



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED SEPTEMBER 30, 2024



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Governing Board
Adams Metropolitan Housing Authority
401 East Seventh Street
Manchester, Ohio 45144

We have reviewed the *Independent Auditor's Report* of the Adams Metropolitan Housing Authority, Adams County, prepared by BHM CPA Group, Inc., for the audit period October 1, 2023 through September 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 26, 2025

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Adams Metropolitan Housing Authority
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For the Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Adams Metropolitan Housing Authority
Adams County
401 East Seventh Street
Manchester, Ohio 45144

To the Board of Commissioners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Adams Metropolitan Housing Authority, Adams County, Ohio (Authority), as of and for the year ended September 30, 2024, 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 of the Adams Metropolitan Housing Authority, Adams County, Ohio as of September 30, 2024, 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 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 March 17, 2025, 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.



BHM CPA Group, Inc.
Circleville, Ohio
March 17, 2025

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**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)**

The Management’s Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the financial activity of the Adams Metropolitan Housing Authority (the Authority) for the period, (c) identify changes in the Authority’s financial position from the previous year, and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the financial activity of the current year, resulting changes, and currently known facts, please read it in conjunction with the Authority’s financial statements.

FINANCIAL HIGHLIGHTS

- Total Assets and Deferred Outflows of Resources were \$3,382,087 and \$3,101,372 in 2024 and 2023, respectively. The Authority-wide statements reflect an increase in total assets and deferred outflow of resources of \$280,715 (about 9 percent) in 2024.
- Revenues increased from \$2,488,865 in 2023 to \$3,065,643 in 2024; an increase of 23 percent.
- Expenses were \$2,572,650 in 2023 and \$2,785,646 in 2024, a change of \$212,996 (or 8 percent).

USING THIS ANNUAL REPORT

This report includes three major sections, the Management’s Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information.

MD&A -Management’s Discussion and Analysis
Basic Financial Statements -Authority-Wide Financial Statements
Other Required Supplementary Information -Required Supplementary Information (other than the MD&A)

The Authority’s financial statements are designed to be corporate-like in that all business-type activities of the Authority are consolidated into one column that summarizes all financial activity for all the Authority’s programs.

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 of 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, similar to equity. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-Current.”

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)**

The focus of the Statement of Net Position, the Unrestricted Net Position, represents the net available liquid (non-capital) assets, net of liabilities, of the Authority. Net position is reported in three broad categories:

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

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

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

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

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

Finally, the Authority's financial statements also include a Statement of Cash Flows. This Statement reports net cash provided by or used for operating activities, non-operating financial activities, and capital and related financing activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar than these for the Authority. The Authority consists exclusively of enterprise funds rather than governmental funds. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector accounting rather than what is more common in financial statements for other types of governmental entities.

The Authority maintains its accounting records by program consistent with how funding is provided for these programs by the U.S. Department of Housing and Urban Development (HUD).

THE AUTHORITY'S PROGRAMS

Conventional Public Housing

Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that generally is based on 30 percent of household income.

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)**

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to provide rental assistance to landlords so participants generally pay 30 percent of household income for rent and utilities.

Capital Fund Program

The Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. HUD's Capital Fund Program provides grant funds for development, renovation, and construction of Public Housing projects.

FSS Escrow Forfeiture Account Program

Through the Housing Choice Voucher and Low Rent Public Housing programs, the Family Self-Sufficiency Program provides families opportunities for education, job training counseling, and other support to help the families achieve self-sufficiency. As a participant's skills improve, earnings likely increase the participant's rent amount and under the Program the increased rent amounts are placed into an escrow account for the family and, upon graduation, families withdraw funds from the escrow account. Escrows of participants failing to graduate or otherwise withdrawing from the Program are forfeited to be used for the benefit of any FSS participant in good standing under the FSS Escrow Forfeiture Account Program.

AUTHORITY STATEMENTS

Statement of Net Position

The following table is a condensed Statement of Net Position compared to prior year. The Authority is engaged in only business-type activities.

Table 1- Condensed Statement of Net Position

	2024	2023
<u>Assets and Deferred Outflows of Resources</u>		
Current Assets	\$ 486,568	\$ 488,539
Capital Assets	2,659,920	2,304,753
Other Non-current Assets	19,395	0
Deferred Outflows of Resources	216,204	308,080
Total Assets and Deferred Outflows of Resources	\$ 3,382,087	\$ 3,101,372
<u>Liabilities and Deferred Inflows of Resources</u>		
Current Liabilities	\$ 168,521	\$ 124,576
Non-Current Liabilities	756,705	808,379
Deferred Inflows of Resources	12,788	4,341
Total Liabilities and Deferred Inflows of Resources	938,014	937,296
<u>Net Position</u>		
Investment in Capital Assets	2,659,920	2,304,753
Restricted	35,703	221
Unrestricted	(251,550)	(140,898)
Total Net Position	2,444,073	2,164,076
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,382,087	\$ 3,101,372

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

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)

Current assets were virtually unchanged from the prior fiscal year-end, decreasing only \$1,971. And while current liabilities increased \$43,945, total liabilities decreased \$7,729. Causing the increase in current liabilities is the anticipated retirement of a long-time employee in the months following the year-end, meaning more of the compensated absences liability is deemed to be a current liability at September 30, 2024.

Otherwise the notable change on the statement is the increase in capital assets which increased \$355,167 (or 15 percent). Before the end of the last fiscal year-end, severe storms caused considerable damage to several Authority properties, so in addition to routine spending of capital grant funding from HUD in the period the Authority spent nearly \$126,000 in casualty loss proceeds making capital improvements to the properties suffering those losses resulting in the larger than normal increase in capital assets this period.

Table 2 presents details on the changes in Unrestricted Net Position:

Table 2- Change in Unrestricted Net Position	
Beginning Balance at October 1, 2023	\$ (140,898)
Change in Net Position 2024	279,997
Adjustments:	
Current Year Depreciation Expense (1)	308,521
Capital Revenue (1)	(440,100)
Capital Additions from Operations	(223,588)
Change in Restricted Net Position	<u>(35,482)</u>
Ending Balance at September 30, 2024	<u>\$ (251,550)</u>

(1) Revenues and expenses that affect the results of operations but do not have an impact on on Unrestricted Net Position.

While the change in net position is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides, for some, a clearer indication of the change in the financial well-being of the Authority. See the discussion in the following section where changes in revenues and expenses are addressed.

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)

Table 3 - Condensed Statement of Revenues, Expenses, and Change in Net Position

	2024	2023
<u>Revenues</u>		
Tenant Revenues - Rents and Others	\$ 338,314	\$ 335,948
Operating Subsidies and Grants	2,138,978	1,788,134
Capital Grants	440,100	320,980
Investment Income	79	81
Other Revenues	148,172	43,722
Total Revenues	<u>3,065,643</u>	<u>2,488,865</u>
<u>Expenses</u>		
Administrative	717,538	608,252
Tenant Services	26,629	42,945
Utilities	172,033	173,041
Maintenance	409,168	394,923
General	100,707	114,341
Housing Assistance Payments	1,051,050	893,831
Depreciation	308,521	345,317
Total Expenses	<u>2,785,646</u>	<u>2,572,650</u>
Net (Decrease) in Net Position	279,997	(83,785)
Beginning Net Position	2,164,076	2,247,861
Ending Net Position	<u>\$ 2,444,073</u>	<u>\$ 2,164,076</u>

For more detailed information see Statement of Revenues, Expenses, and Change in Net Position presented elsewhere in this report.

Major Factors Affecting the Statement of Revenues, Expenses, and Change in Net Position

Incomes overall increased \$576,778 (or 23 percent), noting increases in every income line except interest income with the largest increases being in operating subsidies and grants, and capital grants revenue. Capital grants revenue is the portion of the Capital Fund Program (CFP) grant revenue spent on capital expenditures, improvements to the Authority owned rental housing stock. HUD provides CFP grant funds annually on a formula basis based on the size, age and type of housing the Authority owns. Housing Authorities typically have up to four years to spend CFP Grant Program funds to permit for time to plan work items to be completed with residents and other interested parties, and sometimes to allow for enough funds to accumulate to carry out larger work projects. So this increase in capital grant revenue is due to a normal fluctuation in when funds made available for this purpose are spent.

The largest part of the increase in operating subsidies and grants revenue was in subsidies for the Public Housing Program and in funding from HUD for the Authority to use to make rental assistance payments under the Housing Choice Voucher Program. The primary reason for the increase in subsidies for the Public Housing Program was due to special Shortfall Funding provided by HUD in this period in the amount of \$80,809. This Shortfall Funding was not a part of the normal annual appropriations, but rather was a special round of funding HUD made available to certain Authorities with small Public Housing Programs, to help the Authorities challenged by operating a smaller Public Housing Program. In order to qualify for the funding, the Authority had to meet various performance milestones intended to ensure the Authority used the funds to make improvements to how it operated. With regard to the increase in funding for the Housing Choice Voucher Program for the Authority to use to make rental assistance payments, which increased \$191,806, HUD provides the funding for this purpose based on spending levels reported by the Authority.

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)**

Rental assistance is paid to and on behalf of Program participants based on the difference between the rental rate and what the family can afford to pay based on family household composition and income, with the goal being to make rents affordable to families assisted by the Program. While the number of families assisted by the Program increased by about 5 percent over the last fiscal period, in addition the trend of increased rental rates in the area means more rental assistance was needed to keep rents affordable to families on the Program.

And other income also increased notably, just not as dramatically as operating subsidy and capital grants revenues, with insurance proceeds received in the period a primary reason for the increase.

Expenses overall also increased, increasing by \$212,996 (or 8 percent), with the largest increases being noted in administrative expense and Housing Assistance Payments expense. In part administrative expenses increased due to increased staffing costs, but the bigger reason for the increase was in the cost of benefits, with health care costs increasing considerably, unfortunately a trend not likely to be reversed. And Housing Assistance Payments expense is the expense recorded when rental assistance payments are made on behalf of families assisted by the Housing Choice Voucher Program. Mentioned in a previous paragraph was the increase in funding provided by HUD for the Authority to use to make rental assistance payments and that funding provided for this purpose was based on reporting of current spending for this purpose, so it would be expected this expense would have increased considerably as well.

CAPITAL ASSETS

As of year-end, the Authority had \$2,659,920 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (current purchases less depreciation) of \$355,167 (or 15 percent) from the end of last year. Capital additions in the period totaled \$663,688.

Table 4 - Capital Assets at Year-End (Net of Depreciation)

	2024	2023
Land and Land Rights	\$ 379,202	\$ 379,202
Buildings and Improvements	11,392,497	10,871,429
Equipment	389,312	351,833
Construction in Progress	440,100	360,980
Accumulated Depreciation	(9,941,191)	(9,658,691)
Total	<u><u>\$ 2,659,920</u></u>	<u><u>\$ 2,304,753</u></u>

DEBT

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

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the U.S. Department of Housing and Urban Development is subject to cuts due to the tight Federal budget situation.
- 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.

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(UNAUDITED)**

FINANCIAL CONTACT

The individual to be contacted regarding this report is Sherry D. Barr, Executive Director of the Adams Metropolitan Housing Authority, at (937) 549-2648. Specific requests may be submitted to the Adams Metropolitan Housing Authority at 401 East Seventh Street, Manchester, Ohio 45144-1401.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Cash and Cash Equivalents	\$ 212,981
Restricted Cash	118,408
Receivables, Net	146,810
Prepaid Expenses	8,369
Total Current Assets	486,568

Non-Current Assets

Non-Depreciable Capital Assets	819,302
Depreciable Capital Assets, Net of Depreciation	1,840,618
Total Capital Assets	2,659,920
 Net OPEB Asset	 19,395
Total Non-Current Assets	2,679,315

Total Assets	3,165,883
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Deferred Outflows of Resources

Deferred Outflows of Resources - Pension	199,562
Deferred Outflows of Resources - OPEB	16,642
Total Deferred Outflows of Resources	216,204

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,382,087
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LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Current Liabilities

Accounts Payable	\$ 44,373
Accrued Liabilities	49,767
Intergovernmental Payables	52,034
Tenant Security Deposits	22,347
Total Current Liabilities	168,521

Non-Current Liabilities

Accrued Compensated Absences Non-Current	80,689
Other Non-Current Liabilities	72,558
Net Pension Liability	603,458
Total Non-Current Liabilities	756,705
Total Liabilities	925,226

Deferred Inflows of Resources

Deferred Inflows of Resources - OPEB	12,788
Total Deferred Inflows of Resources	12,788

Net Position

Investment in Capital Assets	2,659,920
Restricted Net Position	35,703
Unrestricted Net Position	(251,550)
Total Net Position	2,444,073

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 3,382,087
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See accompanying notes to the basic financial statements.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Operating Revenues

Tenant Revenue	\$ 338,314
Government Operating Grants	2,138,978
Other Revenue	13,807
Total Operating Revenues	<u>2,491,099</u>

Operating Expenses

Administrative	717,538
Tenant Services	26,629
Utilities	172,033
Maintenance	409,168
General	100,707
Housing Assistance Payment	1,051,050
Depreciation	308,521
Total Operating Expenses	<u>2,785,646</u>
Operating Income (Loss)	<u>(294,547)</u>

Non-Operating Revenues (Expenses)

Interest and Investment Revenue	79
Gain on Disposition	8,500
Casualty Loss Revenue	125,865
Total Non-Operating Revenues (Expenses)	<u>134,444</u>
Income (Loss) Before Contributions	<u>(160,103)</u>

Capital Grants	440,100
Change in Net Position	<u>279,997</u>

Total Net Position - Beginning of Year	<u>2,164,076</u>
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Total Net Position - End of Year	<u>\$ 2,444,073</u>
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See accompanying notes to the basic financial statements.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Cash Flows from Operating Activities

Operating Grants Received	\$ 2,055,570
Tenant Revenue Received	309,078
Other Revenue Received	13,807
General and Administrative Expenses Paid	(1,355,553)
Housing Assistance Payments	(1,050,052)
Net Cash Used by Operating Activities	(27,150)

Cash Flows from Capital and Related Financing Activities

Acquisition of Capital Assets	(663,688)
Capital Grants Received	440,100
Casualty Loss Proceeds	125,865
Proceeds from Disposals	8,500
Net Cash Used by Capital and Related Financing Activities	(89,223)

Cash Flows from Investing Activities

Interest Earned	79
Net Cash Provided by Investing Activities	79
Net Decrease in Cash	(116,294)

Cash and Cash Equivalents - Beginning of Year	447,683
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Cash and Cash Equivalents - End of Year	\$ 331,389
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Reconciliation of Net Operating Loss to Net Cash Provided by Operating Activities

Net Operating Income (Loss)	\$ (294,547)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	308,521
(Increase) Decrease in Accounts Receivable	
Accounts Receivable	(111,987)
Prepaid Expense	(2,336)
OPEB Assets	(19,395)
Deferred Outflows	91,876
Increase (Decrease) in:	
Accounts Payable	7,973
Accrued Expenses Payable	(1,725)
Tenant Security Deposits	(255)
Unearned Income	(402)
Other Current Liabilities	743
Compensated Absences	17,311
Deferred Inflows	8,447
Pension Liability	(27,000)
OPEB Liability	(4,629)
Non-Current Liabilities - Other	255
Net Cash Provided by Operating Activities	\$ (27,150)

See accompanying notes to the basic financial statements.

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Adams 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 rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, (as amended by GASB Statement No. 61) 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.

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. The 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 of 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 Fund Net Position, and a Statement of Cash Flows.

Fund Accounting

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

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

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

Fund Accounting (Continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

Description of Programs

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

A. **Public Housing Program**

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

B. **Capital Fund Program**

The Capital Fund Program provides funds annually, via a formula, to public housing agencies for capital and management activities, including modernization and development of housing owned by the Authority.

C. **Housing Choice Voucher Program**

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

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

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

D. **FSS Escrow Forfeiture Account Program**

Through the Housing Choice Voucher and Low Rent Public Housing programs, the Family Self-Sufficiency Program provides families opportunities for education, job training counseling and other support to help the families achieve self-sufficiency. As a participant's skills improve, earnings likely increase the participant's rent amount and under the Program the increased rent amounts are placed into an escrow account for the family and upon graduation families withdraw funds from the escrow account. Escrows of participants failing to graduate or otherwise withdrawing from the Program are forfeited to be used for the benefit of any FSS participant in good standing under the FSS Escrow Forfeiture Account Program.

Investments

The provisions of HUD Regulations restrict investments. There were no investments at September 30, 2024. Interest income earned in fiscal year ending September 30, 2024 totaled \$79.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$5,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Furniture, Equipment, and Machinery	3-7 years

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing and other liabilities incurred for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Operating Revenues and Expenses

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

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

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

Capital Contributions

This represents contributions made available to the Authority by HUD, which were used by the Authority to make capital improvements to its federally aided projects.

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.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability using the vested method whereby the liability is recorded based on the sick leave accumulated at the balance sheet date by those employees who currently are expected to receive termination payouts. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment.

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

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

Budgetary Accounting

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

Accounting and Reporting for Non-Exchange Transactions

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions/Other Postemployment 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 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 systems. 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 systems report investments at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report 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/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 6 and 7.

In addition to liabilities, the statements of financial position report 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 include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. (See Notes 6 and 7)

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

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

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Protection of the 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 collateral held by the Authority, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year-end September 30, 2024, the carrying amount of the Authority's deposits totaled \$331,389 (including \$205 petty cash) and its bank balance was \$366,794. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of September 30, 2024, \$361,120 was covered by Federal Depository Insurance and \$5,674 was subject to custodial risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to 102 percent of the carrying value of deposits.

Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in a single financial institution's collateral pools at Federal Reserve banks, or at member banks of the Federal Reserve system, in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority.

NOTE 3: RESTRICTED CASH

Restricted cash balance as of September 30, 2024 of \$118,408 represents cash on hand for the following:

Unspent Funding to make Rental Assistance Payments	\$ 2,869
FSS Escrow Funds Held for Tenants	72,558
Tenant Security Deposit	22,347
HAP Payable	7,195
Unspent FSS Escrow Forfeitures	13,439
Total Restricted Cash	\$ 118,408

NOTE 4: NET RECEIVABLES

Receivable balances net of allowances for doubtful accounts as of September 30, 2024 of \$146,810 represents amounts due to the Authority from the following:

HUD	\$ 99,358
Current and Former Tenants	62,302
Allowance for Doubtful Accounts	(14,850)
Total	\$ 146,810

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 5: CAPITAL ASSETS

	Balance 9/30/23	Additions	Transfers	Deletions	Balance 09/30/24
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 379,202	\$ 0	\$ 0	\$ 0	\$ 379,202
Construction in Progress	360,980	440,100	(360,980)	0	440,100
Total Capital Assets Not Being Depreciated	<u>740,182</u>	<u>440,100</u>	<u>(360,980)</u>	<u>0</u>	<u>819,302</u>
<u>Capital Assets Being Depreciated</u>					
Buildings and Improvements	10,871,429	160,088	360,980	0	11,392,497
Furniture, Equipment, and Machinery -					
Dwelling	256,843	0	0	0	256,843
Administrative	94,990	63,500	0	(26,021)	132,469
Total Capital Assets Being Depreciated	<u>11,223,262</u>	<u>223,588</u>	<u>360,980</u>	<u>(26,021)</u>	<u>11,781,809</u>
<u>Accumulated Depreciation</u>					
Buildings and Improvements	(9,338,659)	(302,425)	26,512	0	(9,614,572)
Furniture and Equipment	(320,032)	(6,096)	(26,512)	26,021	(326,619)
Total Accumulated Depreciation	<u>(9,658,691)</u>	<u>(308,521)</u>	<u>0</u>	<u>26,021</u>	<u>(9,941,191)</u>
Depreciable Assets, Net	<u>1,564,571</u>	<u>(84,933)</u>	<u>360,980</u>	<u>0</u>	<u>1,840,618</u>
Total Capital Assets, Net	<u>\$ 2,304,753</u>	<u>\$ 355,167</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,659,920</u>

NOTE 6: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (Continued)

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. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. 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 Pension Plan.

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

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ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the Traditional Pension Plan and the Combined Plan were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan and the Combined Plan 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 Pension 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.

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)**

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
2023-2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
2023-2024 Actual Contribution Rates			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>10.0 %</u>

* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

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

For fiscal year ending September 30, 2024, the Authority's contractually required contributions used to fund pension benefits was \$56,314 for the Traditional Pension Plan.

ADAMS METROPOLITAN HOUSING AUTHORITY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 6: **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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS Traditional Pension Plan</u>
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.002108%
Current Measurement Date	<u>0.002305%</u>
Change in Proportionate Share	<u>0.000197%</u>
Proportionate Share of the Net Pension Liability	\$ 603,458
Pension Expense	\$ 107,253

At September 30, 2024, the Authority reported deferred outflows of resources of resources related to pensions from the following sources:

	<u>OPERS Traditional Pension Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 121,801
Differences between expected and actual experience	9,863
Changes in proportion and differences between Authority contributions and proportionate share of contributions	28,575
Authority contributions subsequent to the measurement date	<u>39,323</u>
Total Deferred Outflows of Resources	<u>\$ 199,562</u>

\$39,323 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 September 30, 2025. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	OPERS Traditional Pension Plan
Year Ending September 30:	
2025	\$ 52,045
2026	47,813
2027	77,727
2028	(17,346)
Total	<u>\$ 160,239</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (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, 2023, 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:

	<u>Traditional Pension Plan</u>
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:	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, 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

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(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (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.

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 gain of 11.2 percent for 2023.

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, 2023, these best estimates are summarized in the following table:

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NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

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	\$ 950,006	\$ 603,458	\$ 315,232

NOTE 7: 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.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
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(CONTINUED)

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Net OPEB Liability (Continued)

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.

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, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans. With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

**ADAMS METROPOLITAN HOUSING AUTHORITY
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(CONTINUED)**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

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

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

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. Age 65 or older** – minimum of 20 years of qualified health care service credit.
- 2. Age 60 to 64** – based on the following age-and-service criteria:
 - a. Group A – 30 years of total service with at least 20 years of qualified health care service credit;
 - b. Group B – 31 years of total service with at least 20 years of qualified health care service credit; or
 - c. Group C – 32 years of total service with at least 20 years of qualified health care service credit.
- 3. Age 59 or younger** – based on the following age-and-service criteria:
 - a. Group A – 30 years of qualified health care service credit;
 - b. Group B - 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or
 - c. Group C – 32 years of qualified health care service credit and at least age 55.

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	31	55	32
	Any	30	Any	32	60	20

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

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

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 2023 and 2024, 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 2023-2024, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023-2024 was 2.0 percent and 4.0 percent, respectively.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. None of the Authority's contractually required contribution was allocated to health care for the year ending September 30, 2024.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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 asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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(CONTINUED)

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

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

	<u>OPERS</u>
Proportion of the Net OPEB Liability/Asset:	
Prior Measurement Date	0.001964%
Current Measurement Date	<u>0.002149%</u>
Change in Proportionate Share	<u>0.000185%</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$ (19,395)
OPEB Expense	\$ (1,638)

At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on	
OPEB plan investments	\$ 11,648
Changes of assumptions	<u>4,994</u>
Total Deferred Outflows of Resources	<u>\$ 16,642</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 2,760
actual experience	
Changes of assumptions	8,338
Changes in proportion and differences between Authority	
contributions and proportionate share of contributions	<u>1,690</u>
Total Deferred Inflows of Resources	<u>\$ 12,788</u>

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

	<u>OPERS</u>
Year Ending September 30:	
2025	\$ (1,606)
2026	326
2027	9,067
2028	<u>(3,933)</u>
Total	<u>\$ 3,854</u>

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 7: DEFINED BENEFIT OPEB PLANS (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 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, 2022, rolled forward to the measurement date of December 31, 2023. 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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
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	5.70 percent	5.22 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	3.77 percent	4.05 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2038	5.50 percent initial, 3.50 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age	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.

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

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
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NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

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. The table below displays the Board-approved asset allocation policy for 2023 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	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(CONTINUED)**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 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 3.77 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 2070. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 5.70 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 (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 10,659	\$ (19,395)	\$ (44,291)

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.

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NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

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 2024 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.

	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	\$ (20,201)	\$ (19,395)	\$ (18,481)

NOTE 8: SUMMARY OF CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2024:

Description	Balance at 9/30/2023	Additions	Retired	Balance at 9/30/2024	Amounts Due in One Year
Net Pension Liability	\$ 622,704	\$ 0	\$ (19,246)	\$ 603,458	\$ 0
Net OPEB Liability	12,383	0	(12,383)	0	0
Compensated Absences	105,848	30,870	(13,559)	123,159	42,470
Family Self-Sufficiency Escrows	72,303	22,968	(22,713)	72,558	0
	<u>\$ 813,238</u>	<u>\$ 53,838</u>	<u>\$ (67,901)</u>	<u>\$ 799,175</u>	<u>\$ 42,470</u>

NOTE 9: RESTRICTED NET POSITION

Restricted net position of \$35,703 is composed of the following:

Unspent Family Self-Sufficiency Forfeitures	\$ 13,439
Unspent Funding to make Rental Assistance Payments	2,869
Restricted for the GASB 75 Net OPEB Asset	19,395
Total Restricted Net Position	<u><u>\$ 35,703</u></u>

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024
(CONTINUED)

NOTE 10: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities.

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, which transitioned to prospective billing January 1, 2016. Rates were previously calculated retrospectively. Employers must reconcile their actual payroll for the prior policy year within 45 days after the close of the policy year.

There was no significant reduction in coverage and settled claims have not exceeded insurance held in any of the past three years.

NOTE 11: CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptures amounts would not have a material adverse effect on the overall financial position of the Authority at September 30, 2024.

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At September 30, 2024, the Authority was not aware of any such matters that would have a material effect on the financial statements.

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

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.002305%	0.002108%	0.001943%	0.001619%	0.001906%	0.001937%	0.001799%	0.001735%	0.001885%	0.002412%
Authority's Proportionate Share of the Net Pension Liability	\$ 603,458	\$ 622,704	\$ 169,049	\$ 239,739	\$ 376,734	\$ 530,503	\$ 282,228	\$ 393,989	\$ 326,506	\$ 290,914
Authority's Covered Payroll	\$ 379,378	\$ 326,840	\$ 282,026	\$ 228,041	\$ 268,136	\$ 242,671	\$ 237,743	\$ 224,322	\$ 234,654	\$ 295,731
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.07%	190.52%	59.94%	105.13%	140.50%	218.61%	118.71%	175.64%	139.14%	98.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

See accompanying notes to the required supplementary information

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 56,314	\$ 48,747	\$ 43,263	\$ 37,400	\$ 34,322	\$ 37,610	\$ 33,961	\$ 31,483	\$ 27,734	\$ 31,426
Contributions in Relation to the Contractually Required Contribution	<u>(56,314)</u>	<u>(48,747)</u>	<u>(43,263)</u>	<u>(37,400)</u>	<u>(34,322)</u>	<u>(37,610)</u>	<u>(33,961)</u>	<u>(31,483)</u>	<u>(27,734)</u>	<u>(31,426)</u>
Contribution Deficiency / (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Covered Payroll	\$ 402,243	\$ 348,193	\$ 309,021	\$ 267,143	\$ 245,157	\$ 268,643	\$ 246,925	\$ 231,117	\$ 231,117	\$ 261,883
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.75%	13.62%	12.00%	12.00%

See accompanying notes to the required supplementary information

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIRMENT SYSTEM LAST
EIGHT FISCAL YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/Asset	0.002149%	0.001964%	0.001809%	0.001508%	0.001775%	0.001809%	0.001680%	0.001790%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (19,395)	\$ 12,383	\$ (56,661)	\$ (26,866)	\$ 245,174	\$ 235,850	\$ 182,436	\$ 180,796
Authority's Covered Payroll	\$ 379,378	\$ 326,840	\$ 282,026	\$ 228,041	\$ 268,136	\$ 242,671	\$ 237,743	\$ 248,046
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its covered Payroll	-5.11%	3.79%	-20.09%	-11.78%	91.44%	97.19%	76.74%	72.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional 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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 627	\$ 3,241	\$ 5,475	\$ 4,795
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(627)</u>	<u>(3,241)</u>	<u>(5,475)</u>	<u>(4,795)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority Covered Payroll	\$ 402,243	\$ 348,193	\$ 309,021	\$ 267,143	\$ 245,157	\$ 268,643	\$ 247,059	\$ 261,471	\$ 258,561	\$ 259,067
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	1.24%	2.12%	1.85%

See accompanying notes to the required supplementary information

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

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 2014-2024.

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. For 2024, 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 decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2024.

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. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

Adams Metropolitan Housing Authority (OH046)
Manchester, OH
Entity Wide Balance Sheet Summary
Fiscal Year End: 09/30/202024

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$134,850		\$78,131		\$212,981		\$212,981
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	\$21,934		\$53,493	\$13,439	\$88,866		\$88,866
114 Cash - Tenant Security Deposits	\$22,347				\$22,347		\$22,347
115 Cash - Restricted for Payment of Current Liabilities			\$7,195		\$7,195		\$7,195
100 Total Cash	\$179,131	\$0	\$138,819	\$13,439	\$331,389		\$331,389
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$99,358				\$99,358		\$99,358
126 Accounts Receivable - Tenants	\$52,172				\$52,172		\$52,172
126.1 Allowance for Doubtful Accounts -Tenants	-\$14,850				-\$14,850		-\$14,850
126.2 Allowance for Doubtful Accounts - Other	\$0				\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$10,130				\$10,130		\$10,130
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$146,810	\$0	\$0	\$0	\$146,810		\$146,810
142 Prepaid Expenses and Other Assets	\$8,369				\$8,369		\$8,369
150 Total Current Assets	\$334,310	\$0	\$138,819	\$13,439	\$486,568		\$486,568
161 Land	\$379,202				\$379,202		\$379,202
162 Buildings	\$11,392,497				\$11,392,497		\$11,392,497
163 Furniture, Equipment & Machinery - Dwellings	\$256,843				\$256,843		\$256,843
164 Furniture, Equipment & Machinery - Administration	\$113,926		\$18,543		\$132,469		\$132,469
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$9,923,448		-\$17,743		-\$9,941,191		-\$9,941,191
167 Construction in Progress	\$440,100				\$440,100		\$440,100
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,659,120	\$0	\$800	\$0	\$2,659,920		\$2,659,920

Adams Metropolitan Housing Authority (OH046)
Manchester, OH
Entity Wide Balance Sheet Summary
Fiscal Year End: 09/30/202024

173 Grants Receivable - Non Current						
174 Other Assets	\$15,237		\$4,158		\$19,395	\$19,395
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$2,674,357	\$0	\$4,958	\$0	\$2,679,315	\$2,679,315
200 Deferred Outflow of Resources	\$169,850		\$46,354		\$216,204	\$216,204
290 Total Assets and Deferred Outflow of Resources	\$3,178,517	\$0	\$190,131	\$13,439	\$3,382,087	\$3,382,087
311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$35,111		\$2,067		\$37,178	\$37,178
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable	\$5,879		\$1,418		\$7,297	\$7,297
322 Accrued Compensated Absences - Current Portion	\$33,976		\$8,494		\$42,470	\$42,470
333 Accounts Payable - Other Government	\$52,034				\$52,034	\$52,034
341 Tenant Security Deposits	\$22,347				\$22,347	\$22,347
342 Unearned Revenue						
345 Other Current Liabilities			\$7,195		\$7,195	\$7,195
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	\$149,347	\$0	\$19,174	\$0	\$168,521	\$168,521
353 Non-current Liabilities - Other	\$21,934		\$50,624		\$72,558	\$72,558
354 Accrued Compensated Absences - Non Current	\$54,713		\$25,976		\$80,689	\$80,689
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities	\$474,077		\$129,381		\$603,458	\$603,458
350 Total Non-Current Liabilities	\$550,724	\$0	\$205,981	\$0	\$756,705	\$756,705
300 Total Liabilities	\$700,071	\$0	\$225,155	\$0	\$925,226	\$925,226

Adams Metropolitan Housing Authority (OH046)

Manchester, OH

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/202024

400 Deferred Inflow of Resources	\$10,046		\$2,742		\$12,788		\$12,788
508.4 Net Investment in Capital Assets	\$2,659,120	\$0	\$800	\$0	\$2,659,920		\$2,659,920
511.4 Restricted Net Position	\$15,237	\$0	\$7,027	\$13,439	\$35,703		\$35,703
512.4 Unrestricted Net Position	-\$205,957	\$0	-\$45,593	\$0	-\$251,550		-\$251,550
513 Total Equity - Net Assets / Position	\$2,468,400	\$0	-\$37,766	\$13,439	\$2,444,073		\$2,444,073
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,178,517	\$0	\$190,131	\$13,439	\$3,382,087		\$3,382,087

Adams Metropolitan Housing Authority (OH046)
Manchester, OH
Entity Wide Revenue and Expense Summary
Fiscal Yer End: 09/30/2024

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.EFA FSS Escrow Forfeiture Account	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$329,884				\$329,884		\$329,884
70400 Tenant Revenue - Other	\$8,430				\$8,430		\$8,430
70500 Total Tenant Revenue	\$338,314	\$0	\$0	\$0	\$338,314	\$0	\$338,314
70600 HUD PHA Operating Grants	\$915,357	\$26,629	\$1,196,992		\$2,138,978		\$2,138,978
70610 Capital Grants	\$440,100				\$440,100		\$440,100
70710 Management Fee							
70720 Asset Management Fee							
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants							
71100 Investment Income - Unrestricted	\$52		\$21		\$73		\$73
71400 Fraud Recovery			\$374		\$374		\$374
71500 Other Revenue	\$125,865			\$13,433	\$139,298		\$139,298
71600 Gain or Loss on Sale of Capital Assets	\$8,500				\$8,500		\$8,500
72000 Investment Income - Restricted				\$6	\$6		\$6
70000 Total Revenue	\$1,828,188	\$26,629	\$1,197,387	\$13,439	\$3,065,643	\$0	\$3,065,643
91100 Administrative Salaries	\$195,767		\$83,043		\$278,810		\$278,810
91200 Auditing Fees	\$8,793		\$2,028		\$10,821		\$10,821
91500 Employee Benefit contributions - Administrative	\$190,743		\$64,007		\$254,750		\$254,750
91600 Office Expenses	\$72,854		\$22,757		\$95,611		\$95,611
91700 Legal Expense	\$3,356		\$156		\$3,512		\$3,512
91800 Travel	\$3,362		\$1,713		\$5,075		\$5,075
91810 Allocated Overhead							
91900 Other	\$60,117		\$8,842		\$68,959		\$68,959
91000 Total Operating - Administrative	\$534,992	\$0	\$182,546	\$0	\$717,538	\$0	\$717,538
92000 Asset Management Fee							

Adams Metropolitan Housing Authority (OH046)
Manchester, OH
Entity Wide Revenue and Expense Summary
Fiscal Yr End: 09/30/2024

92100 Tenant Services - Salaries		\$21,780			\$21,780		\$21,780
92300 Employee Benefit Contributions - Tenant Services		\$4,849			\$4,849		\$4,849
92500 Total Tenant Services	\$0	\$26,629	\$0	\$0	\$26,629	\$0	\$26,629
93100 Water	\$141,136				\$141,136		\$141,136
93200 Electricity	\$28,847				\$28,847		\$28,847
93300 Gas	\$2,050				\$2,050		\$2,050
93000 Total Utilities	\$172,033	\$0	\$0	\$0	\$172,033	\$0	\$172,033
94100 Ordinary Maintenance and Operations - Labor	\$118,168				\$118,168		\$118,168
94200 Ordinary Maintenance and Operations - Materials and Other	\$59,603				\$59,603		\$59,603
94300 Ordinary Maintenance and Operations Contracts	\$116,097				\$116,097		\$116,097
94500 Employee Benefit Contributions - Ordinary Maintenance	\$115,300				\$115,300		\$115,300
94000 Total Maintenance	\$409,168	\$0	\$0	\$0	\$409,168	\$0	\$409,168
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$51,643				\$51,643		\$51,643
96120 Liability Insurance			\$2,952		\$2,952		\$2,952
96100 Total insurance Premiums	\$51,643	\$0	\$2,952	\$0	\$54,595	\$0	\$54,595
96200 Other General Expenses			\$1,096		\$1,096		\$1,096
96210 Compensated Absences	\$10,475		\$6,836		\$17,311		\$17,311
96300 Payments in Lieu of Taxes	\$15,786				\$15,786		\$15,786
96400 Bad debt - Tenant Rents	\$11,919				\$11,919		\$11,919
96000 Total Other General Expenses	\$38,180	\$0	\$7,932	\$0	\$46,112	\$0	\$46,112
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,206,016	\$26,629	\$193,430	\$0	\$1,426,075	\$0	\$1,426,075
97000 Excess of Operating Revenue over Operating Expenses	\$622,172	\$0	\$1,003,957	\$13,439	\$1,639,568	\$0	\$1,639,568

Adams Metropolitan Housing Authority (OH046)
Manchester, OH
Entity Wide Revenue and Expense Summary
Fiscal Yr End: 09/30/2024

97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			\$1,051,050		\$1,051,050		\$1,051,050
97350 HAP Portability-In							
97400 Depreciation Expense	\$307,936		\$585		\$308,521		\$308,521
90000 Total Expenses	\$1,513,952	\$26,629	\$1,245,065	\$0	\$2,785,646	\$0	\$2,785,646
10010 Operating Transfer In	\$44,000				\$44,000	-\$44,000	\$0
10020 Operating transfer Out	-\$44,000				-\$44,000	\$44,000	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$314,236	\$0	-\$47,678	\$13,439	\$279,997	\$0	\$279,997
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$2,154,164	\$0	\$9,912	\$0	\$2,164,076		\$2,164,076
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0				\$0		\$0
11170 Administrative Fee Equity			-\$40,635		-\$40,635		-\$40,635
11180 Housing Assistance Payments Equity			\$2,869		\$2,869		\$2,869
11190 Unit Months Available	1692		3564		5256		5256
11210 Number of Unit Months Leased	1501		2318		3819		3819
11270 Excess Cash	\$57,900				\$57,900		\$57,900
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$440,100				\$440,100		\$440,100

**ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/ Pass Through Grantor/ Program/Title	Assistance Listing Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
<i>Direct Programs</i>		
Public Housing Operating Fund	14.850	<u>\$ 816,963</u>
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	<u>1,196,992</u>
Total Housing Voucher Program		<u>1,196,992</u>
Public Housing Capital Fund	14.872	<u>538,494</u>
Family Self-Sufficiency Program	14.896	<u>26,629</u>
<i>Total Direct Programs</i>		<u>2,579,078</u>
Total U.S. Department of Housing and Urban Development		<u>2,579,078</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 2,579,078</u></u>

See accompanying note to the Schedule of Expenditures of Federal Awards.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Adams Metropolitan Housing Authority under programs of the Federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Adams Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Adams Metropolitan Housing Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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



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

Adams Metropolitan Housing Authority
Adams County
401 East Seventh Street
Manchester, Ohio 45144

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 Adams Metropolitan Housing Authority, Adams County, Ohio (the Authority) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 17, 2025.

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.

BHM CPA Group

BHM CPA Group, Inc.
Circleville, Ohio
March 17, 2025



**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**

Adams Metropolitan Housing Authority
Adams County
401 East Seventh Street
Manchester, Ohio 45144

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Adams Metropolitan Housing Authority's, Adams 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 Adams Metropolitan Housing Authority's major federal programs for the year ended September 30, 2024. Adams 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, Adams 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 September 30, 2024.

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

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.

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

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

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.
Circleville, Ohio
March 17, 2025

Adams Metropolitan Housing Authority

Adams County
Schedule of Findings
2 CFR § 200.515
September 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Housing Voucher Cluster, ALN 14.871. Public Housing Operating Fund, ALN 14.850
(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?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



ADAMS METROPOLITAN HOUSING AUTHORITY

ADAMS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/8/2025

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

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