-end.

The other notable changes on the statement, the changes in other noncurrent assets, deferred outflows of resources, noncurrent liabilities and deferred inflows of resources, were due to changes in balances reported in accordance with GASB 68 and GASB 75.

GASB 68 is an accounting standard that calls for Miami MHA to report what is determined to be its estimated share of the unfunded pension liability and pension funding surplus of the retirement system, the Ohio Public Employees Retirement System (OPERS). And GASB 75 is an accounting standard that calls for Miami MHA to report what is determined to be its estimated share of the funding surplus or unfunded OPEB (healthcare) liability of OPERS. Last year actuaries estimated OPERS had funding surpluses for a component of its future pension commitments and the OPEB commitment, but there are no funding surpluses identified as of the reporting date used for these financials of the Authority. Employees of Miami MHA are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to PERS for all of its employees. The net pension and net OPEB liabilities reported as noncurrent liabilities are unlike other liabilities the Authority has in that the liabilities do not represent invoices or debts to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future pension and OPEB obligations. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like Miami MHA. Likewise, there is no way for an employer like Miami MHA to access any funding surpluses when actuarial estimates indicate there are any. And some changes in the unfunded pension and OPEB liabilities of the retirement system are amortized over a five-year period, and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. That means the larger changes to these balances do not represent changes in operations at Miami MHA but rather reflect changes is the funding of future obligations by the retirement system.

The following table compares the revenues and expenses for the current and previous fiscal year.

Table 2 - Condensed Statement of Revenue, Expenses & Change in Net Position Compared to Prior Year

	2023	2022
Revenues		
Tenant Revenue - Rents and Other	$ 548,248	$ 568,671
Operating Subsidies and Grants	6,430,666	5,619,369
Capital Grants	290,000	208,752
Investment Income/Other Revenues	135,165	160,155
Total Revenue	$ 7,404,079	$ 6,556,947
Expenses		
Administration	1,011,362	477,094
Tenant Services	3,302	3,505
Utilities	285,869	286,678
Maintenance	323,616	306,465
Insurance	45,038	39,589
General	103,863	114,855
Housing Assistance Payments	5,108,076	4,581,801
Depreciation	228,211	229,553
Total Expenses	7,109,337	6,039,540
Special Item	139,800	0
Change in Net Position	434,542	517,407
Beginning Net Position	2,692,133	2,174,726
Ending Net Position	$ 3,126,675	$ 2,692,133

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

Total revenues and total expenses increased notably over the prior year. Total revenues increased $847,132 (or 13%) with the increase being to operating subsidies and capital grant revenue. The two programs with the larger increases in revenue over the prior year were the Public Housing program and the Housing Choice Voucher program.

HUD provides funding annually for the Public Housing program on a formula basis taking into consideration the age, the number and type of Public Housing units owned by the Authority, and other income the program is expected to have. The formula results for calendar year 2023 over calendar year 2022 were very favorable to the Authority. In addition, the Authority was eligible for small PHA shortfall funding for the Public Housing program in 2023, resulting in funding for the Public Housing program increasing by $139,453 over year-end 2022.

The increase in revenue for the Housing Choice Voucher program was largely in the amount HUD provided the Authority to make rental assistance payments on behalf of program participants which increases $631,988. HUD generally provides the funding restricted for this purpose based on what the Authority reports it spends for this purpose. HAP expense is incurred when the Authority makes the rental assistance payments, so as expected HAP expense also increased.

Total expenses increased $1,069,797 (or 18%), with the larger increases being to administrative expenses and HAP expense. More than half of the increase in administrative expense, $347,641 of it, was due to the increase in pension/OPEB expense. Pension/OPEB expense is what is realized when changes in balances reported in accordance with GASB 68 and GASB 75 are recorded. And as was addressed in the section following Table 1 of this MD&A, the increase in pension/OPEB expense does not reflect changes in operations at the Authority but rather reflects changes in estimated funding of future pension and healthcare commitments by the retirement system. Otherwise contributing to the increase in administrative expense was an increase in costs of temp labor utilized by the Authority in the period to increase and maintain utilization lease up rates for the Housing Choice Voucher program with the goal for the Authority to maximize providing rental assistance to eligible families under that program.

The increase in HAP expense was 11%. This increase reflects increases in rental costs in the area. Rental assistance provided is the difference between what the family can afford to pay for rent and utilities based on Federal guidelines (generally 30% of family income), so as rental rates increase, so does the level of rental assistance needed to make renting affordable.

CAPITAL ASSETS

As of December 31, 2023, the Authority had $2,552,250 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions, and depreciation) of $273,159 from the end of last fiscal year.

Table 3 - Capital Assets at Year-End (Net of Depreciation)

	2023	2022
Land and Land Rights	$ 497,150	$ 357,350
Buildings	11,070,279	10,828,714
Equipment - Administrative	104,273	104,273
Equipment - Dwellings	16,570	12,053
Construction-in-Progress	0	74,426
Accumulated Depreciation	(9,136,022)	(9,097,725)
Total	$ 2,552,250	$ 2,279,091

The following reconciliation summarizes the change in Capital Assets.

Table 4 - Change in Capital Assets

Beginning Balance - Net	$ 2,279,091
Additions - Capital Fund	501,370
Depreciation Expense	(228,211)
Ending Balance - Net	$ 2,552,250

DEBT

On December 31, 2023, the Authority had no debt.

ECONOMIC FACTORS

- Federal funding 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

IN CONCLUSION

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

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Andria Beach Perkins, Executive Director of the Miami Metropolitan Housing Authority at (937) 335-7921.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY, OHIO
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Assets		
Current Assets:		
Cash and Cash Equivalents	$	1,374,879
Cash and Cash Equivalents - Restricted		149,681
Receivables, Net		8,571
Inventories, Net		28,062
Prepaid Expenses and Other Assets		76,898
Total Current Assets		1,638,091
Non-Current Assets		
Capital Assets:		
Non-Depreciable Capital Assets		497,150
Depreciable Capital Assets		2,055,100
Total Capital Assets		2,552,250
Total Assets		4,190,341
Deferred Outflows of Resources		
Pension		705,729
OPEB		106,885
Total Deferred Outflows of Resources		812,614
Total Assets and Deferred Outflow of Resources	$	5,002,955
Liabilities		
Current Liabilities:		
Accounts Payable	$	18,658
Accrued Wages/Payroll Taxes		43,045
Accrued Compensated Leave, Current		52,915
Intergovernmental Payables		28,919
Tenant Security Deposits		51,146
Total Current Liabilities		194,683
Non-Current Liabilities:		
Net Pension Liability		1,636,223
Net OPEB Liability		34,117
Total Non-Current Liabilities		1,670,340
Total Liabilities		1,865,023
Deferred Inflow of Resources		
Pension		0
OPEB		11,257
Total Deferred Inflow of Resources		11,257
Net Position		
Investment in Capital Assets		2,552,250
Restricted		98,535
Unrestricted		475,890
Total Net Position		3,126,675
Total Liabilities, Deferred Inflow of Resources, and Net Position	$	5,002,955

See the accompanying notes to the financial statements.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenues	
Tenant Revenue	$ 548,248
Government Operating Grants	6,430,666
Other Revenue	110,969
Total Operating Revenues	7,089,883
Operating Expenses	
Administrative	1,011,362
Tenant Services	3,302
Utilities	285,869
Maintenance	323,616
Insurance	45,038
General	103,863
Housing Assistance Payments	5,108,076
Depreciation	228,211
Total Operating Expenses	7,109,337
Operating Income (Loss)	(19,454)
Non-Operating Revenues	
Interest Income	24,196
Capital Grants	290,000
Total Non-Operating Revenue	314,196
Change in Net Position, Before Special Item	294,742
Special Item	139,800
Change in Net Position	434,542
Total Net Position - Beginning of Year	2,692,133
Total Net Position - End of Year	$ 3,126,675

See the accompanying notes to the financial statements.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities	
Federal Operating Grants Received	$ 6,465,148
Tenant Revenue Received	548,484
Other Revenue Received	113,114
General and Administrative Expenses Paid	(1,647,120)
Housing Assistance Payments	(5,108,076)
Net Cash Provided by Operating Activities	371,550
Cash Flows from Investing Activities	
Interest Earned Received	24,196
Net Cash Provided by Investing Activities	24,196
Cash Flows from Capital and Related Activities	
Capital Grant Funds Received	290,000
Capital Donation	139,800
Property and Equipment Purchased	(501,370)
Net Cash (Used) by Capital and Related Activities	(71,570)
Change in Cash and Cash Equivalents	324,176
Cash and Cash Equivalents - Beginning of Year	1,200,384
Cash and Cash Equivalents - End of Year	$ 1,524,560
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (19,454)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	228,211
(Increases) Decreases in:	
Accounts Receivables	37,650
Prepaid Assets	(34,869)
Increases (Decreases) in:	
Inventory	989
Pension/OPEB Assets	168,061
Deferred Outflows	(476,329)
Accounts Payable	(284)
Accrued Wages/Payroll Taxes	19,516
Compensated Absence Payable	5,967
Tenant Security Deposits	(787)
Pension/OPEB Liabilities	1,195,907
Deferred Inflows	(753,028)
Net Cash Provided by Operating Activities	$ 371,550

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

Oversight of the Miami Metropolitan Housing Authority is provided by a five (5) member board called the Board of Commissioners representing one (1) appointee of the Common Pleas Court, one (1) appointee of the County commissioners, one (1) appointee of the Probate Court and two (2) appointees of the largest municipality of the county, including one (1) appointee resident member nominated by the Resident Advisory Council.

The accompanying Basic Financial Statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *the Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34;* in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

Reporting Entity (Continued)
A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds for the Authority over which the Authority is financially accountable.

Basis of Presentation
The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

Fund Accounting
The Authority uses the enterprise fund to report on its financial position and results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The enterprise fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Measurement Focus
The enterprise fund is accounted for on a flow of economic resources 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 Revenues, Expenses and Change in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Enterprise Fund
The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Housing Choice Voucher and Public Housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. The Authority uses the proprietary category for its programs. The following are the various programs which are included in the single enterprise fund:

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

Enterprise Fund (Continued)

Project (Conventional Public Housing and Capital Fund Program) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidies to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on the size and age of the Authority's units.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

Business Activities – This reflects internal reimbursement of organizational expenses according to proportionate use of the building space and services between programs, as well as a Payroll Cost Pool. There is also a separate General Fund account of unrestricted non-HUD funds from independent development sources.

Accounting and Reporting for Nonexchange Transactions
Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).

- Imposed nonexchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).

- Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).

- Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

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

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.

- Purpose restrictions specify the purpose for which resources are required to be used. (i.e., capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received, whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Prepaid Expenses

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

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

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy is $1,000. The following are the useful lives used for depreciation purposes:

Buildings	40
Building improvements	15
Furniture – dwelling	5
Furniture – non-dwelling	5
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	7
Computer hardware	5
Computer software	5
Leasehold improvements	15

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use either by internal or external restrictions. The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

Compensated Absences

The liability for Compensated Absences balances is accounted for by The Authority in accordance with GASB Statement No. 16.

Sick Leave – Regular employees accrue sick leave at the rate of one and one-fourth days per month. Payment of accrued but unused sick leave will be made to each employee upon disability or service retirement under PERS from active service with The Authority or with ten (10) or more years of active service with The Authority and separates in good standing. Such payment shall be made only once to any employee. The amount of such payment shall be equal to 25% of the value of the employee's accrued but unused sick leave up to a 30-day maximum liability.

Annual Leave – Regular employees accrue annual leave at the rate of one through five years of service equals ten days of earned vacation a year; six through ten years of service equals fifteen days of earned vacation a year; eleven years to nineteen years of service equals twenty-one days of earned vacation a year. After twenty (20) full years of employment, at the rate of 7.69 hours per 80 hours in active pay status (excluding overtime hours)—maximum accrual per year is 200 hours. Annual leave may be carried over for up to one year.

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

Operating/Non-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 tenant revenues, operating grants from HUD and other miscellaneous revenue. Nonoperating revenues are HUD capital grants and interest income. HUD capital grants are the amounts received by the Authority for capital improvements of the Public Housing program.

Operating expenses are those expenses that are generated from the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, depreciation, bad debt, and housing assistance payments.

Capital Contributions
This represents contributions made available by HUD with respect to all federally aided projects under an annual Capital Fund Program grant.

Budgetary Accounting
The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. Budgets are adopted by the Board of the Housing Authority and submitted to HUD when required.

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

Tenant Receivables – net of allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for doubtful accounts was $0 on December 31, 2023.

Inventories
Inventories are comprised of maintenance materials and supplies and are stated at cost. The allowance for obsolete inventory was $3,118 on December 31, 2023.

Deferred Outflows/Inflows of Resources
In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

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

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

Change in Accounting Principles
GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the Authority's financial statements. The Authority did not have any contracts that met the GASB 96 definition of a SBITA.

NOTE 2: **DEPOSITS AND INVESTMENTS**

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

A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

The carrying amount of the Authority's deposits was $1,524,560 on December 31, 2023. The corresponding bank balances were $1,549,605. Based on the criteria described in GASB Statement No. 40, *"Deposits and Investment Risk Disclosure,"* on December 31, 2023, $250,000 was covered by federal depository insurance, while $1,299,605 was exposed to custodial risk.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement specifically requires compliance with HUD requirements.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested with any one issuer.

On December 31, 2023, the Authority did not have any investments.

NOTE 3: RESTRICTED CASH

Restricted cash balance on December 31, 2023, of $149,681 represents cash on hand for the following:

Tenant Security Deposits	$ 51,146
Cash on hand for Housing Assistance Payments	98,535
Total Restricted Cash	$ 149,681

NOTE 4: CAPITAL ASSETS

The following is a summary of capital assets:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Capital Assets Not Being Depreciated				
Land	$ 357,350	$ 139,800	$ 0	$ 497,150
Construction in Progress	74,426	0	(74,426)	0
Total Capital Assets Not Being Depreciated	431,776	139,800	(74,426)	497,150
Capital Assets Being Depreciated				
Buildings and Improvements	10,828,714	428,634	(187,069)	11,070,279
Furniture, Machinery, and Equipment	116,326	7,362	(2,845)	120,843
Subtotal Capital Assets Being Depreciated	10,945,040	435,996	(189,914)	11,191,122
Accumulated Depreciation				
Buildings and Improvements	(8,990,704)	(227,214)	187,069	(9,030,849)
Furniture, Machinery, and Equipment	(107,021)	(997)	2,845	(105,173)
Total Accumulated Depreciation	(9,097,725)	(228,211)	189,914	(9,136,022)
Depreciable Assets, Net	1,847,315	207,785	0	2,055,100
Total Capital Assets, Net	$ 2,279,091	$ 347,585	$ (74,426)	$ 2,552,250

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.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (Continued)

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year.

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit account (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

** These pension and employer health care rates are for the traditional plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan allocated 4 percent for health care with remainder going to pension.

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

For fiscal year ending December 31, 2023, the Authority's contractually required contributions used to fund pension benefits was $129,814 for the traditional plan.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

The net pension liability for OPERS was measured as of December 31, 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:

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.005453%
Current Measurement Date	0.005539%
Change in Proportionate Share	0.000086%
Proportionate Share of the Net Pension Liability	$ 1,636,223
Pension Expense	$ 311,292

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

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 466,374
Differences between expected and actual experience	54,347
Changes of assumptions	17,285
Changes in proportion and differences between Authority contributions and proportionate share of contributions	37,909
Authority contributions subsequent to the measurement date	129,814
Total Deferred Outflows of Resources	$ 705,729

$129,814 reported as deferred outflows of resources related to pension resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan
Year Ending December 31:	
2024	$ 98,338
2025	111,838
2026	137,276
2027	228,463
Total	$ 575,915

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

	Traditional Pension Plan
Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Future Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return	
Current Measurement Date:	6.9 percent
Prior Measurement Date:	6.9 percent
Actuarial Cost Method	Individual Entry Age

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.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 2,451,008	$ 1,636,223	$ 958,469

NOTE 6: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

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

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Liability (Continued)

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans.

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

1. **Medicare Retirees** – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. **Non-Medicare Retirees** – Non-Medicare retirees qualify based on the following age-and-service criteria:
   a. Group A – 30 years of qualifying service credit at any age;
   b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
   c. Group C – 32 years of qualifying service credit and minimum age 55; or,
   d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

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

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

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2022 and 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022 and 2023, OPERS did not allocate any employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

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

The Authority's contractually required contribution allocated to health care was $1,827 for the fiscal year ending December 31, 2023.

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB (Asset):	
Prior Measurement Date	0.005329%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.005411%
Change in Proportionate Share	0.000082%
Proportionate Share of the Net OPEB Liability	$ 34,117
OPEB Expense	$ (61,086)

At December 31, 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	
Net difference between projected and actual earnings on OPEB plan investments	$ 67,757
Changes of assumptions	33,323
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,978
Authority contributions subsequent to the measurement date	1,827
Total Deferred Outflows of Resources	$ 106,885
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 8,510
Changes of assumptions	2,741
Changes in proportion and differences between Authority contributions and proportionate share of contributions	6
Total Deferred Inflows of Resources	$ 11,257

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

$1,827 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2024	$ 15,161
2025	24,777
2026	21,131
2027	32,732
Total	$ 93,801

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2022	December 31, 2021
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2036	5.50 percent initial, 3.50 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	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 %	

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

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB liability	$ 116,120	$ 34,117	$ (33,548)

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 31,979	$ 34,117	$ 36,524

NOTE 7: **SUMMARY OF CHANGES IN NONCURRENT LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2023:

	Balance 01/01/23	Additions	Deletions	Balance 12/31/2023	Current Portion
Net Pension Liability	$ 474,433	$ 1,161,790	$ 0	$ 1,636,223	$ 0
Net OPEB Liability	0	34,117	0	34,117	0
Compensated Absences Liability	46,948	66,709	(60,742)	52,915	52,915
Total	$ 521,381	$ 1,262,616	$ (60,742)	$ 1,723,255	$ 52,915

NOTE 8: **CONTINGENCIES**

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority on December 31, 2023.

NOTE 9: **COMMITMENTS**

The authority has, under its normal operations, entered commitments for the purchase of maintenance, cleaning, and other services. Such commitments are monthly and annually.

NOTE 10: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. SHARP is a member of the Public Entity Consortium (PERC), a self-insurance pool owned by its members. PERC provides SHARP specific excess coverage above its net retained limit.

The Authority carried commercial insurance for risk of loss for employee health and accident insurance. There has been no significant reduction in coverage from last year. Settled claims have not exceeded this coverage in any of the last three years.

NOTE 11: **PAYMENT IN LIEU OF TAXES**

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes for the year ended December 31, 2023, totaled $28,919.

NOTE 12: **FDS SCHEDULE SUBMITTED TO HUD**

For the fiscal year ended December 31, 2023, the Authority electronically submitted an unaudited balance sheet, a revenue and expense summary, and other data to HUD as required on the accrual basis of accounting. The audited version of the entity wide balance sheet summary and entity wide revenue and expense summary are included as supplemental data. The schedules are presented in the manner prescribed by U. S. Department of Housing and Urban Development.

NOTE 13: **RELATED PARTY TRANSACTION**

The Miami Metropolitan Housing Authority has an "Employer of Record" contract with Miami County Community Action Council. This contract provides staffing services in which a contract is signed to provide services as determined by the Housing Authority. The Community Action Council has a separate audit of its financial records under the same guidelines as Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 14: **ECONOMIC DEPENDENCY**

Both the Low Rent Public Housing Program and the Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD.

NOTE 15: **SPECIAL ITEM**

The Authority reports a special item in the amount of $139,800 to record the fair value of land acquired by the Authority. The value of the land is based on acquisition value (an entry price).

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

Traditional Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.005539%	0.005453%	0.004636%	0.004733%	0.004720%	0.004688%	0.004937%	0.005678%	0.004994%	0.004994%
Authority's Proportionate Share of the Net Pension Liability	$ 1,636,223	$ 474,433	$ 686,491	$ 935,510	$ 1,292,712	$ 735,456	$ 1,121,109	$ 983,501	$ 602,310	$ 588,705
Authority's Covered Payroll	$ 858,586	$ 791,343	$ 652,964	$ 665,950	$ 637,487	$ 619,538	$ 638,223	$ 706,685	$ 612,243	$ 594,411
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.57%	59.95%	105.13%	140.48%	202.78%	118.71%	175.66%	139.17%	98.38%	99.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Asset	0.000000%	0.000000%	0.002712%	0.009142%	0.009330%	0.009551%	0.009851%	0.009164%	0.026125%	0.026125%
Authority's Proportionate Share of the Net Pension (Asset)	$ -	$ -	$ (7,829)	$ (19,063)	$ (10,433)	$ (13,002)	$ (5,483)	$ (4,459)	$ (10,059)	$ (2,741)
Authority's Covered Payroll	$ -	$ -	$ 11,950	$ 40,693	$ 39,907	$ 39,114	$ 38,343	$ 33,343	$ 91,986	$ 89,307
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	0.00%	0.00%	65.51%	46.85%	26.14%	33.24%	14.30%	13.37%	10.94%	3.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

Member-Directed Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Asset	0.000000%	0.006329%	0.006371%	0.006311%	0.082900%	0.012033%	0.011206%	0.011947%	0.000000%	0.000000%
Authority's Proportionate Share of the Net Pension (Asset)	$ -	$ (1,149)	$ (1,161)	$ (239)	$ (189)	$ (420)	$ (47)	$ (46)	$ -	$ -
Authority's Covered Payroll	$ -	$ 39,223	$ 38,718	$ 37,516	$ 47,393	$ 65,950	$ 58,172	$ 57,036	$ 56,629	$ 54,980
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	0.00%	2.93%	3.00%	0.64%	0.40%	0.64%	0.08%	0.08%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	126.74%	171.84%	188.21%	118.84%	113.42%	124.46%	103.40%	103.91%	0.00%	0.00%

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

See accompanying notes to the required supplementary information.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY, OHIO
REQUIRED SUPPLEMETARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions										
Traditional Plan	$ 129,814	$ 120,202	$ 110,788	$ 91,415	$ 93,233	$ 89,248	$ 80,540	$ 76,586	$ 84,802	$ 73,469
Combined Plan	-	-	-	1,673	5,697	5,587	5,085	4,602	4,002	11,460
Member-Directed Plan	-	4,193	3,968	3,827	3,751	4,739	6,595	5,817	7,984	6,058
Total Required Contributions	$ 129,814	$ 124,395	$ 114,756	$ 96,915	$ 102,681	$ 99,574	$ 92,220	$ 87,005	$ 96,788	$ 90,987
Contributions in Relation to the Contractually Required Contribution	(129,814)	(124,395)	(114,756)	(96,915)	(102,681)	(99,574)	(92,220)	(87,005)	(96,788)	(90,987)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll										
Traditional Plan	$ 927,243	$ 858,586	$ 791,343	$ 652,964	$ 665,950	$ 637,487	$ 619,538	$ 638,223	$ 706,685	$ 612,243
Combined Plan	$ 0	$ 0	$ 0	$ 11,950	$ 40,693	$ 39,907	$ 39,114	$ 38,343	$ 33,343	$ 91,986
Combined Plan	$ 0	$ 41,924	$ 39,223	$ 38,718	$ 37,516	$ 47,393	$ 65,950	$ 58,172	$ 57,036	$ 56,629
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
Combined Plan		14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
Combined Plan		14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY, OHIO
REQUIRED SUPPLEMETARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.005411%	0.005329%	0.004650%	0.004926%	0.004997%	0.005120%	0.005317%
Authority's Proportionate Share of the Net OPEB Liability/(Asse	$ 34,117	$ (166,912)	$ (82,843)	$ 680,409	$ 651,491	$ 555,994	$ 537,035
Authority's Covered Payroll	$ 900,510	$ 830,566	$ 703,632	$ 744,159	$ 724,787	$ 724,602	$ 734,738
Authority's Proportionate Share of the Net OPEB Liability/Asse as a Percentage of its Covered Payroll	3.79%	20.10%	11.77%	91.43%	89.89%	76.73%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

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

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

See accompanying notes to the required supplementary information.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY, OHIO
REQUIRED SUPPLEMETARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 1,827	$ 1,677	$ 1,587	$ 1,530	$ 1,501	$ 1,896	$ 9,224	$ 15,858	$ 14,801	$ 15,533
Contributions in Relation to the Contractually Required Contribution	(1,827)	(1,677)	(1,587)	(1,530)	(1,501)	(1,896)	(9,224)	(15,858)	(14,801)	(15,533)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 972,928	$ 900,510	$ 830,566	$ 703,632	$ 744,159	$ 724,787	$ 724,602	$ 734,738 0	$ 797,064	$ 760,858
Contributions as a Percentage of Covered Payroll	0.19%	0.19%	0.19%	0.22%	0.20%	0.26%	1.27%	2.16%	1.86%	2.04%

See accompanying notes to the required supplementary information.

OHIO PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2023.

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

OHIO PUBLIC EMPLOYEES' RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability

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

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

Miami Metropolitian Housing Authority (OH062)
TROY, OH
Entity Wide Balance Sheet Summary - FDS Schedule Submitted to HUD
Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	$329,373	$123,891	$921,615	$1,374,879	$1,374,879
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted			$98,535	$98,535	$98,535
114 Cash - Tenant Security Deposits	$51,146			$51,146	$51,146
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	$380,519	$123,891	$1,020,150	$1,524,560	$1,524,560
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	$316	$5,944		$6,260	$6,260
126 Accounts Receivable - Tenants	$2,311			$2,311	$2,311
126.1 Allowance for Doubtful Accounts -Tenants	$0			$0	$0
126.2 Allowance for Doubtful Accounts - Other	$0	$0		$0	$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful	$2,627	$5,944	$0	$8,571	$8,571
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	$31,415	$39,945	$5,538	$76,898	$76,898
143 Inventories	$31,180			$31,180	$31,180
143.1 Allowance for Obsolete Inventories	($3,118)			($3,118)	($3,118)
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	$442,623	$169,780	$1,025,688	$1,638,091	$1,638,091
161 Land	$357,350	$139,800		$497,150	$497,150
162 Buildings	$11,070,279			$11,070,279	$11,070,279
163 Furniture, Equipment & Machinery - Dwellings	$16,570			$16,570	$16,570
164 Furniture, Equipment & Machinery - Administration	$90,341		$13,932	$104,273	$104,273
165 Leasehold Improvements					
166 Accumulated Depreciation	($9,129,554)		($6,468)	($9,136,022)	($9,136,022)
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	$2,404,986	$139,800	$7,464	$2,552,250	$2,552,250
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current -					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	$2,404,986	$139,800	$7,464	$2,552,250	$2,552,250
200 Deferred Outflow of Resources	$316,919		$495,695	$812,614	$812,614
290 Total Assets and Deferred Outflow of Resources	$3,164,528	$309,580	$1,528,847	$5,002,955	$5,002,955

Miami Metropolitian Housing Authority (OH062)
TROY, OH
Entity Wide Balance Sheet Summary - FDS Schedule Submitted to HUD

Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	$9,766	$2,047	$6,845	$18,658	$18,658
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	$8,633	$18,312	$16,100	$43,045	$43,045
322 Accrued Compensated Absences - Current Portion	$13,669		$39,246	$52,915	$52,915
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	$28,919			$28,919	$28,919
341 Tenant Security Deposits	$51,146			$51,146	$51,146
342 Unearned Revenue					
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	$112,133	$20,359	$62,191	$194,683	$194,683
351 Long-term Debt, Net of Current - Capital					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities	$651,433		$1,018,907	$1,670,340	$1,670,340
350 Total Non-Current Liabilities	$651,433	$0	$1,018,907	$1,670,340	$1,670,340
300 Total Liabilities	$763,566	$20,359	$1,081,098	$1,865,023	$1,865,023
400 Deferred Inflow of Resources	$4,390		$6,867	$11,257	$11,257
508.4 Net Investment in Capital Assets	$2,404,986	$139,800	$7,464	$2,552,250	$2,552,250
511.4 Restricted Net Position	$0		$98,535	$98,535	$98,535
512.4 Unrestricted Net Position	($8,414)	$149,421	$334,883	$475,890	$475,890
513 Total Equity - Net Assets / Position	$2,396,572	$289,221	$440,882	$3,126,675	$3,126,675
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$3,164,528	$309,580	$1,528,847	$5,002,955	$5,002,955

Miami Metropolitan Housing Authority (OH062)
TROY, OH
Entity Wide Revenue and Expense Summary - FDS Schedule Submitted to HUD

Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	$536,143			$536,143	$536,143
70400 Tenant Revenue - Other	$12,105			$12,105	$12,105
70500 Total Tenant Revenue	$548,248	$0	$0	$548,248	$548,248
70600 HUD PHA Operating Grants	$450,749		$5,979,917	$6,430,666	$6,430,666
70610 Capital Grants	$290,000			$290,000	$290,000
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	$7,176		$17,020	$24,196	$24,196
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			$2,938	$2,938	$2,938
71500 Other Revenue	$10,702	$97,329		$108,031	$108,031
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	$1,306,875	$97,329	$5,999,875	$7,404,079	$7,404,079
91100 Administrative Salaries	$110,280		$296,293	$406,573	$406,573
91200 Auditing Fees	$831		$6,724	$7,555	$7,555
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	$66,315		$268,091	$334,406	$334,406
91600 Office Expenses	$35,226	$30,909	$163,478	$229,613	$229,613
91700 Legal Expense	$1,855			$1,855	$1,855
91800 Travel	$9,756		$9,769	$19,525	$19,525
91810 Allocated Overhead					
91900 Other	$1,028		$10,807	$11,835	$11,835
91000 Total Operating - Administrative	$225,291	$30,909	$755,162	$1,011,362	$1,011,362
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	$3,302			$3,302	$3,302
92500 Total Tenant Services	$3,302	$0	$0	$3,302	$3,302
93100 Water	$43,716	$2,378		$46,094	$46,094
93200 Electricity	$144,954	$12,454		$157,408	$157,408
93300 Gas	$35,213	$9,624		$44,837	$44,837
93400 Fuel					
93500 Labor					
93600 Sewer	$35,153	$2,377		$37,530	$37,530
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	$259,036	$26,833	$0	$285,869	$285,869

Miami Metropolitian Housing Authority (OH062)
TROY, OH
Entity Wide Revenue and Expense Summary - FDS Schedule Submitted to HUD

Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	Total
94100 Ordinary Maintenance and Operations - Labor	$77,173	$7,227		$84,400	$84,400
94200 Ordinary Maintenance and Operations - Materials and Other	$39,055	$6,021		$45,076	$45,076
94300 Ordinary Maintenance and Operations Contracts	$110,425	$37,210		$147,635	$147,635
94500 Employee Benefit Contributions - Ordinary Maintenance	$43,418	$3,087		$46,505	$46,505
94000 Total Maintenance	$270,071	$53,545	$0	$323,616	$323,616
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	$0	$0	$0	$0	$0
96110 Property Insurance	$28,104			$28,104	$28,104
96120 Liability Insurance		$11,980	$4,954	$16,934	$16,934
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	$28,104	$11,980	$4,954	$45,038	$45,038
96200 Other General Expenses			$912	$912	$912
96210 Compensated Absences	$20,388		$46,322	$66,710	$66,710
96300 Payments in Lieu of Taxes	$28,919			$28,919	$28,919
96400 Bad debt - Tenant Rents	$7,322			$7,322	$7,322
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	$56,629	$0	$47,234	$103,863	$103,863
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$842,433	$123,267	$807,350	$1,773,050	$1,773,050
97000 Excess of Operating Revenue over Operating Expenses	$464,442	($25,938)	$5,192,525	$5,631,029	$5,631,029
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments			$5,108,076	$5,108,076	$5,108,076
97350 HAP Portability-In					
97400 Depreciation Expense	$226,221		$1,990	$228,211	$228,211
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	$1,068,654	$123,267	$5,917,416	$7,109,337	$7,109,337

Miami Metropolitian Housing Authority (OH062)
TROY, OH
Entity Wide Revenue and Expense Summary - FDS Schedule Submitted to HUD

Fiscal Year End: 12/31/2023

	Project Total	1 Business Activities	14.871 Housing Choice Vouchers	Subtotal	Total
10010 Operating Transfer In					
10020 Operating transfer Out					
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)		$139,800		$139,800	$139,800
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	$0	$139,800	$0	$139,800	$139,800
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$238,221	$113,862	$82,459	$434,542	$434,542
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0
11030 Beginning Equity	$2,158,351	$175,359	$358,423	$2,692,133	$2,692,133
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0		$0	$0	$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			$342,347	$342,347	$342,347
11180 Housing Assistance Payments Equity			$98,535	$98,535	$98,535
11190 Unit Months Available	1524	0	11892	13416	13416
11210 Number of Unit Months Leased	1517	0	10945	12462	12462
11270 Excess Cash	$200,811			$200,811	$200,811
11610 Land Purchases	$0			$0	$0
11620 Building Purchases	$0			$0	$0
11630 Furniture & Equipment - Dwelling Purchases	$0			$0	$0
11640 Furniture & Equipment - Administrative Purchases	$0			$0	$0
11650 Leasehold Improvements Purchases	$0			$0	$0
11660 Infrastructure Purchases	$0			$0	$0
13510 CFFP Debt Service Payments	$0			$0	$0
13901 Replacement Housing Factor Funds	$0			$0	$0

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MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs		
Public and Indian Housing	14.850	$450,749
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	5,979,917
Total Housing Voucher Cluster		5,979,917
Public Housing Capital Fund	14.872	290,000
Total U.S. Department of Housing and Urban Development		$6,720,666
Total Expenditures of Federal Awards		$6,720,666

The accompanying notes are an integral part of this schedule.

MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Miami Metropolitan Housing Authority
Miami County
1695 Troy-Sidney Road
Troy, Ohio 45373

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 Miami Metropolitan Housing Authority, Miami County, (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 22, 2024.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Miami Metropolitan Housing Authority
Miami County
1695 Troy-Sidney Road
Troy, Ohio 45373

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2023-001 to be a material weakness.

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 22, 2024

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MIAMI METROPOLITAN HOUSING AUTHORITY
MIAMI COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Housing Choice Voucher Cluster AL #14.871 Public Housing Capital Fund AL #14.872
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. <u>Allowable Costs</u>

Finding Number:	**2023-001**
Assistance Listing Number and Title:	**AL # 14.871 – Section 8 Housing Choice Vouchers/Housing Voucher Cluster**
Federal Award Identification Number / Year:	**N/A / 2023**
Federal Agency:	**U.S. Department of Housing and Urban Development**
Compliance Requirement:	**Sections A & B - Activities Allowed / Allowable Costs**
Pass-Through Entity:	**N/A**
Repeat Finding from Prior Audit?	**No**

Material Weakness

2 C.F.R. § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for 2 C.F.R.§ 200.303(a) which states, in part, that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework,” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

- The Housing Assistance Payment contract or contract amendment for one out of sixty (2%) transactions tested was not reviewed and approved by the Executive Director as evidenced by a lack of a signature on the contract/amendment.
- The Voucher Control Sheet for four out of sixty (7%) transactions tested was not reviewed and approved by the HCV Supervisor as evidenced by lack of initials on the Voucher Control Sheet.

The Authority should establish and implement policies and procedures to verify all internal controls over federal programs are operating effectively to prevent unallowable expenditures from being made in future audits, which could lead to potential findings for recovery or federal questioned costs.

Officials’ Response:
See Corrective Action Plan on page 63.

Miami Metropolitan Housing Authority
Miami County Community Action Council
1695 Troy-Sidney Road, Troy OH 45373-9794

P: (937) 335-7921
F: (937) 339-8905

www.miamimha.org
www.miamicac.org

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023

Finding Number: 2023-001
Planned Corrective Action:

As far as the one missed ED's signature on the HCV contract/amendment we have since implemented automatic signatures to show they have been reviewed by the ED.

For the control sheets not having the HCV Director's initials the internal control will be when it is given to the Finance Specialist. She will review the control sheet and double check that all initials for all aspects of the program is present and complete.

Anticipated Completion Date: August 19, 2024
Responsible Contact Person: Barbara Tobias, HCV Director
Robin Bigelow, Finance Specialist

OHIO AUDITOR OF STATE
KEITH FABER

MIAMI METROPOLITAN HOUSING AUTHORITY

MIAMI 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 9/12/2024

65 East State Street, Columbus, Ohio 43215
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