bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, OH 45638

We have reviewed the *Independent Auditor's Report* of the Ironton Metropolitan Housing Authority, Lawrence 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 Ironton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 07, 2026

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**Ironton Metropolitan Housing Authority**
**Lawrence County**
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For the Year Ended September 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Board of Commissioners

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Ironton Metropolitan Housing Authority, Lawrence 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 Ironton Metropolitan Housing Authority, Lawrence 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 September 9, 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

BHM CPA Group, Inc.
Portsmouth, Ohio
September 9, 2025

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The Ironton Metropolitan Housing Authority's (the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

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

## FINANCIAL HIGHLIGHTS

- During fiscal year 2024 the Authority's Net Position increased by $1,913,952 (or 44.67%). Since the Authority engages only in business-type activities, the increase is all in the category of business-type Net Position. Net Position was $6,198,000 and $4,284,048 for years 2024 and 2023, respectively.

- Revenue increased by $3,884,751 (or 295.39%) during 2024 and was $5,199,858 and $1,315,107 for the years 2024 and 2023, respectively.

- Expenses increased by $977,229 (or 42.23%). Expenses were $3,285,906 and $2,308,677 for the years 2024 and 2023, respectively.

## USING THIS ANNUAL REPORT

The Report includes the following sections:

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

The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide). The Authority operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

**Basic Financial Statements**

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

These Statements include a Statement of Net Position, which is like a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Position". Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

Investment in Capital Assets: This component of Net Position consists of all Capital Assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any outstanding debt.

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

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Position Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position".

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

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

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

**Fund Financial Statements**

The Authority is accounted for as an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

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

**The Authority's Programs**

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

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

Capital Fund Program (CFP) – Substantially all additions to land, structures, and equipment are accomplished through modernization programs (included in the financial statements under the public housing program). Modernization funds replace or materially upgrade deteriorated portions of existing Authority property.

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

## AUTHORITY-WIDE STATEMENT

### Statement of Net Position

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

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

| | 2024 | 2023 |
|---|---|---|
| Current Assets | $ 4,025,510 | $ 1,996,023 |
| Noncurrent Assets | 2,524,847 | 2,667,077 |
| Total Assets | 6,550,357 | 4,663,100 |
| Deferred Outflows of Resources | 175,056 | 178,441 |
| Total Assets and Deferred Outflows of Resources | $ 6,725,413 | $ 4,841,541 |
| Current Liabilities | $ 275,348 | $ 207,252 |
| Non-Current Liabilities | 248,145 | 348,020 |
| Total Liabilities | 523,493 | 555,272 |
| Deferred Inflows of Resources | 3,920 | 2,221 |
| Total Liabilities and Deferred Inflows of Resources | 527,413 | 557,493 |
| Net Position: | | |
| Net Investment in Capital Assets | 2,499,143 | 2,667,077 |
| Restricted Net Position | 63,746 | 8,608 |
| Unrestricted Net Position | 3,635,111 | 1,608,363 |
| Total Net Position | 6,198,000 | 4,284,048 |
| Total Liabilities, Deferred Inflows and Net Position | $ 6,725,413 | $ 4,841,541 |

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

### Major Factors Affecting the Statement of Net Position

Current assets increased $2,029,487 (101.68%) primarily due to net income. Noncurrent assets decreased $142,230 (-5.33%) due to depreciation of fixed assets in excess of fixed asset additions. Liabilities decreased $31,779 (-5.72%) due to accrued compensated absences liquidations.

**Table 2 - Changes of Net Position**

| | Unrestricted | Net Investment in Capital Assets | Restricted |
|---|---|---|---|
| Beginning Balance | $1,608,363 | $2,667,077 | $8,608 |
| Results of Operations | 1,865,664 | 0 | 48,288 |
| Adjustments: | | | |
| Current year Depreciation Expense (1) | 408,024 | (408,024) | |
| Restriction of Net Position for OPEB Asset | (6,850) | | 6,850 |
| Net Current Year Additions and Other Items | (240,090) | 240,090 | |
| Ending Balance | $3,635,111 | $2,499,143 | $63,746 |

1) Depreciation is treated as an expense and reduces the results of operations, but does not have an impact on Unrestricted Net Position
2) Capital Asset Additions were funded with Unrestricted Net Position

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

| | 2024 | 2023 |
|---|---|---|
| **Revenues** | | |
| Tenant Revenue | $ 861,107 | 894,967 |
| Government Operating Grants | 4,276,394 | 295,171 |
| Investment Income and Other Revenues | 113,562 | 124,969 |
| Gain/Loss on Sale of Capital Assets | (51,205) | - |
| **Total Revenues** | **5,199,858** | **1,315,107** |
| **Expenses** | | |
| Administrative | 337,236 | 201,827 |
| Utilities | 433,011 | 446,618 |
| Tenant Services | 6,522 | - |
| Ordinary Maintenance and Operation | 1,598,910 | 655,942 |
| General Expenses | 218,227 | 274,820 |
| Housing Assistance Payments | 283,976 | 321,735 |
| Depreciation | 408,024 | 407,735 |
| **Total Expenses** | **3,285,906** | **2,308,677** |
| Net Increases (Decreases) | 1,913,952 | (993,570) |
| Beginning net position | 4,284,048 | 5,277,618 |
| **Total net position - ending** | **$ 6,198,000** | **$ 4,284,048** |

**Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Position**

Tenant revenue decreased $33,860 (-3.78%). Government Operating Grants from the Department of Housing and Urban Development increased $3,981,223 as the Authority drew down a large amount of available Operating Funds. Other categories of revenue remained relatively stable.

Administrative, and Maintenance expenses increased as the Authority re-staffed after a large turnover and invested in improving property conditions. General Expenses reduced due to a one-time reduction in accrued vacation liability.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2024, the Authority had $2,517,997 invested in capital assets as reflected in the following schedule, which represents a net change due to current year additions, disposals, and depreciation.

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

**Table 4 - Condensed Statement of Changes in Capital Assets**

| | **2024** | **2023** |
|---|---|---|
| Land | $ 500,242 | $ 500,242 |
| Building and Improvement | 16,150,766 | 16,108,427 |
| Furniture & Equipment - Dwelling | | 269,087 |
| Furniture & Equipment - Nondwelling | 609,349 | 331,662 |
| Accumulated Depreciation | (14,742,360) | (14,542,341) |
| Total | $ 2,517,997 | $ 2,667,077 |

**Table 5 - Changes in Capital Assets**

| | |
|---|---|
| Beginning Balance | $ 2,667,077 |
| Current year Additions, Dispositions, and Other Changes | 258,944 |
| Current year Depreciation Expense | (408,024) |
| Ending Balance | $ 2,517,997 |

### Debt Outstanding

As of the fiscal year-end, the Authority had $18,854 in capital debt that represents a liability for Subscription Based Information Technology Arrangements (SBITA) per GASB 96.

## ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance
- Inflationary pressure on utility rates, supplies and other costs

## FINANCIAL CONTACT

The individual to be contacted regarding this report is Katie Jones; Executive Director for the Ironton Metropolitan Housing Authority, at (740) 532-8658. Specific requests may be submitted to the Authority at 720 Washington Street, Ironton, OH 45638

**IRONTON METROPOLITAN HOUSING AUTHORITY**
**STATEMENT OF NET POSITION**
**SEPTEMBER 30, 2024**

| | |
|---|---|
| **ASSETS** | |
| **Current assets** | |
| Cash and cash equivalents, unrestricted | $ 3,811,550 |
| Cash and cash equivalents, restricted | 124,930 |
| Receivables, net | 73,890 |
| Prepaid Expenses | 15,140 |
| **Total current assets** | **4,025,510** |
| **Noncurrent assets** | |
| Capital assets: | |
| Non-Depreciable capital assets | 500,242 |
| Depreciable capital assets, net | 2,017,755 |
| **Total capital assets** | 2,517,997 |
| Other Asset | 6,850 |
| **Total noncurrent assets** | **2,524,847** |
| **Total assets** | **$ 6,550,357** |
| **Deferred Outflows of Resources** | |
| Pension | 169,179 |
| OPEB | 5,877 |
| **Total Deferred Outflows of Resources** | **175,056** |
| **Total Assets and Deferred Outflows of Resources** | **$6,725,413** |
| **LIABILITIES** | |
| **Current liabilities** | |
| Accounts payable | $ 48,666 |
| Accrued wage and payroll taxes payable | 36,777 |
| Accrued compensated absences - current portion | 20,766 |
| Accounts payable - other government | 81,802 |
| Tenant security deposits | 68,034 |
| Unearned revenue | 8,291 |
| Long term debt - current portion | 9,197 |
| Other current liabilities | 1,815 |
| **Total current liabilities** | **275,348** |
| **Noncurrent liabilities** | |
| Long term debt, net of current portion | 9,657 |
| Accrued compensated absences - non current portion | 25,379 |
| Net pension liability | 213,109 |
| **Total noncurrent liabilities** | **248,145** |
| **Total liabilities** | **$ 523,493** |
| **Deferred Inflows of Resources** | |
| OPEB | 3,920 |
| **Total Deferred Inflows of Resources** | **3,920** |
| **NET POSITION** | |
| Invested in capital assets | 2,499,143 |
| Restricted net position | 63,746 |
| Unrestricted net position | 3,635,111 |
| **Total net position** | **6,198,000** |
| **Total Liabilites, Deferred Inflows of Resources and Net Position** | **$ 6,725,413** |

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

**IRONTON METROPOLITAN HOUSING AUTHORITY**
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | |
|---|---|
| **OPERATING REVENUES** | |
| Tenant revenue | $ 861,107 |
| Operating grants | 4,276,394 |
| Gain/Loss on sale of capital assets | (51,205) |
| Other operating revenue | 89,012 |
| **Total operating revenues** | **5,175,308** |
| **OPERATING EXPENSES** | |
| Administrative | 372,236 |
| Utilities | 433,011 |
| Tenant Services | 6,522 |
| Ordinary maintenance and operation | 1,563,910 |
| General and insurance | 218,227 |
| Housing assistance payments | 283,976 |
| Depreciation | 408,024 |
| **Total operating expenses** | **3,285,906** |
| **Operating income (loss)** | **1,889,402** |
| **NONOPERATING REVENUES (EXPENSES)** | |
| Interest income | 24,550 |
| **Total nonoperating revenues (expenses)** | **24,550** |
| Change in net position | 1,913,952 |
| Beginning net position | 4,284,048 |
| **Total net position - ending** | **$ 6,198,000** |

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

**IRONTON METROPOLITAN HOUSING AUTHORITY**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| | | |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| Cash received from HUD | $ | 4,276,394 |
| Cash received from tenants | | 841,691 |
| Cash received from other revenue | | 89,012 |
| Cash payments for housing assistance payments | | (283,976) |
| Cash payments to employees | | (360,271) |
| Cash payments for administrative and other operating expenses | | (2,231,864) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | | **2,330,986** |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:** | | |
| Purchase of capital assets and other changes | | (278,579) |
| Acquisition of Software Based Information Technology Arrangement | | (31,570) |
| Proceeds from capital financing | | 18,854 |
| Other | | 781 |
| **NET CASH (USED) BY CAPITAL AND FINANCING ACTIVITIES** | | **(290,514)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| Investment Income | | 24,550 |
| **NET CASH PROVIDED BY INVESTING ACTIVITIES** | | **24,550** |
| **CHANGE IN CASH AND CASH EQUIVALENTS** | | **2,065,022** |
| **CASH AND CASH EQUIVALENTS, BEGINNING** | | **1,871,458** |
| **CASH AND CASH EQUIVALENTS, ENDING** | **$** | **3,936,480** |
| **RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:** | | |
| Operating income | $ | 1,889,402 |
| Adjustments to reconcile operating loss to net cash (used) by operating activities | | |
| Depreciation | | 408,024 |
| (Increase) decrease in: | | |
| Receivables - net of allowance | | 88,124 |
| Prepaid expenses | | (2,165) |
| OPEB Asset | | (6,850) |
| Deferred Outflow of Resources | | 3,385 |
| Increase (decrease) in: | | |
| Accounts payable | | 42,915 |
| Accrued wages/payroll taxes | | 31,107 |
| Accrued compensated absences | | 3,243 |
| Account payable - other government | | 35,624 |
| Accrued Liabilities other and other current liabilities | | (45,130) |
| Tenant security deposits | | 5,766 |
| Unearned Revenue | | 8,291 |
| Noncurrent Liabilities - Other | | - |
| Accrued Pension and OPEB Liabilities | | (132,449) |
| Deferred Inflows | | 1,699 |
| | | 441,584 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **$** | **2,330,986** |

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

## 1. DESCRIPTION OF THE REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ironton Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code.

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

Description of the Programs

*A. PUBLIC HOUSING PROGRAM*

The public housing program is designed to provide low-cost housing within Lawrence County. Under this program, HUD provides funding via an annual contributions 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 (CFP)*

The Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

*C. HOUSING ASSISTANCE PAYMENTS PROGRAM - SECTION 8*

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

Reporting Entity

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

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2024.

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

Basis of Presentation

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

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

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

Fund Accounting

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

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

Proprietary Fund Types

Proprietary funds are used to account for the Authority's ongoing activities which are like those found in the private sector. The following is the Authority's only 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 a periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of 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.

Cash and Cash Equivalents

For the statement of cash flows, cash and cash equivalents all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash and Investments

Restricted cash and investments represent amounts received from HUD to be used strictly for providing housing assistance to families and individuals in need. As of September 30, 2024, total restricted cash to be used for housing assistance was $56,896.

Accounts Receivable-Net

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for uncollectable receivables was $170,479 as of September 30, 2024.

Due From/To Other Programs

There were no Inter-program receivables and payables as of September 30, 2024, on the Financial Data Schedule.

Prepaid Items

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

Accounting and Reporting for Non-exchange Transactions

Non-exchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

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

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

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

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

The Authority's grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions. GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

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

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

Capital Assets

The capital asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated. The Authority uses a capitalization threshold of $5,000.

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

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

| Description | Estimated Lives |
| --- | --- |
| Buildings | 20-40 years |
| Building Improvements | 20 years |
| Equipment, Furniture and Fixtures | 5-10 years |
| Other Equipment and Machinery | 3-10 years |

Capital assets acquired from resources externally restricted for capital acquisition (e.g. capital grants) are recorded as revenue in the benefiting proprietary fund. Depreciation on these assets is recorded as an expense.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 101, *Accounting for Compensated Absences*. Vacation leave, sick leave, and other compensated absences are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a current liability.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal period.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD.

Pensions/Other Postemployment Benefits (OPEB)

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

Deferred Inflow/Outflow 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 will not be recognized as an outflow of resources (expenses/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 5 and 6.

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 basic statement of net position. The deferred inflows of resources related to pension and OPEB are explained in Note 5 and 6.

Net Position

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. The investment in capital assets consists of capital assets net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority did report restricted net position of $63,746, including HAP reserves of $56,896 and amounts restricted for OPEB Asset as of September 30, 2024.

## 2. DEPOSITS AND INVESTMENTS

The provisions of GASB Statement No. 40, Deposit *and Investment Risk Disclosures*, requires the disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

### A. Deposits

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

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

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

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

At fiscal year end, the carrying amount of the Authority's deposits was $3,936,480 and the bank balance was $4,014,656.

*Custodial Credit Risk*

Custodial Credit Risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. The financial institution collateral pool that insures public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of the fiscal year-end deposits totaling $591,173 were covered by Federal Deposit Insurance.

**B. Investments**

HUD, State Statue, and Board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investment to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Authority's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* and records all its investments at fair value.

*Interest Rate Risk*

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires those funds which are not operating reserve funds to be invested in investments with a maximum term of one ear or the Authority's operating cycle. For investments of the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

*Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk*

Generally, the Authority places on limit on the amount it may invest in any one insurer. However, the investment policy limits the investment of HUD – approved mutual funds to no more than 20 percent of the Authority's available investment funds. The Authority's deposits in financial institutions represent 100 percent of its deposits.

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of the year-end, the Authority had no exposure to foreign currency rate risk, as regulated by HUD.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.12(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee."

## 3. RESTRICTED CASH

The Authority had $124,930 in restricted cash as of September 30, 2024. Restricted cash is the unspent HAP funding provided for the Housing Choice Voucher program and tenant security deposits.

**4. CAPITAL ASSETS**

The following is a summary of capital assets on September 30, 2024:

| | Balance 9/30/2023 | Additions | Other Adjustment | Disposals | Balance 9/30/2024 |
|---|---|---|---|---|---|
| **Capital Assets Not Depreciated:** | | | | | |
| Land | $500,242 | $0 | | $0 | $500,242 |
| **Total Capital Assets Not Depreciated** | **500,242** | **0** | | **0** | **500,242** |
| **Capital Assets Depreciated:** | | | | | |
| Building and Improvements | 16,108,427 | 42,339 | | 0 | 16,150,766 |
| Dwelling Equipment | 269,087 | | (9,877) | (259,210) | 0 |
| Furnt, Mach. and Equip. - NonDwelling | 331,662 | 185,816 | 9,877 | | 527,355 |
| Intangible SBITA Asset (see note 9) | 0 | 81,994 | | | 81,994 |
| **Total Capital Assets Being Depreciated** | **16,709,176** | **310,149** | | **(259,210)** | **16,760,115** |
| **Accumulated Depreciation:** | | | | | |
| Building and Improvements | (14,019,439) | (376,718) | | 0 | (14,396,157) |
| Dwelling Equipment | (215,839) | 0 | 7,834 | 208,005 | 0 |
| Furnt, Mach. and Equip. - NonDwelling | (307,063) | (31,306) | (7,834) | | (346,203) |
| **Total Accumulated Depreciation** | **(14,542,341)** | **(408,024)** | | **208,005** | **(14,742,360)** |
| **Total Capital Assets Depreciated, Net** | **2,166,835** | **(97,875)** | **0** | **(51,205)** | **2,017,755** |
| **Total Capital Assets, Net** | **$2,667,077** | **($97,875)** | **$0** | **($51,205)** | **$2,517,997** |

## NOTE 5: DEFINED BENEFIT PENSION PLAN

### Net Pension Liability

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

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

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

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

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

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

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

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

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

| **Group A**<br>Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | **Group B**<br>20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | **Group C**<br>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:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 62 with 5 years of service credit or Age 57 with 25 years of service credit |
| **Formula:**<br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | **Formula:**<br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | **Formula:**<br>2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

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

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

A death benefit of $500 - $2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

| | State and Local |
|---|---|
| **The Statutory Maximum Contribution Rates:** | |
| - Employer | 14.00% |
| - Employee | 10.00% |

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan employer contributions allocated to health care was 0.0 percent for 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for pension was $18,748 for the OPERS plan year 2024.

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

The total Pension liability was determined by an actuarial valuation as of December 31, 2023 which was also the measurement date. The total pension liability was used to calculate the net pension liability. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | Traditional Plan |
|---|---|
| Proportionate Share of Net Pension Liability | $213,109 |
| Proportion of the Net Pension Liability | |
| - Prior Measurement Date | 0.001147% |
| - Current Measurement Date | 0.000814% |
| Change in Proportion from Prior | -0.000333% |
| Pension Expense (Income) | $24,013 |

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

| | Traditional Plan |
|---|---|
| **Deferred Outflows of Resources** | |
| Net Difference between projected and actual earnings on pension plan investments | $43,014 |
| Difference between expected and actual experience | 3,483 |
| Change in proportionate share and difference between Employer contribution and proportionate share of contribution | 77,606 |
| Authority contributions subsequent to the measurement date | 45,076 |
| Total Deferred Outflows of Resources | $169,179 |

| | Traditional Plan |
|---|---|
| **Deferred Inflows of Resources** | -0- |

$45,076 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, 2024. $77,606 in changes in Proportionate share are amortized over 5 years. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | Traditional Plan |
|---|---|
| Fiscal Year Ending September 30: | |
| 2025 | ($10,749) |
| 2026 | (14,424) |
| 2027 | (27,449) |
| 2028 | 6,125 |
| Total | ($46,497) |

***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 OPERS report used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

| **Actuarial Information** | **Traditional Plan** |
|---|---|
| Measurement and Valuation Date | December 31, 2023 |
| Experience Study | 5-year ended 12/31/2020 |
| Actuarial Cost Method | Individual entry age |
| Actuarial Assumption: | |
| Investment Rate of Return | 6.9% |
| Wage Inflation | 2.75% |
| Future Salary Increases, including inflation 2.75% | 2.75 - 10.75 % |
| Cost-of-Living Adjustment | Pre 01/07/13 Retirees: 3.0% Simple<br>Post 01/07/13 Retirees: 3.0% Simple through 2024, then 2.05% Simple |

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

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of 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:

| Asset Class | Target Allocation as of December 31, 2023 | Weighted Average Long-Term Expected Real Rate of Return |
|---|---|---|
| Fixed Income | 24.00% | 2.62% |
| Domestic Equities | 21.00% | 4.60% |
| Real Estate | 13.00% | 3.27% |
| Private Equity | 15.00% | 7.53% |
| International Equities | 20.00% | 5.51% |
| Risk Parity | 2.00% | 4.37% |
| Other Investments | 5.00% | 3.27% |
| TOTAL | 100.00% | |

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2% for 2023.

The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

| | 1% Decrease (5.9%) | Current Discount Rate (6.9%) | 1% Increase (7.9%) |
|---|---|---|---|
| Authority's proportionate share of the net pension liability | | | |
| - Traditional Pension Plan | $335,490 | $213,109 | $111,322 |

## NOTE 6: OTHER POST EMPLOYMENT BENEFITS

### *Net OPEB Liability*

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

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

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 assumes the liability is solely the obligation of the employer, because (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 OPEB plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each OPEB plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net OPEB liability / asset. Resulting adjustments to the net OPEB liability / asset would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability / asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

### *Plan Description – Ohio Public Employees Retirement System (OPERS)*

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information. The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2022 remained at 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

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

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability/asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | **Health Care Plan** |
|---|---|
| Proportionate Share of Net OPEB Liability (Asset) | ($6,850) |
| | |
| Proportion of the Net OPEB Liability | |
| - Prior Measurement Date | 0.001068% |
| - Current Meassurement Date | 0.000759% |
| | |
| Change in Proportion from Prior Year | -0.000309% |
| | |
| OPEB Expense (Revenue) | ($736) |

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

| | **Health Care Plan** |
|---|---|
| **Deferred Outflows of Resources** | |
| Net Difference between projected and actual earnings on pension plan investments | $ 4,114 |
| Changes of Assumptions | 1,763 |
| | |
| Total Deferred Outflows of Resources | $5,877 |
| | |
| **Deferred Inflows of Resources** | |
| Changes of Assumptions | 974 |
| Difference between expected and actual experience | 2,946 |
| | |
| Total Deferred Inflows of Resources | $3,920 |

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

| | Health Care Plan |
|---|---|
| Fiscal Year Ending September 30: | |
| 2025 | $174 |
| 2026 | (318) |
| 2027 | (3,202) |
| 2028 | 1,389 |
| Total | ($1,957) |

***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 (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions.

The actuarial valuation used the following key actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| **Actuarial Information** | |
|---|---|
| Actuarial Valuation Date | December 31, 2022 |
| Rolled-Forward Measurement Date | December 31, 2023 |
| Experience Study | 5-Year Period Ended December 31, 2020 |
| Actuarial Cost Method | Individual entry age |
| Actuarial Assumptions | |
| Single Discount Rate | 5.70% |
| Investment Rate of Return | 6.00% |
| Municipal Bond Rate | 3.77% |
| Wage Inflation | 2.75% |
| Future Salary Increases, including inflation 2.75% | 2.75 - 10.75% |
| Health Care Cost Trend Rate | 5.5% initial, 3.5% ultimate in 2038 |

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.

A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2023. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, the duration of the projection period through which projected health care payments are fully funded.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

| **Asset Class** | **Target Allocation as of December 31, 2023** | **Weighted Average Long-Term Expected Real Rate of Return** |
|---|---|---|
| Fixed Income | 37.00% | 2.82% |
| Domestic Equities | 25.00% | 4.27% |
| REITs | 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% | |

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% for 2023.

The following table presents the net OPEB liability or asset calculated using the single discount rate of 5.70%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

| | **1% Decrease (4.70%)** | **Single Discount Rate (5.70%)** | **1% Increase (6.70%)** |
|---|---|---|---|
| Authority's proportionate share of the net OPEB liability (asset) | $3,765 | ($6,850) | ($15,643) |

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 or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| Authority's proportionate share of the net OPEB liability | ($7,134) | ($6,850) | ($6,527) |

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the 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% in the most recent valuation.

## 7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities on September 30, 2024:

| | Balance 9/30/2023 | Additions | Deletions | Balance 9/30/2024 | Due Within One Year |
|---|---|---|---|---|---|
| Compensated Absences | $42,902 | $23,905 | ($20,662) | $46,145 | $20,766 |
| Capital Debt | - | 18,854 | - | 18,854 | 9,197 |
| Net Pension and OPEB Liabilities | 345,558 | (132,449) | 0 | 213,109 | 0 |
| Total Long-Term Liabilities | $388,460 | ($89,690) | ($20,662) | $278,108 | $29,963 |

See Note 5 for information on the Authority's net pension liability.
See Note 6 for information on the Authority's net OPEB liability.

## 8. CONTINGENT LIABILITIES

### A. Grants

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

**B. Litigation**

No contingent liabilities concerning litigation are known at the date this report is issued.

## 9. CHANGES IN ACCOUNTING PRINCIPLES – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA's)

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements": This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The Authority purchased new software during the spring of 2024 and has implemented the GASB 96 accounting standards in the fiscal year ended September 30, 2024. The non-cancelable term of the SBITA (software license) is three years commencing April 2024.

Based upon payments made at inception, and subsequent payments in the current and future years, the Authority reported an Intangible SBITA Asset of $81,994 as of September 30, 2024. The discount rate used to calculate the SBITA Asset was 5%.

At September 30, 2024 the Authority also recorded a SBITA liability in the amount of $18,854. The SBITA liability also used a discount rate of 5%. There are two payments remaining over the next two fiscal years, before the non-cancelable term of the contract ends. These payments are as follows:

| Fiscal Year | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $9,197 | $943 | $10,140 |
| 2026 | 9,657 | 483 | 10,140 |

## 10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP. The Authority pays insurance premiums directly to SHARP. Premiums are paid on an annual prepaid basis. The Authority also pays unemployment claims to the State of Ohio as incurred.

The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from coverage in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## 11. RECEIVABLES

Receivables at September 30, 2024, consisted of accounts receivable from tenants for rent and materials, miscellaneous receivables which includes late charges and utilities owed to the Authority by the tenants and accrued interest receivable.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of 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 | 0.000814% | 0.001147% | 0.001341% | 0.001377% | 0.001358% | 0.001417% | 0.001367% | 0.001105% | 0.001427% | 0.001488% |
| Authority's Proportionate Share of the Net Pension Liability | $ 213,109 | $ 338,824 | $116,672 | $203,904 | $268,148 | $388,088 | $214,456 | $250,927 | $247,174 | $179,469 |
| Authority's Covered-Employee Payroll | $ 133,912 | $ 166,629 | $193,579 | $192,171 | $192,843 | $190,443 | $205,715 | $149,231 | $126,258 | $183,233 |
| Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll | 159.14% | 203.34% | 60.27% | 106.11% | 139.05% | 203.78% | 104.25% | 168.15% | 195.77% | 97.95% |
| 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% | 81.10% | 86.50% |

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

See accompanying notes to the required supplementary information.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - Pension
Ohio Public Employees Retirement System
Last Ten Fiscal Years

| **Traditional Plan** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution | | | | | | | | | | |
| Pension | $ 18,748 | $ 23,328 | $ 27,101 | $26,904 | $26,998 | $26,662 | $26,743 | $19,400 | $15,151 | $21,988 |
| Contributions in Relation to the Contractually Required Contribution | (18,748) | (23,328) | (27,701) | (26,904) | (26,998) | (26,662) | (26,743) | (19,400) | (15,151) | (21,988) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority's Covered-Employee Payroll | $ 133,912 | $ 166,629 | $193,579 | $192,171 | $192,843 | $190,443 | $205,715 | $149,231 | $126,258 | $183,233 |
| Contributions as a Percentage of Covered-Employee Payroll | | | | | | | | | | |
| Pension | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% | 13.00% | 13.00% | 12.00% |

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

See accompanying notes to the required supplementary information.

# Ironton Metropolitan Housing Authority
## Required Supplementary Information
## Schedule of the Authority Proportionate Share of the Net OPEB Liability (Assets)
## Ohio Public Employees Retirement System
## Last Eight Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Authority's Proportion of the Net OPEB Liability/Asset | 0.000759% | 0.001068% | 0.001248% | 0.001282% | 0.001265% | 0.001319% | 0.001280% | 0.001030% |
| Authority's Proportionate Share of the Net OPEB Liability (Asset) | $ (6,850) | $ 6,734 | $ (39,089) | $ (22,841) | $ 174,729 | $ 171,966 | $ 138,999 | $ 104,033 |
| Authority's Covered-Employee Payroll | $ 133,912 | $ 166,629 | $ 193,579 | $ 192,171 | $ 192,843 | $ 190,443 | $ 205,715 | $ 149,231 |
| Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll | (5.12%) | 4.04% | (20.19%) | (11.89%) | 90.61% | 90.30% | 67.57% | 69.71% |
| 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) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

2) Information prior to 2017 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

See accompanying notes to the required supplementary information.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - OPEB
Ohio Public Employees Retirement System
Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution | | | | | | | | | | |
| OPEB | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,616 | $ 2,985 | $ 2,525 | $ 3,665 |
| Contributions in Relation to the Contractually Required Contribution | $ - | $ - | $ - | $ - | $ - | $ - | $ (1,616) | $ (2,985) | $ (2,525) | $ (3,665) |
| Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority's Covered-Employee Payroll | $ 133,912 | $ 166,629 | $193,579 | $192,171 | $192,843 | $190,443 | $205,715 | $149,231 | $126,258 | $183,233 |
| Contributions as a Percentage of Covered-Employee Payroll | | | | | | | | | | |
| OPEB | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.79% | 2.00% | 2.00% | 2.00% |

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

See accompanying notes to the required supplementary information.

***Ohio Public Employees' Retirement System***

## Net Pension Liability

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014- 2024.

*Changes in assumptions:* There was no change in assumptions in the current year for investment rate of return. For the OPERS plan years 2022 and 2023 the investment rate of return was assumed to be 6.90 percent for purposes of discounting the pension liability. There was no change in assumptions in the current year for wage inflation. For OPERS plan years 2022 and 2023 the wage inflation was assumed to be 2.75 percent. For both the 2022 and 2023 OPERS plan years, the projected salary increases were 2.75 percent to 10.75 percent including wage inflation at 2.75 percent. For both the 2022 and 2023 OPERS plan years, the cost of living adjustments were 3.00 percent simple for pre 1/7/2013 retirees, and 3.00 percent simple through 2023 and 2024 respectively, then 2.05 percent simple.

## Net OPEB Asset

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

*Changes in assumptions:* The single discount rate used to determine the net OPEB liability (asset) was 5.22 percent for OPERS plan year 2022, and 5.70 percent for OPERS plan year 2023. The investment rate of return was assumed to be 6.00 percent for both the 2022 and 2023 OPERS plan years. The municipal bond rate used to determine the net OPEB liability (asset) was 4.05 percent for OPERS plan year 2022, and 3.77 percent for OPERS plan year 2023. For OPERS plan years 2022 and 2023 the wage inflation was assumed to be 2.75 percent. For both the 2022 and 2023 OPERS plan years, the projected salary increases were 2.75 percent to 10.75 percent including wage inflation at 2.75 percent. For both the 2022 and 2023 OPERS plan years, the Health Care Cost Trend Rate was 5.50 percent initial, 3.5 percent ultimate in 2036 and 2038 respectively.

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit | Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 111 Cash - Unrestricted | $3,550,574 | $260,976 | $3,811,550 | | $3,811,550 |
| 112 Cash - Restricted - Modernization and Development | | | | | |
| 113 Cash - Other Restricted | | $56,896 | $56,896 | | $56,896 |
| 114 Cash - Tenant Security Deposits | $68,034 | | $68,034 | | $68,034 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | | |
| 100 Total Cash | $3,618,608 | $317,872 | $3,936,480 | | $3,936,480 |
| | | | | | |
| 121 Accounts Receivable - PHA Projects | | $5,031 | $5,031 | | $5,031 |
| 122 Accounts Receivable - HUD Other Projects | | | | | |
| 124 Accounts Receivable - Other Government | | | | | |
| 125 Accounts Receivable - Miscellaneous | | $15,997 | $15,997 | | $15,997 |
| 126 Accounts Receivable - Tenants | $198,505 | | $198,505 | | $198,505 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -$170,479 | | -$170,479 | | -$170,479 |
| 126.2 Allowance for Doubtful Accounts - Other | | $0 | $0 | | $0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | | | |
| 128 Fraud Recovery | | | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | |
| 129 Accrued Interest Receivable | $21,262 | $3,574 | $24,836 | | $24,836 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | $49,288 | $24,602 | $73,890 | | $73,890 |
| | | | | | |
| 131 Investments - Unrestricted | | | | | |
| 132 Investments - Restricted | | | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | | | |
| 142 Prepaid Expenses and Other Assets | $15,140 | | $15,140 | | $15,140 |
| 143 Inventories | | | | | |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit | Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 143.1 Allowance for Obsolete Inventories | | | | | |
| 144 Inter Program Due From | | | | | |
| 145 Assets Held for Sale | | | | | |
| 150 Total Current Assets | $3,683,036 | $342,474 | $4,025,510 | | $4,025,510 |
| | | | | | |
| 161 Land | $500,242 | | $500,242 | | $500,242 |
| 162 Buildings | $16,150,766 | | $16,150,766 | | $16,150,766 |
| 163 Furniture, Equipment & Machinery - Dwellings | | | | | |
| 164 Furniture, Equipment & Machinery - Administration | $607,789 | $1,560 | $609,349 | | $609,349 |
| 165 Leasehold Improvements | | | | | |
| 166 Accumulated Depreciation | -$14,740,800 | -$1,560 | -$14,742,360 | | -$14,742,360 |
| 167 Construction in Progress | | | | | |
| 168 Infrastructure | | | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | $2,517,997 | $0 | $2,517,997 | | $2,517,997 |
| | | | | | |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past | | | | | |
| 173 Grants Receivable - Non Current | | | | | |
| 174 Other Assets | $6,850 | | $6,850 | | $6,850 |
| 176 Investments in Joint Ventures | | | | | |
| 180 Total Non-Current Assets | $2,524,847 | $0 | $2,524,847 | | $2,524,847 |
| | | | | | |
| 200 Deferred Outflow of Resources | $175,056 | | $175,056 | | $175,056 |
| | | | | | |
| 290 Total Assets and Deferred Outflow of Resources | $6,382,939 | $342,474 | $6,725,413 | | $6,725,413 |
| | | | | | |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit    Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 311 Bank Overdraft | | | | | |
| 312 Accounts Payable <= 90 Days | $48,666 | | $48,666 | | $48,666 |
| 313 Accounts Payable >90 Days Past Due | | | | | |
| 321 Accrued Wage/Payroll Taxes Payable | $36,777 | | $36,777 | | $36,777 |
| 322 Accrued Compensated Absences - Current Portion | $18,066 | $2,700 | $20,766 | | $20,766 |
| 324 Accrued Contingency Liability | | | | | |
| 325 Accrued Interest Payable | | | | | |
| 331 Accounts Payable - HUD PHA Programs | | | | | |
| 332 Account Payable - PHA Projects | | | | | |
| 333 Accounts Payable - Other Government | $81,802 | | $81,802 | | $81,802 |
| 341 Tenant Security Deposits | $68,034 | | $68,034 | | $68,034 |
| 342 Unearned Revenue | $8,291 | | $8,291 | | $8,291 |
| 343 Current Portion of Long-term Debt - Capital | $9,197 | | $9,197 | | $9,197 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | | | |
| 345 Other Current Liabilities | $1,815 | | $1,815 | | $1,815 |
| 346 Accrued Liabilities - Other | | | | | |
| 347 Inter Program - Due To | | | | | |
| 348 Loan Liability - Current | | | | | |
| 310 Total Current Liabilities | $272,648 | $2,700 | $275,348 | | $275,348 |
| | | | | | |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage | $9,657 | | $9,657 | | $9,657 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | | | |
| 353 Non-current Liabilities - Other | | | | | |
| 354 Accrued Compensated Absences - Non Current | $22,080 | $3,299 | $25,379 | | $25,379 |
| 355 Loan Liability - Non Current | | | | | |
| 356 FASB 5 Liabilities | | | | | |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 357 Accrued Pension and OPEB Liabilities | $213,109 | | $213,109 | | $213,109 |
| 350 Total Non-Current Liabilities | $244,846 | $3,299 | $248,145 | | $248,145 |
| | | | | | |
| 300 Total Liabilities | $517,494 | $5,999 | $523,493 | | $523,493 |
| | | | | | |
| 400 Deferred Inflow of Resources | $3,920 | | $3,920 | | $3,920 |
| | | | | | |
| 508.4 Net Investment in Capital Assets | $2,499,143 | | $2,499,143 | | $2,499,143 |
| 511.4 Restricted Net Position | $6,850 | $56,896 | $63,746 | | $63,746 |
| 512.4 Unrestricted Net Position | $3,355,532 | $279,579 | $3,635,111 | | $3,635,111 |
| 513 Total Equity - Net Assets / Position | $5,861,525 | $336,475 | $6,198,000 | | $6,198,000 |
| | | | | | |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - | $6,382,939 | $342,474 | $6,725,413 | | $6,725,413 |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 70300 Net Tenant Rental Revenue | $782,100 | | $782,100 | | $782,100 |
| 70400 Tenant Revenue - Other | $79,007 | | $79,007 | | $79,007 |
| 70500 Total Tenant Revenue | $861,107 | $0 | $861,107 | | $861,107 |
| | | | | | |
| 70600 HUD PHA Operating Grants | $3,955,181 | $321,213 | $4,276,394 | | $4,276,394 |
| 70610 Capital Grants | | | | | |
| 70710 Management Fee | | | | | |
| 70720 Asset Management Fee | | | | | |
| 70730 Book Keeping Fee | | | | | |
| 70740 Front Line Service Fee | | | | | |
| 70750 Other Fees | | | | | |
| 70700 Total Fee Revenue | | | | | |
| | | | | | |
| 70800 Other Government Grants | | | | | |
| 71100 Investment Income - Unrestricted | $20,967 | $3,583 | $24,550 | | $24,550 |
| 71200 Mortgage Interest Income | | | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | | | |
| 71310 Cost of Sale of Assets | | | | | |
| 71400 Fraud Recovery | | | | | |
| 71500 Other Revenue | $16,454 | $72,558 | $89,012 | | $89,012 |
| 71600 Gain or Loss on Sale of Capital Assets | -$51,205 | | -$51,205 | | -$51,205 |
| 72000 Investment Income - Restricted | | | | | |
| 70000 Total Revenue | $4,802,504 | $397,354 | $5,199,858 | | $5,199,858 |
| | | | | | |
| 91100 Administrative Salaries | $183,372 | $47,314 | $230,686 | | $230,686 |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit    Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 91200 Auditing Fees | | | | | |
| 91300 Management Fee | | | | | |
| 91310 Book-keeping Fee | | | | | |
| 91400 Advertising and Marketing | | | | | |
| 91500 Employee Benefit contributions - Administrative | $57,610 | $2,278 | $59,888 | | $59,888 |
| 91600 Office Expenses | $28,539 | $8,948 | $37,487 | | $37,487 |
| 91700 Legal Expense | $3,195 | | $3,195 | | $3,195 |
| 91800 Travel | $850 | $199 | $1,049 | | $1,049 |
| 91810 Allocated Overhead | | | | | |
| 91900 Other | $36,752 | $3,179 | $39,931 | | $39,931 |
| 91000 Total Operating - Administrative | $310,318 | $61,918 | $372,236 | | $372,236 |
| | | | | | |
| 92000 Asset Management Fee | | | | | |
| 92100 Tenant Services - Salaries | | | | | |
| 92200 Relocation Costs | | | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | | | |
| 92400 Tenant Services - Other | $6,522 | | $6,522 | | $6,522 |
| 92500 Total Tenant Services | $6,522 | $0 | $6,522 | | $6,522 |
| | | | | | |
| 93100 Water | $144,171 | | $144,171 | | $144,171 |
| 93200 Electricity | $248,115 | | $248,115 | | $248,115 |
| 93300 Gas | $36,687 | | $36,687 | | $36,687 |
| 93400 Fuel | | | | | |
| 93500 Labor | | | | | |
| 93600 Sewer | $4,038 | | $4,038 | | $4,038 |
| 93700 Employee Benefit Contributions - Utilities | | | | | |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 93800 Other Utilities Expense | | | | | |
| 93000 Total Utilities | $433,011 | $0 | $433,011 | | $433,011 |
| | | | | | |
| 94100 Ordinary Maintenance and Operations - Labor | $129,585 | | $129,585 | | $129,585 |
| 94200 Ordinary Maintenance and Operations - Materials and | $560,168 | | $560,168 | | $560,168 |
| 94300 Ordinary Maintenance and Operations Contracts | $841,527 | | $841,527 | | $841,527 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | $32,630 | | $32,630 | | $32,630 |
| 94000 Total Maintenance | $1,563,910 | $0 | $1,563,910 | | $1,563,910 |
| | | | | | |
| 95100 Protective Services - Labor | | | | | |
| 95200 Protective Services - Other Contract Costs | | | | | |
| 95300 Protective Services - Other | | | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | | | |
| 95000 Total Protective Services | $0 | $0 | $0 | | $0 |
| | | | | | |
| 96110 Property Insurance | $24,342 | | $24,342 | | $24,342 |
| 96120 Liability Insurance | $24,342 | | $24,342 | | $24,342 |
| 96130 Workmen's Compensation | $4,868 | | $4,868 | | $4,868 |
| 96140 All Other Insurance | $7,302 | | $7,302 | | $7,302 |
| 96100 Total insurance Premiums | $60,854 | $0 | $60,854 | | $60,854 |
| | | | | | |
| 96200 Other General Expenses | $25,105 | | $25,105 | | $25,105 |
| 96210 Compensated Absences | $16,185 | -$13,603 | $2,582 | | $2,582 |
| 96300 Payments in Lieu of Taxes | $35,624 | | $35,624 | | $35,624 |
| 96400 Bad debt - Tenant Rents | $94,062 | | $94,062 | | $94,062 |
| 96500 Bad debt - Mortgages | | | | | |

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit | Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 96600 Bad debt - Other | | | | | |
| 96800 Severance Expense | | | | | |
| 96000 Total Other General Expenses | $170,976 | -$13,603 | $157,373 | | $157,373 |
| | | | | | |
| 96710 Interest of Mortgage (or Bonds) Payable | | | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | | | |
| 96730 Amortization of Bond Issue Costs | | | | | |
| 96700 Total Interest Expense and Amortization Cost | $0 | $0 | $0 | | $0 |
| | | | | | |
| 96900 Total Operating Expenses | $2,545,591 | $48,315 | $2,593,906 | | $2,593,906 |
| | | | | | |
| 97000 Excess of Operating Revenue over Operating Expenses | $2,256,913 | $349,039 | $2,605,952 | | $2,605,952 |
| | | | | | |
| 97100 Extraordinary Maintenance | | | | | |
| 97200 Casualty Losses - Non-capitalized | | | | | |
| 97300 Housing Assistance Payments | | $223,585 | $223,585 | | $223,585 |
| 97350 HAP Portability-In | | $60,391 | $60,391 | | $60,391 |
| 97400 Depreciation Expense | $408,024 | | $408,024 | | $408,024 |
| 97500 Fraud Losses | | | | | |
| 97600 Capital Outlays - Governmental Funds | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | |
| 97800 Dwelling Units Rent Expense | | | | | |
| 90000 Total Expenses | $2,953,615 | $332,291 | $3,285,906 | | $3,285,906 |
| | | | | | |
| 10010 Operating Transfer In | $866,952 | | $866,952 | | $866,952 |
| 10020 Operating transfer Out | -$866,952 | | -$866,952 | | -$866,952 |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit — Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 10030 Operating Transfers from/to Primary Government | | | | | |
| 10040 Operating Transfers from/to Component Unit | | | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | |
| 10060 Proceeds from Property Sales | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | | | |
| 10080 Special Items (Net Gain/Loss) | | | | | |
| 10091 Inter Project Excess Cash Transfer In | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | | |
| 10093 Transfers between Program and Project - In | | | | | |
| 10094 Transfers between Project and Program - Out | | | | | |
| 10100 Total Other financing Sources (Uses) | $0 | $0 | $0 | | $0 |
| | | | | | |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total | $1,848,889 | $65,063 | $1,913,952 | | $1,913,952 |
| | | | | | |
| 11020 Required Annual Debt Principal Payments | $0 | $0 | $0 | | $0 |
| 11030 Beginning Equity | $4,012,636 | $271,412 | $4,284,048 | | $4,284,048 |
| 11040 Prior Period Adjustments, Equity Transfers and | $0 | | $0 | | $0 |
| 11050 Changes in Compensated Absence Balance | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | |
| 11170 Administrative Fee Equity | | $279,579 | $279,579 | | $279,579 |
| | | | | | |
| 11180 Housing Assistance Payments Equity | | $56,896 | $56,896 | | $56,896 |

Ironton Metropolitan Housing Authority (OH019)

IRONTON, OH

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit    Fiscal Year End: 09/30/2024

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|---|---|---|---|---|
| 11190 Unit Months Available | 2988 | 683 | 3671 | | 3671 |
| 11210 Number of Unit Months Leased | 2607 | 630 | 3237 | | 3237 |
| 11270 Excess Cash | $3,206,013 | | $3,206,013 | | $3,206,013 |
| 11610 Land Purchases | $0 | | $0 | | $0 |
| 11620 Building Purchases | $0 | | $0 | | $0 |
| 11630 Furniture & Equipment - Dwelling Purchases | $0 | | $0 | | $0 |
| 11640 Furniture & Equipment - Administrative Purchases | $0 | | $0 | | $0 |
| 11650 Leasehold Improvements Purchases | $0 | | $0 | | $0 |
| 11660 Infrastructure Purchases | $0 | | $0 | | $0 |
| 13510 CFFP Debt Service Payments | $0 | | $0 | | $0 |
| 13901 Replacement Housing Factor Funds | $0 | | $0 | | $0 |

**IRONTON METROPOLITAN HOUSING AUTHORITY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

| Federal Grantor/<br>Pass Through Grantor/<br>Program/Custer Title | Pass-Through<br>Number | Federal<br>AL<br>Number | Total<br>Federal<br>Expenditures |
|---|---|---|---|
| **U.S. Department of Housing and Urban Development** | | | |
| **Direct Programs:** | | | |
| Public Housing Operating Fund | N/A | 14.850 | $ 2,758,469 |
| Housing Voucher Cluster | | | |
| Section 8 Housing Choice Vouchers | N/A | 14.871 | 321,213 |
| Total Housing Voucher Cluster | | | 321,213 |
| Public Housing Capital Fund | N/A | 14.872 | 1,196,712 |
| **Total Direct Awards** | | | **$ 4,276,394** |
| **Total U.S. Department of Housing and Urban Development** | | | **$ 4,276,394** |
| **Total Expenditures of Federal Awards** | | | **$4,276,394** |

The accompaying notes are an intergral part of this schedule.

**IRONTON METROPOLITAN HOUSING AUTHORITY**
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**2 CFR § 200.510(b)(6)**
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. 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 the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

## NOTE B – INDIRECT COST RATE

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

## NOTE C – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended September 30, 2024.

## NOTE D – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended September 30, 2024.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended September 30, 2024.

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

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

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 Ironton Metropolitan Housing Authority, Lawrence 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 September 9, 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.
Portsmouth, Ohio
September 9, 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

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Board of Commissioners:

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited Ironton Metropolitan Housing Authority's, Lawrence County, Ohio (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 Ironton Metropolitan Housing Authority's major federal programs for the year ended September 30, 2024. Ironton 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, Ironton 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.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
September 9, 2025

**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): | Public Housing Operating Fund, ALN 14.850, Public Housing Capital Fund, ALN 14.872 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > $750,000<br>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

**Summary Schedule of Prior Audit Findings**
**2 CFR § 200.511(b)**
**September 30, 2024**

| Finding Number | Finding Summary | Status | Additional Information |
|---|---|---|---|
| 2023-001 | Financial Reporting – material error on the financial statements. | Fully Corrected. | |

OHIO AUDITOR OF STATE
KEITH FABER

**IRONTON METROPOLITAN HOUSING AUTHORITY**

**LAWRENCE 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 1/20/2026**

65 East State Street, Columbus, Ohio 43215
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