



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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Board of Commissioners
Dayton Metropolitan Housing Authority
400 Wayne Ave
Dayton, OH 45401

We have reviewed the *Independent Auditors' Report* of Dayton Metropolitan Housing Authority, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2023, through June 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. Dayton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

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

June 18, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Dayton Metropolitan Housing Authority (the "Authority"), as of and for the year ended June 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 respective financial position of the Authority, as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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 audits. 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.

Auditors' 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 the Authority's pension and OPEB amounts and contributions, as listed in the table of contents, 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 GAAS, 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Entity Wide Financial Data Schedules, and the Schedule of Modernization Costs – Completed 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 GAAS. In our opinion, the schedule of expenditures of federal awards, the Entity Wide Financial Data Schedules, and the Schedule of Modernization Costs – Completed are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 on our consideration of the Authority's internal control over financial reporting and on 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 Authority's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 28, 2025

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**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

As management of the Dayton Metropolitan Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of June 30, 2024 by \$57,117,313 (a decrease of \$358,766, or 0.6 percent, from June 30, 2023).
- Net investment in capital assets, \$24,726,781 as of June 30, 2024 (a decrease of \$1,879,828, or 7.1 percent, from June 30, 2023). Unrestricted net position totaled \$30,380,033 as of June 30, 2024, (an increase of \$1,400,718 from June 30, 2023).
- The Authority had total operating revenue of \$50,404,830 (an increase of \$5,314,725 or 11.8 percent, from June 30, 2023). The Authority had total operating expenses of \$55,309,139 (an increase of \$3,674,352, or 7.1 percent, from June 30, 2023), resulting in a net operating loss of \$4,904,309 for the year ended June 30, 2024, and had other non-operating revenues and expenses in a net amount of \$(338,033), and capital contributions in the amount of \$4,883,576, resulting in a net change in total net position of \$(358,766) for the year.
- The Authority's capital additions for the year were \$1,452,039.

USING THIS ANNUAL REPORT

This Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The following is a list of the financial statements included in this report:

MD&A

Management Discussion and Analysis

Financial Statements

Statement of Net Position,
Statement of Revenues, Expenses, and Changes in Net Position,
Statement of Cash Flows,
Notes to the Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The focus of the *Statement of Net Position* is to present the available assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, which are available to the Authority. Net position is reported in three broad categories:

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

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

Unrestricted Net Position: Consists of net position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

The *Statement of Revenues, Expenses, and Changes in Net Position* is similar to an income statement. This Statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income, gains and losses on capital assets disposals, and interest expense.

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

The *Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The Statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities.

The *Notes to the Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.

The Authority administers several programs that are consolidated into a single proprietary-type enterprise fund. The more significant programs consist of the following:

Public and Indian Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. This Program is operated under an Annual Contribution Contract (ACC) with HUD. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority's Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program 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.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit, they have no right to continued assistance.

Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit, they have no right to continued assistance.

Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI) - The HOPE VI Demolition Program supports site acquisition, demolition, and relocation costs for the HOPE VI Revitalization Program. Under this Program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI Revitalization Program. This Program seeks to rebuild public housing neighborhoods through various financing and construction development agreements. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program promotes the development of local strategies to coordinate the use of assistance under the Public Housing Program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

Family Self-Sufficiency (FSS) - The FSS Program promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program and the Public Housing Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities Programs - The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units - The Authority has established component units to operate and develop affordable housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units are listed on the following page.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM), as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

Southern Montgomery GP, Inc. – Southern Montgomery GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Southern Montgomery. The development is operated by Southern Montgomery LP with Southern Montgomery GP, Inc. as the general partner. The assets, liabilities, and results of operations for Southern Montgomery GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Southern Montgomery LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

Hallmark Meridian GP, Inc. – Hallmark Meridian GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Hallmark Meridian. The development is operated by Hallmark Meridian LP with Hallmark Meridian GP, Inc. as the general partner. The assets, liabilities, and results of operations for Hallmark Meridian GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Hallmark Meridian LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Rental Assistance Demonstration Program (RAD) Entities – There are currently nine RAD properties that are also reported as Blended Component Units of the Authority at June 30, 2024. These include the properties of Telford Shroyer, Argella, City View, Lori Sue, Frederick, Quitman, Wolf Creek, Fitch Hawthorn and Revere. The properties are 100 percent owned and managed by the Authority.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

The following table represents condensed Statements of Net Position.

	2024 (in thousands)	2023 (in thousands)
<u>Assets and Deferred Outflows of Resources</u>		
Current and Other Assets	\$ 22,706	\$ 20,528
Capital Assets	28,607	29,904
Other Non-Current Assets	23,109	38,237
Deferred Outflows of Resources	3,357	6,404
Total Assets and Deferred Outflows of Resources	77,779	95,073
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
<u>Liabilities and Deferred Inflows of Resources</u>		
Current Liabilities	4,350	18,796
Non-Current Liabilities	15,375	18,467
Deferred Inflows of Resources	937	334
Total Liabilities and Deferred Inflows of Resources	20,662	37,597
<u>Net Position</u>		
Net Investment in Capital Assets	24,727	26,607
Restricted	2,010	1,890
Unrestricted	30,380	28,979
Total Net Position	57,117	57,476
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 77,779	\$ 95,073

A large portion of the Authority's net position (43.3 percent) reflects its investment in capital assets, net of related debt. The decrease from 2023 was primarily the result of annual depreciation expense net of capital asset additions. The Authority uses these capital assets (e.g., buildings, machinery, and equipment) to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

Statements of Revenues, Expenses, and Changes in Net Position

The following table represents condensed Statements of Revenues, Expenses, and Changes in Net Position.

	2024 (in thousands)	2023 (in thousands)
<u>Revenue</u>		
Tenant Rental Revenue	\$ 5,189	\$ 5,183
Government Operating Grants	44,875	38,999
Other Revenue	341	908
Total Operating Revenue	<u>50,405</u>	<u>45,090</u>
<u>Expenses</u>		
<u>Operating Expenses</u>		
Operating Expenses	21,614	21,879
Depreciation Expense	2,805	3,154
Housing Assistance Payments	30,890	26,602
Total Operating Expenses	<u>55,309</u>	<u>51,635</u>
Net Operating Gain/(Loss)	<u>(4,904)</u>	<u>(6,545)</u>
Non-Operating Revenue (Expenses)	<u>(338)</u>	<u>(247)</u>
Income (Loss) Before Contributions	<u>(5,242)</u>	<u>(6,792)</u>
Capital Contributions	4,883	9,233
Change in Net Position	<u>(359)</u>	<u>2,441</u>
 Total Net Position, Beginning of Year	 57,476	 55,150
Prior Period Adjustment	<u>-</u>	<u>(115)</u>
 Total Net Position, End of Year	 <u>\$ 57,117</u>	 <u>\$ 57,476</u>

During 2024, the net position of the Authority decreased by a total of \$358,766.

The Authority's revenues are largely governmental operating grants received from cost reimbursement and capital grants. The Authority draws down monies from the grant awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in compensated absences.

The Authority's operating grants increased by \$5,875,436. Operating expenses, excluding housing assistance payments, decreased by \$613,727. Section 8 Housing Assistance payments increased by \$4,288,079 from the previous year due to increased leasing activity. Capital contributions decreased by \$4,349,085 to \$4,883,576 during 2024. The decrease in the revenue is the result of routine fluctuations in when grant funds were spent, not a result of a gain of a funding source.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the Authority's capital assets totaled \$28,606,964 (capital assets net of accumulated depreciation) as reflected in the following schedule.

	2024 <u>(in thousands)</u>	2023 <u>(in thousands)</u>
Land	\$ 9,578	\$ 9,581
Buildings and Improvements	126,222	125,684
Equipment and Vehicles	6,084	6,019
Construction-in-Progress	645	973
Accumulated Depreciation	<u>(113,922)</u>	<u>(112,353)</u>
Total	<u><u>\$ 28,607</u></u>	<u><u>\$ 29,904</u></u>

Debt

As of June 30, 2024, the Authority had \$3,880,183 of debt, a decrease of \$14,917,709 from the prior year. The decrease was due to debt payments made during the year. Debt consists of the notes payable to the Ohio Housing Development Assistance Program (HDAP), Fannie Mae Capital Fund Financing Program (CFFP), and County Corp, and Multifamily Housing Revenue Bonds.

During 2010, the Authority obtained a modernization note from Fannie Mae for \$9,235,000 for the purpose of modernizing public housing units at four AMP locations. The note is twenty (20) years with an interest rate of 6.0 percent *per annum*. Repayment will be through a portion of future capital grant funds.

Also, during 2010, the Authority obtained a note from County Corp. for \$250,092, for the purpose of real estate acquisition in Germantown, Ohio. The note term is twenty (20) years with an interest rate of 0.0 percent *per annum*.

During 2022, the Authority issued Multifamily Housing Revenue Bonds, Series 2021A in the amount of \$8,875,000, and Series 2021B in the amount of \$6,625,000, for the purpose of making a loan to assist Southern M.C., LLC for the Southern Montgomery Apartments project. The bonds were paid in full during fiscal year 2024 with an interest rate of 0.32 percent *per annum*. An offsetting notes receivable was also recorded.

During 2024, the Authority obtained notes from HDAP for Telford Shroyer, a component unit of the Authority. Payments of principal and interest are due annually from available cash flow of Telford Shroyer until maturity in September 2051.

During 2024, the Authority's net pension obligation decreased by \$3,174,358. The net OPEB obligation decreased by \$285,386. Additional information on the Authority's long-term debt can be found on pages 29 and 30 of this report.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the Authority's budget for the 2024 fiscal year.

The Authority has continued to follow site-specific budgeting and accounting. Both FY2024 and FY2025 budgets were prepared using the site-specific format as directed by HUD. Under site-specific budget format, there are strict guidelines on how the Central Office Cost Center (COCC) will be funded. Funding for the COCC will be derived from fees charged to Asset Management Projects (AMP). The AMPs represent site-specific public housing areas and are managed as separate subsidiary organizations. As such, AMPs will have their own financial statements with revenues coming from subsidy transfers, rental accounts, and capital fund transfers. Oversight and supportive services will be provided on a fee basis by the Authority's COCC. Additional revenue for the COCC will be from the service fees charged to the Voucher programs and other smaller programs. Failure to maintain occupancy rates of 97 percent or higher for the AMPs will also reduce operating subsidy transfers from HUD.

Public housing operating subsidy revenue from HUD for FY2025 is expected to remain at its current level (96.97 percent) of calculated amounts.

The Housing Choice Voucher (HCV) Program generates revenue for operations from administrative fees earned from HUD. A portion of these revenues are paid to the COCC as fees for supportive services. HCV Program revenues for FY2024 are expected to be consistent with previous levels. The Authority expects HUD to continue withholds in the Administrative Fee schedule, further reducing resources to administer the Voucher programs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Dayton Metropolitan Housing Authority, 400 Wayne Avenue, Dayton, Ohio 45401-8750, or call (937) 910-7500.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 16,726,109
Restricted Cash and Cash Equivalents	2,256,106
Accounts Receivable, Net:	
Tenants, Net of Allowance for Doubtful Accounts of \$189,779	35,230
HUD	1,588,048
Other Receivables, Net of Allowance for Doubtful Accounts of \$2,626	899,719
Inventory, Net of Allowance for Obsolete Inventory of \$19,051	598,311
Prepaid Expenses	602,459
Total Current Assets	22,705,982

Noncurrent Assets

Capital Assets:	
Capital Assets, Not Depreciated	10,223,272
Capital Assets, Being Depreciated, Net	18,383,692
Total Capital Assets	28,606,964
Notes, Loans, and Mortgages Receivable Non-Current	22,662,133
Net Pension Asset	92,307
Net OPEB Asset	354,538

Total Noncurrent Assets **51,715,942**

TOTAL ASSETS **74,421,924**

DEFERRED OUTFLOWS OF RESOURCES

Pension	3,018,652
OPEB	338,803

TOTAL DEFERRED OUTFLOWS OF RESOURCES **3,357,455**

LIABILITIES

Current Liabilities

Accounts Payable	30,769
Accrued Wages and Benefits	1,049,090
Accrued Liabilities - Other	759,633
Accrued Compensated Absences - Current Portion	200,168
Tenants' Security Deposits	186,050
Unearned Revenues	8,671
Other Current Liabilities	1,511,358
Current Portion of Note Payable	603,595

Total Current Liabilities **4,349,334**

Noncurrent Liabilities

Notes Payable, Net of Current Portion	3,276,588
Compensated Absences, Net of Current Portion	1,346,551
Net Pension Liability	10,729,254
Other Noncurrent Liabilities	22,912

Total Noncurrent Liabilities **15,375,305**

TOTAL LIABILITIES **19,724,639**

DEFERRED INFLOWS OF RESOURCES

Pension	733,688
OPEB	203,739

TOTAL DEFERRED INFLOWS OF RESOURCES **937,427**

NET POSITION

Net Investment in Capital Assets	24,726,781
Restricted	2,010,499
Unrestricted	30,380,033

TOTAL NET POSITION **\$ 57,117,313**

See accompanying notes to the financial statements.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Operating Revenues</u>	
Tenant Revenue	\$ 5,188,889
Governmental Revenue	44,874,881
Other Revenue	<u>341,060</u>
Total Operating Revenues	<u>50,404,830</u>
<u>Operating Expenses</u>	
Administrative Expense	7,173,310
Tenant Services	619,934
Utilities Expense	2,681,009
Ordinary Maintenance and Operations	9,259,563
Protective Services	243,646
General Expenses	1,637,166
Housing Assistance Payments	30,889,857
Depreciation	<u>2,804,654</u>
Total Operating Expenses	<u>55,309,139</u>
Operating Loss	<u>(4,904,309)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest and Investment Income	144,237
Interest Expense	(187,921)
Casualty Loss	(91,359)
Equity Transfer to Non-Public Housing Units	(215,584)
Gain on Sale of Capital Assets	<u>12,594</u>
Total Nonoperating Revenues (Expenses)	<u>(338,033)</u>
Loss Before Contributions	(5,242,342)
Capital Contributions	<u>4,883,576</u>
Change in Net Position	(358,766)
Net Position - Beginning of Year	<u>57,476,079</u>
Net Position - End of Year	<u>\$ 57,117,313</u>

See accompanying notes to the financial statements.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Cash Flows from Operating Activities

Receipts from Residents and Other Deposits	\$ 5,160,215
Governmental Operating Revenues	43,358,012
Other Receipts	1,444
Administrative Expenses	(7,553,125)
Other Operating Expenses	(13,664,963)
Housing Assistance Payments	(30,889,857)
Net Cash Used in Operating Activities	<u>(3,588,274)</u>

Cash Flows from Noncapital Financing Activities

Principal Paid on Debt	(15,500,000)
Net Cash Used In Noncapital Financing Activities	<u>(15,500,000)</u>

Cash Flows from Capital and Related Financing Activities

Capital Asset Additions	(1,507,117)
Insurance Proceeds/(Casualty Loss)	(91,359)
Note Proceeds	1,151,547
Proceeds from Sale of Capital Assets	12,594
Principal Paid on Debt	(569,256)
Interest Paid on Debt	(187,921)
Capital Grants	4,883,576
Net Cash Provided by Capital and Related Financing Activities	<u>3,692,064</u>

Cash Flows from Investing Activities

Investment Income	144,237
Receipt of Payments on Notes Receivables	15,500,000
Equity Transfers	(215,584)
Net Cash Provided by Investing Activities	<u>15,428,653</u>

Net Change in Cash and Cash Equivalents 32,443

Cash and Cash Equivalents - Beginning of Year 18,949,772

Cash and Cash Equivalents - End of Year \$ 18,982,215

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

Reconciliation of Net Operating Loss to
Net Cash Used in Operating Activities

Operating Loss	\$ (4,904,309)
Adjustments to Reconcile Net Loss to Net	
Cash Used in Operating Activities	
Depreciation	2,804,654
Changes in Assets, Deferred Outflows, Liabilities,	
and Deferred Inflows:	
Pension and OPEB Assets	(371,271)
Net Pension/OPEB Deferred Outflows	3,046,214
Tenant Receivables	(23,557)
HUD Receivables	(1,513,746)
Other Assets/Receivables	(339,616)
Inventory	17,679
Prepaid Expenses	(286,500)
Wages and Benefits Payable	189,417
Security Deposits	(5,117)
Accounts Payable	(213,736)
Compensated Absences	(101,536)
Unearned Revenue	(3,123)
Net Pension/OPEB Liability	(3,459,744)
Net Pension/OPEB Deferred Inflows	603,605
Other Liabilities	972,412
Net Cash Used in Operating Activities	\$ <u>(3,588,274)</u>

See accompanying notes to the financial statements.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity and Programs

The Dayton Metropolitan Housing Authority (the “Authority”) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction, and/or leasing of housing units, to make housing assistance payments, and to make annual contributions (subsidies) to the local housing authorities for the purposes of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low-rent operations.

Reporting Entity – The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61), in that the financial statements include all divisions and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization’s government board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or to impose specific financial burdens on, the primary government/component unit. On this basis, organizations other than the Authority itself included in the financial reporting entity are the blended component units.

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

Public and Indian Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. This Program is operated under an Annual Contribution Contract (ACC) with HUD. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority’s Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

A. **Description of the Entity and Programs** (Continued)

Public Housing Capital Fund Program (CFP) - The Public Housing 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.

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

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit and, when a family moves from the unit, they have no right to continued assistance.

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation – The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specified unit and, when a family moves from the unit, they have no right to continued assistance.

Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI) - The HOPE VI Demolition Program supports site acquisition, demolition, and relocation costs for the HOPE VI Revitalization Program. Under this Program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI Revitalization Program. This Program seeks to rebuild public housing neighborhoods through various financing and construction development agreements. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program promotes the development of local strategies to coordinate the use of assistance under the Public Housing Program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

A. **Description of the Entity and Programs** (Continued)

Family Self-Sufficiency (FSS) – The FSS Program promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program and the Public Housing Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities Programs - The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established component units to operate and develop affordable housing. Each of the organizations listed below act as an affiliate unit as defined in HUD’s PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority’s component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM) as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II, LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II, LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

Southern Montgomery GP, Inc. – Southern Montgomery GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Southern Montgomery. The development is operated by Southern Montgomery LP with Southern Montgomery GP, Inc. as the general partner. The assets, liabilities, and results of operations for Southern Montgomery GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Southern Montgomery LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

A. Description of the Entity and Programs (Continued)

Hallmark Meridian GP, Inc. – Hallmark Meridian GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Hallmark Meridian. The development is operated by Hallmark Meridian LP with Hallmark Meridian GP, Inc. as the general partner. The assets, liabilities, and results of operations for Hallmark Meridian GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Hallmark Meridian LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Rental Assistance Demonstration Program (RAD) Entities – There are currently nine RAD properties that are also reported as Blended Component Units of the Authority at June 30, 2024. These include the properties of Telford Shroyer, Argella, City View, Lori Sue, Frederick, Quitman, Revere, Hawthorn Village, and Wolf Creek. The properties are 100 percent owned and managed by the Authority.

Separate financial statements have been issued for the aforementioned component units and may be requested in writing at the Dayton Metropolitan Housing Authority, 400 Wayne Avenue, Dayton, Ohio 45401-8750, to the attention of Lisa McCarty, Chief Financial Officer.

B. Summary of Significant Accounting Policies

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

B. Summary of Significant Accounting Policies (Continued)

Basis of Accounting – The Authority’s activities are financed and operated as a single enterprise fund such that the costs and expenses, including depreciation, of providing the services are recovered primarily through user charges. The measurement focus is on the determination of revenues, expenses, financial position, and cash flows as the identification of these items is necessary for appropriate capital maintenance, public policy, management control, and accountability. The Authority’s financial transactions are recorded on the accrual basis of accounting where revenues are recognized when earned and expenses are recognized as incurred. Revenues received in advance are deferred and recognized as earned over the period to which they relate.

Cash and Cash Equivalents – During fiscal year 2024, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio investment programs are a very liquid investments and are reported as a cash equivalent in the basic financial statements.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer’s office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Authority measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transactions to \$250 million, requiring the excess amount to be transacted the following business day (2), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

Restricted Cash and Cash Equivalents and Investments – Cash and cash equivalents and investments have been classified as restricted on the balance sheet for funds held for public housing residents’ security deposits, amounts held in escrow under the HCV and Family Self-Sufficiency (FSS) programs and funds on deposit under the Fannie Mae Modernization Program. Funds authorized by HUD for Housing Assistance Payments (HAP) and Housing Development programs are also classified as restricted.

Investments – The provisions of the HUD Regulations restrict investments. Investments are valued at fair value.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

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

B. Summary of Significant Accounting Policies (Continued)

Receivables/Bad Debts – 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.

Inventory – Inventory consists of supplies and maintenance parts carried at the lower of cost and market using the average cost method, and are expensed as they are consumed.

Capital Assets – Land, structures, and equipment are recorded at historical cost. Depreciation is calculated on a straight-line method using half-year convention over the estimated useful lives. When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss reflected in operations. The Authority capitalizes assets with a cost of \$1,000 or more (\$2,000 or more for computer equipment). Software purchases are capitalized if the cost exceeds \$5,000. The estimated useful lives are as follows:

Equipment and Vehicles	3-7 years
Buildings and Improvements	15 years
Buildings	40 years

Compensated Absences – The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

Compensated absences are expensed when earned with the amount reported as a liability.

Debt Obligations – Debt obligations of the Authority consist of mortgages for a homeownership program, capital projects, and property acquisition.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

B. Summary of Significant Accounting Policies (Continued)

Net Position – Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amounts reported as restricted net position at fiscal year end represents pension/OPEB assets, amounts restricted by HUD for future housing assistance payments, and amounts from unspent debt proceeds. When an expense is incurred for purposes which both restricted and unrestricted net position are available, the Authority first applied restricted net position.

Revenue Recognition – Grant revenue is recognized when the earnings process is complete and exchange has taken place, and any restrictions imposed by the terms of the grant have been met. Rent revenue is recognized over the period for which housing has been provided. Investment income is recognized and recorded when earned and is allocated to programs based upon monthly investment balances.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants, and other miscellaneous revenue. Non-operating revenues are HUD capital grants, interest income, and gains on disposal of capital assets. Operating expenses are those that are expended directly for the primary activity of the propriety fund. For the Authority, these expenses are administrative, tenant services, utilities, maintenance and operation, protective services, general expenses, housing assistance payments, depreciation, and amortization. Non-operating expenses include interest expense and losses on disposal of capital assets.

Capital Contributions – Contributions of capital arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Budgetary Accounting – The Authority annually prepares its budget as prescribed by HUD. The Authority's budgets are submitted to HUD and, once approved, are adopted by the Board of the Authority.

Use of Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

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

B. **Summary of Significant Accounting Policies** (Continued)

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 8 and 9.

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

NOTE 2: **ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS**

During fiscal year 2024, the Authority implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB 62*.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement had no effect on beginning net position.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

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

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

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

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

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

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

At fiscal year end, the carrying amount of the Authority's deposits totaled \$16,313,372, of which \$2,950 was held in petty cash. The corresponding bank balances totaled \$17,001,486. Based on criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2024, \$16,751,486 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

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

Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. Investments

HUD, state statute, 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 fund, 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, the 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 investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority's investments at June 30, 2024 were as follows:

<u>Uncategorized Investments</u>	<u>Fair Value</u>	<u>Rating</u>
STAROhio	\$ 2,668,843	AAAm*

* Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority's investment policy has no requirements beyond what the Ohio Revised Code requires.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest with one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

A reconciliation of cash, cash equivalents, and investments is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	\$ 18,982,215	\$ -
STAR Ohio	(2,668,843)	2,668,843
Per GASB Statement No. 3	<u>\$ 16,313,372</u>	<u>\$ 2,668,843</u>

* Includes restricted cash and cash equivalents.

Restricted cash consists of the following:

Security Deposits	\$ 186,050
Replacement Reserves	1,470,857
Family Self-Sufficiency Escrow and Investments	503,861
Housing Choice Voucher HAP Funding	35,207
Housing Choice Voucher Payables	60,131
	<u>\$ 2,256,106</u>

NOTE 4: CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended June 30, 2024 follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
<u>Capital Assets Not Being Depreciated</u>				
Land	\$ 9,581,044	\$ -	\$ (2,975)	\$ 9,578,069
Construction in Progress	973,571	161,303	(489,671)	645,203
Total Capital Assets Not Being Depreciated	<u>10,554,615</u>	<u>161,303</u>	<u>(492,646)</u>	<u>10,223,272</u>
<u>Capital Assets Being Depreciated</u>				
Buildings and Improvements	125,683,648	1,710,659	(1,172,510)	126,221,797
Equipment and Vehicles	6,018,643	69,748	(4,769)	6,083,622
Subtotal Capital Assets Being Depreciated	<u>131,702,291</u>	<u>1,780,407</u>	<u>(1,177,279)</u>	<u>132,305,419</u>
Total Cost	<u>142,256,906</u>	<u>1,941,710</u>	<u>(1,669,925)</u>	<u>142,528,691</u>
<u>Accumulated Depreciation</u>				
Buildings and Improvements	106,893,540	2,782,614	(1,235,332)	108,440,822
Equipment and Vehicles	5,458,865	22,040	-	5,480,905
Total Accumulated Depreciation	<u>112,352,405</u>	<u>2,804,654</u>	<u>(1,235,332)</u>	<u>113,921,727</u>
Total Capital Assets, Net	<u>\$ 29,904,501</u>	<u>\$ (862,944)</u>	<u>\$ (434,593)</u>	<u>\$ 28,606,964</u>

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NOTE 5: NOTES RECEIVABLE

The Authority entered into mixed finance loan arrangements with various development partners. The arrangements have terms of three to forty years. Repayment is based on cash flow realized by properties; otherwise, all amounts are due at maturity. No repayments are anticipated for the subsequent fiscal year. A summary of amounts owed to the Authority at June 30, 2024 is as follows:

Aubudon Crossing	\$ 2,772,004
Germantown	4,231,581
Southern MC	13,008,548
Brandt Meadows	<u>2,650,000</u>
Total Notes Receivable	<u>\$ 22,662,133</u>

NOTE 6: LONG-TERM OBLIGATIONS

Changes in the Authority's long-term obligations during fiscal year 2024 are as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Fannie Mae Note	\$ 3,220,782	\$ -	\$ (556,751)	\$ 2,664,031	\$ 591,090
County Corp. Note	77,110	-	(12,505)	64,605	12,505
Multifamily Housing Revenue Bonds, Series 2021A	8,875,000	-	(8,875,000)	-	-
Multifamily Housing Revenue Bonds, Series 2021B	6,625,000	-	(6,625,000)	-	-
HDAP Promissory Note - NHTF	-	623,200	-	623,200	-
HDAP Promissory Note - OHFA	-	528,347	-	528,347	-
Net Pension Liability	13,903,612	-	(3,174,358)	10,729,254	-
Other Postemployment Benefits	285,386	-	(285,386)	-	-
Compensated Absences	1,648,255	-	(101,536.00)	1,546,719	200,168
Other	147,201	-	(124,289)	22,912	-
Total Long-Term Obligations	<u>\$ 34,782,346</u>	<u>\$ 1,151,547</u>	<u>\$(19,754,825)</u>	<u>\$ 16,179,068</u>	<u>\$ 803,763</u>

Direct Borrowings

Loan Payable – Montgomery County's Housing Trust

During 2007, the Authority executed a loan payable in the amount of \$250,902 to be used to fill the financing gap in the cost of acquiring and making improvements to the 35-unit Windcliff Village Project. The loan is at an interest rate of 0 percent for a 20-year period and will terminate on or before December 31, 2028. Monthly payments of \$1,042 are made on the loan. No collateral was required for the Project.

Fiscal Year Ended June 30	Principal	Interest	Total
2025	\$ 12,505	\$ -	\$ 12,505
2026	12,505	-	12,505
2027	12,505	-	12,505
2028	12,505	-	12,505
2029	14,585	-	14,585
Total	<u>\$ 64,605</u>	<u>\$ -</u>	<u>\$ 64,605</u>

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NOTE 6: LONG-TERM OBLIGATIONS (Continued)

Loan Payable – FANNE MAE Modernization Note

During 2010, the Authority executed a Capital Fund Financing Program (CFFP) note in the amount of \$9,235,000 to be used to modernize Public Housing Program units at four AMP locations. The note is at 6 percent per annum. The twenty-year note calls for monthly payments of \$66,463 with the final payment due November 2029. Payments on the note are made from a portion of the Authority's Capital Fund Program revenue from HUD.

Fiscal Year Ended June 30	Principal	Interest	Total
2025	\$ 591,090	\$ 146,470	\$ 737,560
2026	627,547	110,013	737,560
2027	666,253	71,308	737,561
2028	707,346	30,215	737,561
2029	71,795	865	72,660
Total	<u>\$2,664,031</u>	<u>\$ 358,871</u>	<u>\$3,022,902</u>

Notes Payable – Ohio Housing Finance Agency

The Authority entered into two promissory notes with the Ohio Housing Development Assistance Program (HDAP) for the purposes of acquisition, construction, or rehabilitation of the low and moderate income housing project known as "Telford Shroyer." The notes are in the amounts of \$528,347 and \$623,200 through the Housing Development Gap Financing Program (HDGFP) and the National Housing Trust Fund (NHTF), respectively. The HDGFP note bears interest at a rate of 1.0% per annum. The NHTF note bears no interest. The notes are secured by a mortgage on the real estate and an assignment of rents and securities of the Telford Shroyer project, a component unit of the Authority.

Payments of principal and interest are due annually from available cash flow of Telford Shroyer until maturity in September 2051. At June 30, 2024, the outstanding principal balances of the HDGFP and NHTF notes are \$528,347 and \$623,200, respectively. The annual loan payments are determined based on cash flow and, therefore, maturities of the notes payable due in each of the next five years cannot be determined.

Direct Placement

Multifamily Housing Revenue Bonds Payable – Series 2021A and 2021B

During 2021, the Authority issued bonds in the amounts of \$8,875,000 (Series A) and \$6,625,000 (Series B) for the purpose of making a loan to assist Southern M.C., LLC to pay a portion of the costs of rehabilitating, equipping, and improving the Southern Montgomery Apartments Project. The interest rate is 0.32 percent per annum.

Series A bonds require interest only payments due semiannually until the principal balance was paid in full in September 2023. Series B bonds require interest only payments due monthly until the principal balance was paid in full in October 2023.

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NOTE 7: 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 maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The Authority is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk sharing and purchasing pool comprised of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to mid-size public entities including pools (of which OHAPCI is a member). OHAPCI is a corporation governed by a Board of Trustees, consisting of a representative appointed by each of the member housing authorities. The Board of Trustees elects the officers of the Corporation, with each Trustee having a single vote. The Board is responsible for its own financial matters, and the Corporation maintains its own books of account. Budgeting and financing of OHAPCI is subject to the approval of the Board. The following is a summary of insurance coverage in effect as of June 30, 2024:

<u>Coverage</u>	<u>Limit</u>
Real and Personal Property	\$ 250,000,000
General Liability	8,000,000
Automobile	8,000,000
Crime	500,000
Pollution	1,000,000
Boiler and Machinery	100,000,000

As of June 30, 2024, the Pool maintained a reserve in excess of actual and estimated claims relative to the Authority. During the year, settled claims for the Authority did not exceed the coverage provided by OHAPCI.

The Authority also maintains employee bonding and employee major medical, dental, and vision coverage with private carriers.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Net Pension Liability/(Asset)

The net pension liability/(asset) reported on the statement of net position represents a liability/(asset) 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.

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NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

The net pension liability/(asset) 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/(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 this estimate annually.

Ohio Revised Code limits the Authority's obligation for any 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/(asset). Resulting adjustments to the net pension 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 pension liability* or *net pension asset*. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued wages and benefits*.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-share, 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 plan with defined contribution features. Effective January 1, 2022, members may no longer select the combined plan. In October 2023, the legislature approved House Bill 33, which allows for the consolidation at the discretion of the OPERS Board. While members (e.g., Authority employees) may have elected the member-directed plan or the combined plan, the majority of 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 ORC. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS's fiduciary net position that may be obtained by visiting www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% 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%.

Funding Policy - The ORC provides statutory authority for member and employer contributions. For fiscal year 2024, member contribution rates were 10% of salary and employer contribution rates were 14%. Employer contribution rates are expressed as a percentage of covered payroll. The Authority's contractually required contributions used to fund pension benefits was \$983,664 for fiscal year ending June 30, 2024.

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

The net pension liability/(asset) presented as of June 30, 2024 was measured as of December 31, 2023.

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NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/(asset) was based on the Authority's share of contributions to the pension plan relative to the projected contributions of all participating entities.

The following is information related to the proportionate share and pension expense for fiscal year 2024:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/(Asset)			
Prior Measurement Date	0.047067%	0.032065%	
Current Measurement Date	0.040982%	0.030030%	
Change in Proportionate Share	<u>-0.006085%</u>	<u>-0.002035%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 10,729,254	\$ (92,307)	\$ 10,636,947
Pension Expense	\$ (366,608)	\$ 3,790	\$ (362,818)

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

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 2,165,623	\$ 15,012	\$ 2,180,635
Difference between expected and actual experience	175,360	3,740	179,100
Changes in assumptions	-	3,426	3,426
Changes in proportion and differences between Authority contributions and proportionate share of contributions	151,298	18,019	169,317
Authority contributions subsequent to the measurement date	477,356	8,818	486,174
Total Deferred Outflows of Resources	<u>\$ 2,969,637</u>	<u>\$ 49,015</u>	<u>\$ 3,018,652</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 9,130	\$ 9,130
Changes in proportion and differences between Authority contributions and proportionate share of contributions	712,169	12,389	724,558
Total Deferred Inflows of Resources	<u>\$ 712,169</u>	<u>\$ 21,519</u>	<u>\$ 733,688</u>

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NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

\$486,174 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 or an increase in the net pension asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Year Ending June 30:			
2025	\$ 196,374	\$ 3,250	\$ 199,624
2026	510,138	5,456	515,594
2027	1,381,978	9,589	1,391,567
2028	(308,378)	(1,320)	(309,698)
2029	-	1,055	1,055
Thereafter	-	648	648
Total	<u>\$ 1,780,112</u>	<u>\$ 18,678</u>	<u>\$ 1,798,790</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	3 percent, simple through 2024, then 2.05 percent simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

During 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 allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees 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 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic 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	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	24.00%	2.85%
Domestic Equities	21.00%	4.27%
Real Estate	13.00%	4.46%
Private Equity	15.00%	7.52%
International Equities	20.00%	5.16%
Risk Parity	2.00%	4.38%
Other Investments	<u>5.00%</u>	3.46%
Total	<u>100.00%</u>	

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NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability/(asset) calculated using the current period discount rate of 6.90 percent, as well as what the Authority's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one-percentage point lower (5.90 percent) and one-percentage point higher (7.90 percent) than the current rate used:

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	\$ 16,890,731	\$ 10,729,254	\$ 5,604,698
Combined Plan	\$ (55,856)	\$ (92,307)	\$ (121,021)

NOTE 9: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/(Asset)

The net OPEB liability/(asset) 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 any 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 Statement No. 75 assumes the liability/(asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The ORC permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net liability/(asset).

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NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

Resulting adjustments to the net OPEB liability/(asset) would be effective when the changes are legally enforceable. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of OPERS plan's fully-funded benefits is presented as a long-term *net OPEB liability/(asset)* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in *accrued wages and benefits*.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The 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. Effective January 1, 2022, the combined plan is no longer available for member selection. In October 2023, the legislature approved House Bill 33 which allows for the consolidation of the combined plan with the traditional pension plan with the timing of the consolidation at the discretion of OPERS.

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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting 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.

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NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

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 2024, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the ORC. 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. The portion of employer contributions allocated to health care was 0% for members in the Traditional Pension and 2% for members in the Combined Plan.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. As recommended by the OPERS' actuary, the portion of employer contributions allocated to healthcare was 0% for the traditional plan and 2% for the combined plan. The employer contribution as a percentage of covered payroll deposited for the Member-Directed Plan was 4.0%.

The Authority's contractually required contribution allocated to health care was \$4,988 for fiscal year 2024.

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to OPERS relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the Net OPEB Liability/(Asset):	
Prior Measurement Date	0.045262%
Proportion of the Net OPEB Liability/(Asset):	
Current Measurement Date	<u>0.039283%</u>
Change in Proportionate Share	<u>-0.005979%</u>
Proportionate Share of the Net OPEB Liability/(Asset)	\$ (354,538)
OPEB Expense	\$ 60,365

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

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

	<u>OPEB</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 212,922
Changes in assumptions	91,275
Changes in proportion and differences between Authority contributions and proportionate share of contributions	32,082
Authority contributions subsequent to the measurement date	2,524
Total Deferred Outflows of Resources	<u>\$ 338,803</u>
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 50,461
Changes in assumptions	152,405
Changes in proportion and differences between Authority contributions and proportionate share of contributions	873
Total Deferred Inflows of Resources	<u>\$ 203,739</u>

\$2,524 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPEB</u>
Year Ending June 30:	
2025	\$ 10,753
2026	27,943
2027	165,741
2028	<u>(71,897)</u>
Total	<u>\$ 132,540</u>

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	
Current measurement period	2.75 percent
Prior measurement date	2.75 percent
Projected salary increases	
Current measurement period	2.75 percent to 10.75 percent, including wage inflation
Prior measurement period	2.75 percent to 10.75 percent, including wage inflation
Single discount rate	
Current measurement period	5.70 percent
Prior measurement date	5.22 percent
Investment rate of return	6.00 percent
Municipal bond rate:	
Current measurement period	3.77 percent
Prior measurement period	4.05 percent
Health care cost trend rate:	
Current measurement period	5.5 percent initial, 3.50 percent ultimate in 2038
Prior measurement period	5.5 percent initial, 3.50 percent ultimate in 2036
Actuarial cost method	Individual entry age

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

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

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

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 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 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 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic 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	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)

NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate A single discount rate of 5.70% was used to measure the OPEB liability/(asset) 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) 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 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.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability/(asset) calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 194,844	\$ (354,538)	\$ (809,623)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset). The following table presents the net OPEB liability/(asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is 1.00 percent lower or 1.00 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 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 that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation.

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

NOTE 9: DEFINED BENEFIT OPEB PLANS (Continued)

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.

	Current Health Care Cost Trend Rate		
	<u>1% Decrease</u>	<u>Assumption</u>	<u>1% Increase</u>
Authority's proportionate share of the net OPEB liability (asset)	\$ (369,260)	\$ (354,538)	\$ (337,834)

NOTE 10: CONTINGENCIES

Litigations and Claims

In the normal course of operations, the Authority may be subjected to litigation and claims. At June 30, 2024, the Authority is involved in several matters. While the outcome of these matters cannot be presently determined, management believes that the ultimate resolution will not have a material effect on the financial statements.

Required Supplementary Information

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST TEN FISCAL YEARS (1)

Traditional Plan	2024	2023	2022	2021	2020
Authority's Proportion of the Net Pension Liability	0.040982%	0.047067%	0.042619%	0.048058%	0.048801%
Authority's Proportionate Share of the Net Pension Liability	\$ 10,729,255	\$ 13,903,612	\$ 3,708,025	\$ 7,116,344	\$ 9,645,849
Authority's Covered Payroll	\$ 6,560,043	\$ 6,781,964	\$ 6,761,950	\$ 6,805,343	\$ 6,838,036
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	163.55%	205.01%	54.84%	104.57%	141.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%
Combined Plan	2024	2023	2022	2021	2020
Authority's Proportion of the Net Pension Asset	0.030030%	0.032065%	0.026999%	0.030049%	0.032755%
Authority's Proportionate Share of the Net Pension Liability/(Asset)	\$ (92,307)	\$ (75,574)	\$ (106,377)	\$ (86,741)	\$ (68,302)
Authority's Covered Payroll	\$ 156,867	\$ 134,986	\$ 132,950	\$ 132,429	\$ 159,300
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	58.84%	55.99%	80.01%	65.50%	42.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	144.55%	137.14%	169.88%	157.67%	145.28%

(1) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
0.050050%	0.051817%	0.052365%	0.047814%	0.045155%
\$ 13,707,680	\$ 8,129,083	\$ 11,891,201	\$ 8,281,989	\$ 5,446,198
\$ 6,803,710	\$ 7,060,833	\$ 6,139,417	\$ 5,734,167	\$ 5,837,825
201.47%	115.13%	193.69%	144.43%	93.29%
74.70%	84.66%	77.25%	81.08%	86.45%
2019	2018	2017	2016	2015
0.035306%	0.029073%	0.039646%	0.035980%	0.020933%
\$ (39,480)	\$ (39,578)	\$ (22,066)	\$ (17,506)	\$ (8,060)
\$ 118,305	\$ 160,970	\$ 135,083	\$ 107,217	\$ 54,108
33.37%	24.59%	16.34%	16.33%	14.90%
126.64%	137.28%	116.55%	116.90%	114.83%

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
<u>Contractually Required Contributions</u>					
Traditional Plan	\$ 963,452	\$ 918,406	\$ 949,475	\$ 946,673	\$ 952,748
Combined Plan	20,212	18,824	18,898	18,613	18,540
Total Required Contributions	983,664	937,230	968,373	965,286	971,288
Contributions in Relation to the Contractually Required Contribution	(983,664)	(937,230)	(968,373)	(965,286)	(971,288)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Authority's Covered Payroll</u>					
Traditional Plan	\$ 6,881,800	\$ 6,560,043	\$ 6,781,964	\$ 6,761,950	\$ 6,805,343
Combined Plan	\$ 168,433	\$ 156,867	\$ 134,986	\$ 132,950	\$ 132,429
<u>Pension Contributions as a Percentage of Covered Payroll</u>					
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%
Combined Plan	12.00%	12.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
\$ 957,325	\$ 918,717	\$ 881,192	\$ 736,730	\$ 688,100
<u>22,302</u>	<u>15,975</u>	<u>20,089</u>	<u>16,210</u>	<u>12,866</u>
979,627	934,692	901,281	752,940	700,966
<u>(979,627)</u>	<u>(934,692)</u>	<u>(901,281)</u>	<u>(752,940)</u>	<u>(700,966)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,838,036	\$ 6,803,710	\$ 7,060,833	\$ 6,139,417	\$ 5,734,167
\$ 159,300	\$ 118,305	\$ 160,970	\$ 135,083	\$ 107,217
14.00%	13.50%	12.48%	12.00%	12.00%
14.00%	13.50%	12.48%	12.00%	12.00%

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS (1) (2)

	2024	2023	2022	2021
Authority's Proportion of the Net OPEB Liability/Asset	0.039283%	0.045262%	0.041036%	0.046685%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (354,538)	\$ 285,386	\$ (1,285,310)	\$ (831,731)
Authority's Covered Payroll	\$ 6,716,910	\$ 6,916,950	\$ 6,894,900	\$ 6,937,771
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.28%	4.13%	-18.64%	-11.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%

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

(2) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.047893%	0.048707%	0.050170%	0.050610%
\$ 6,615,267	\$ 6,350,243	\$ 5,448,092	\$ 5,111,782
\$ 6,997,336	\$ 6,922,015	\$ 7,221,803	\$ 6,274,500
94.54%	91.74%	75.44%	81.47%
46.33%	46.33%	54.14%	54.05%

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Contractually Required Contributions	\$ 4,988	\$ 5,231	\$ 3,396	\$ 5,038	\$ 7,522
Contributions in Relation to the Contractually Required Contribution	<u>(4,988)</u>	<u>(5,231)</u>	<u>(3,396)</u>	<u>(5,038)</u>	<u>(7,522)</u>
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 7,050,233	\$ 6,716,910	\$ 6,916,950	\$ 6,894,900	\$ 6,937,771
Pension Contributions as a Percentage of Covered Payroll	0.07%	0.08%	0.05%	0.07%	0.11%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015
\$ 8,290	\$ 41,051	\$ 112,879	\$ 126,958	\$ 118,019
(8,290)	(41,051)	(112,879)	(126,958)	(118,019)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,997,336	\$ 6,922,015	\$ 7,221,803	\$ 6,274,500	\$ 5,841,383
0.12%	0.59%	1.56%	2.02%	2.02%

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: None noted.

Changes in assumptions: For measurement year 2016, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.00% to 7.50%, a reduction in the wage inflation rate from 3.75% to 3.25%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.50% due to lower inflation. The health and disabled mortality assumptions were transitioned from the RP-2000 mortality tables to the RP-2014 mortality tables. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement year 2018, a reduction of the discount rate was made from 7.50% to 7.20%.

For measurement year 2021, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.20% to 6.90%, a reduction in the wage inflation rate from 3.25% to 2.75%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.50% due to lower inflation. The health and disabled mortality assumptions were transitioned from the RP-2014 mortality tables to the Pub-2010 mortality tables. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Net OPEB Liability/(Asset)

Changes in benefit terms: None noted.

Changes in assumptions: For measurement year 2017, the single discount rate changed from 4.23% to 3.85%. For measurement year 2018, the single discount rate increased from 3.85% to 3.96%, the investment rate of return was reduced from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029. For measurement year 2019, the single discount rate was reduced from 3.96% to 3.16% and the health care cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.50% ultimate in 2030. For measurement year 2020, the single discount rate increased from 3.16% to 6.00% and the health care cost trend rate changed from 10.5% initial, 3.50% ultimate in 2030 to 8.5% initial, 3.50% ultimate in 2035.

For measurement year 2021, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction in the wage inflation rate from 3.25% to 2.75%, lowering of the total salary increases rate by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.50% due to lower inflation, and the health care cost trend rate changing from 8.5% initial, 3.50% ultimate in 2035 to 5.5% initial, 3.50% ultimate in 2034. For measurement year 2022, the single discount rate changed from 6.00% to 5.22%.

For measurement year 2023, the single discount rate changed from 5.22% to 5.70%.

Supplementary Information

DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2024

	Project Total	14.879 Mainstream Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.895 Jobs- Plus Pilot Initiative	14.892 Choice Neighborhoods Planning Grants	14.870 Resident Opportunity and Supportive Services
111 Cash - Unrestricted	\$ 7,722,776	\$ 49,871	\$ 4	\$ -	\$ 70,962	\$ -
113 Cash - Other Restricted	147,924					
114 Cash - Tenant Security Deposits	169,963					
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	8,040,663	49,871	4	-	70,962	-
121 Accounts Receivable - PHA Projects	17,200					
122 Accounts Receivable - HUD Other Projects	181,767					
125 Accounts Receivable - Miscellaneous	379,172				47,730	136,377
126 Accounts Receivable - Tenants	204,630					
126.1 Allowance for Doubtful Accounts - Tenants	(173,934)					
126.2 Allowance for Doubtful Accounts - Other						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
120 Total Receivables, Net of Allowances for Doubtful Accounts	608,835	-	-	-	47,730	136,377
131 Investments - Unrestricted						
132 Investments - Restricted						
142 Prepaid Expenses and Other Assets	543,380					
143 Inventories	607,598					
143.1 Allowance for Obsolete Inventories	(18,857)					
150 Total Current Assets	9,781,619	49,871	4	-	118,692	136,377
161 Land	7,689,255		827,588		36,500	
162 Buildings	112,082,734		2,168,842			
163 Furniture, Equipment & Machinery - Dwellings	999,004					
164 Furniture, Equipment & Machinery - Administration	3,315,387					
166 Accumulated Depreciation	(102,773,052)		(1,927,657)			
167 Construction in Progress	477,037				30,000	
168 Infrastructure	246,157					
160 Total Capital Assets, Net of Accumulated Depreciation	22,036,522	-	1,068,773	-	66,500	-
171 Notes, Loans and Mortgages Receivable - Non-Current	22,662,133					
174 Other Assets						
180 Total Non-Current Assets	44,698,655	-	1,068,773	-	66,500	-
200 Deferred Outflow of Resources	1,574,980		-	-	-	-
290 Total Assets and Deferred Outflow of Resources	56,055,254	49,871	1,068,777	-	185,192	136,377
312 Accounts Payable <= 90 Days	20,849					
313 Accounts Payable >90 Days						
321 Accrued Wage/Payroll Taxes Payable	582,987					
322 Accrued Compensated Absences - Current Portion	59,777		4,957			6,633
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						695
332 Account Payable - PHA Projects	265					
341 Tenant Security Deposits	169,963					
342 Unearned Revenue	8,671					
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	591,089					
344 Current Portion of Long-term Debt - Operating Borrowings	450,000					
345 Other Current Liabilities	500,667	37,456			34	58,914
346 Accrued Liabilities - Other	238,451					
348 Loan Liability - Current						
310 Total Current Liabilities	2,622,719	37,456	4,957	-	34	66,242
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	2,072,940					
353 Non-current Liabilities - Other	22,052					
354 Accrued Compensated Absences - Non Current	577,792		28,094			37,589
357 Accrued Pension and OPEB Liabilities	4,823,480					
350 Total Non-Current Liabilities	7,496,264	-	28,094	-	-	37,589
300 Total Liabilities	10,118,983	37,456	33,051	-	34	103,831
400 Deferred Inflow of Resources	439,747	-	-	-	-	-
508.4 Net Investment in Capital Assets	19,408,183		1,068,773		66,500	
511.4 Restricted Net Position	148,499					
512.4 Unrestricted Net Position	25,939,842	12,415	(33,047)		118,658	32,546
513 Total Equity - Net Assets / Position	45,496,524	12,415	1,035,726	-	185,158	32,546
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 56,055,254	\$ 49,871	\$ 1,068,777	\$ -	\$ 185,192	\$ 136,377

14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
\$ 85,402	\$ 1,318,875	\$ 929,754	\$ 1,269,980 1,567,355 16,087	\$ 2,293,523 35,207 60,131	\$ 163,316	\$ 2,821,646	\$ 16,726,109 1,750,486 186,050 60,131	\$ -	\$ 16,726,109 1,750,486 186,050 60,131
85,402	1,318,875	929,754	2,853,422	2,388,861	163,316	2,821,646	18,722,776	-	18,722,776
	1,389,081		71,943 18,056 (13,870)	122,420	62,986	71,994	17,200 1,570,848 892,622 225,009 (189,779) - 9,723 (2,626)		17,200 1,570,848 892,622 225,009 (189,779) - 9,723 (2,626)
-	1,389,429	-	76,129	129,517	62,986	71,994	2,522,997	-	2,522,997
	221		19,053 9,764 (194)	259,439 19,629		20,176	- 259,439 602,459 617,362 (19,051)		- 259,439 602,459 617,362 (19,051)
85,402	2,708,525	929,754	2,958,174	2,797,446	226,302	2,913,816	22,705,982	-	22,705,982
	8,478 222,238	460,335 3,279,442	499,074 7,839,383			56,839 15,019 14,069 1,314,251 (1,324,908) 2,750	9,578,069 125,607,658 1,013,073 5,070,551 (113,921,727) 998,120 261,220		9,578,069 125,607,658 1,013,073 5,070,551 (113,921,727) 998,120 261,220
-	175,447	754,159	4,368,456	59,087	-	78,020	28,606,964	-	28,606,964
							22,662,133		22,662,133
-	175,447	754,159	4,368,456	59,087	-	78,020	51,269,097	-	51,269,097
-	-	-	-	534,507	-	1,247,968	3,357,455		3,357,455
85,402	2,883,972	1,683,913	7,326,630	3,391,040	226,302	4,239,804	77,332,534	-	77,332,534
			609	9,311			30,769		30,769
			13,907 2,736	231,359 32,382		220,837 93,683	- 1,049,090 200,168		- 1,049,090 200,168
434			35 63,519	68,882	1,814		35 135,344 18,295 186,050 8,671 603,595 450,000		35 135,344 18,295 186,050 8,671 603,595 450,000
	72,904		207,081 128,784	60,131 86,858		197,075 78,962	1,061,358 605,959		1,061,358 605,959
434	72,904	-	445,264	488,923	1,814	608,587	4,349,334	-	4,349,334
			1,203,648 860 15,506	156,700 1,636,960		530,870 3,821,969	3,276,588 22,912 1,346,551 10,282,409		3,276,588 22,912 1,346,551 10,282,409
-	-	-	1,220,014	1,793,660	-	4,352,839	14,928,460	-	14,928,460
434	72,904	-	1,665,278	2,282,583	1,814	4,961,426	19,277,794	-	19,277,794
-	-	-	-	149,238	-	348,442	937,427		937,427
	175,447	754,159	3,152,301 1,567,354	59,087 294,646		78,020	24,762,470 2,010,499		24,762,470 2,010,499
84,968	2,635,621	929,754	941,697	605,486	224,488	(1,148,084)	30,344,344		30,344,344
84,968	2,811,068	1,683,913	5,661,352	959,219	224,488	(1,070,064)	57,117,313	-	57,117,313
\$ 85,402	\$ 2,883,972	\$ 1,683,913	\$ 7,326,630	\$ 3,391,040	\$ 226,302	\$ 4,239,804	\$ 77,332,534	\$ -	\$ 77,332,534

DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED: JUNE 30, 2024

	Project Total	14.879 Mainstream Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.895 Jobs- Plus Pilot Initiative	14.892 Choice Neighborhoods Planning Grants	14.870 Resident Opportunity and Supportive Services
70300 Net Tenant Rental Revenue	\$ 4,926,201	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other	14,854					
70500 Total Tenant Revenue	4,941,055	-	-	-	-	-
70600 HUD PHA Operating Grants	9,671,598	189,072				
70610 Capital Grants	4,856,892					
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70750 Other Fees						
70700 Total Fee Revenue	-	-	-	-	-	-
70800 Other Government Grants						364,106
71100 Investment Income - Unrestricted	33					
71200 Mortgage Interest Income						
71400 Fraud Recovery						
71500 Other Revenue	110,740					
71600 Gain or Loss on Sale of Capital Assets	(1,473)					
70000 Total Revenue	19,578,845	189,072	-	-	-	364,106
91100 Administrative Salaries	1,205,004	11,622				
91200 Auditing Fees	2,932	55				
91300 Management Fee	1,869,453	6,731				
91310 Book-keeping Fee	154,681	4,206				
91500 Employee Benefit contributions - Administrative	416,207	4,081				
91600 Office Expenses	587,905	3,783		19,255		
91900 Other	69,017	245				
91000 Total Operating - Administrative	4,305,199	30,723	-	19,255	-	-
92000 Asset Management Fee	255,550					
92100 Tenant Services - Salaries	102,126					222,768
92200 Relocation Costs	118,187					
92300 Employee Benefit Contributions - Tenant Services	(26,154)					98,708
92400 Tenant Services - Other	866					
92500 Total Tenant Services	450,575	-	-	-	-	321,476
93100 Water	465,331					
93200 Electricity	1,284,108					
93300 Gas	408,782					
93600 Sewer	374,398					
93000 Total Utilities	2,532,619	-	-	-	-	-
94100 Ordinary Maintenance and Operations - Labor	1,584,584					
94200 Ordinary Maintenance and Operations - Materials and Other	1,193,283	123				
94300 Ordinary Maintenance and Operations Contracts	4,868,661	1,371				15,520
94500 Employee Benefit Contributions - Ordinary Maintenance	582,606					
94000 Total Maintenance	8,229,134	1,494	-	-	-	15,520
95100 Protective Services - Labor	55,389					
95200 Protective Services - Other Contract Costs	168,599					
95300 Protective Services - Other	593					
95500 Employee Benefit Contributions - Protective Services	16,660					
95000 Total Protective Services	241,241	-	-	-	-	-
96110 Property Insurance	410,448					
96130 Workmen's Compensation	67,643	286				9,397
96140 All Other Insurance	17,089	15				
96100 Total insurance Premiums	495,180	301	-	-	-	9,397
96200 Other General Expenses	11,524	235				
96210 Compensated Absences	127,262		33,047			4,823
96300 Payments in Lieu of Taxes	88,395					
96400 Bad debt - Tenant Rents	(209,770)					
96800 Severance Expense	42,561	67				12,890
96000 Total Other General Expenses	59,972	302	33,047	-	-	17,713

14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
\$ -	\$ 3,325	\$ -	\$ 243,819 690	\$ -	\$ -	\$ -	\$ 5,173,345 15,544	\$ -	\$ 5,173,345 15,544
-	3,325	-	244,509	-	-	-	5,188,889	-	5,188,889
162,029			438,230 26,684	33,291,272	758,574		44,510,775 4,883,576		44,510,775 4,883,576
						2,507,677	2,507,677	(2,507,677)	-
						259,930	259,930	(259,930)	-
						516,338	516,338	(516,338)	-
						173,604	173,604		173,604
-	-	-	-	-	-	3,457,549	3,457,549	(3,283,945)	173,604
							364,106		364,106
		53,524	231			90,449	144,237		144,237
				1,428			-		-
			2,235	4,820		48,233	166,028		166,028
				14,067			12,594		12,594
162,029	3,325	53,524	711,889	33,311,587	758,574	3,596,231	58,729,182	(3,283,945)	55,445,237
9,509		48,508	30,973	970,899	17,289	2,246,961	4,540,765		4,540,765
45			10,017	4,492	82	44,851	62,474		62,474
5,616	1,865		62,375	551,624	10,013		2,507,677	(2,507,677)	-
3,510	90		2,828	344,765	6,258		516,338	(516,338)	-
3,339		10,241	13,219	391,556	6,072	415,572	1,260,287		1,260,287
3,095		7,977	24,899	290,166	5,629	179,950	1,122,659		1,122,659
200	(28,697)	8,715	10,558	29,918	364	96,805	187,125		187,125
25,314	(26,742)	75,441	154,869	2,583,420	45,707	2,984,139	10,197,325	(3,024,015)	7,173,310
	60		4,320				259,930	(259,930)	-
			1,393			144,124	470,411		470,411
			(17,390)			766	101,563		101,563
			(353)				72,201		72,201
			(7,882)			(17,225)	(24,241)		(24,241)
-	60	-	(19,912)	-	-	127,665	879,864	-	619,934
			29,875			1,270	496,476		496,476
			17,269			52,797	1,354,174		1,354,174
			10,393				419,175		419,175
			34,395			2,391	411,184		411,184
-	-	-	91,932	-	-	56,458	2,681,009	-	2,681,009
			78,034			86,104	1,748,722		1,748,722
101			(8,107)	10,073	183	43,383	1,239,039		1,239,039
372		25,313	310,590	108,712	2,040	316,692	5,649,271		5,649,271
750			29,430			9,745	622,531		622,531
1,223	-	25,313	409,947	118,785	2,223	455,924	9,259,563	-	9,259,563
			773				56,162		56,162
			1,292			102	169,993		169,993
			8				601		601
			230				16,890		16,890
-	-	-	2,303	-	-	102	243,646	-	243,646
	319		17,163			19,213	447,143		447,143
234		1,187	3,679	23,411	425	60,920	167,182		167,182
13			80	1,279	23	1,210	19,709		19,709
247	319	1,187	20,922	24,690	448	81,343	634,034	-	634,034
192	(1)		812,841	9,917	20,067	12,445	867,220		867,220
			2,406	7,247		(236,047)	(61,262)		(61,262)
	338		2,808			8,675	100,216		100,216
	(547)		16,044				(194,273)		(194,273)
55			236	5,500	100	148,321	209,730		209,730
247	(210)	-	834,335	22,664	20,167	(66,606)	921,631	-	921,631

DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
FOR THE FISCAL YEAR ENDED: JUNE 30, 2024

	Project Total	14.879 Mainstream Vouchers	14.866 Revitalization of Severely Distressed Public Housing	14.895 Jobs- Plus Pilot Initiative	14.892 Choice Neighborhoods Planning Grants	14.870 Resident Opportunity and Supportive Services
96710 Interest of Mortgage (or Bonds) Payable	180,810	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	7,111					
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	187,921	-	-	-	-	-
96900 Total Operating Expenses	16,757,391	32,820	33,047	19,255	-	364,106
97000 Excess of Operating Revenue over Operating Expenses	2,821,454	156,252	(33,047)	(19,255)	-	-
97200 Casualty Losses - Non-capitalized	85,765					
97300 Housing Assistance Payments		143,837				
97400 Depreciation Expense	2,395,184		11,346			
97800 Dwelling Units Rent Expense	81,501					
90000 Total Expenses	19,319,841	176,657	44,393	19,255	-	364,106
10091 Inter Project Excess Cash Transfer In	180,000					
10092 Inter Project Excess Cash Transfer Out	(180,000)					
10093 Transfers between Project and Program - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 259,004	\$ 12,415	\$ (44,393)	\$ (19,255)	\$ -	\$ -
11020 Required Annual Debt Principal Payments	\$ 571,485					
11030 Beginning Equity	\$ 46,226,862	\$ -	\$ 1,080,119	\$ 44,716	\$ 185,158	\$ 32,546
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ (1,244,892)			\$ (25,461)		
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	22,181	600				
11210 Number of Unit Months Leased	20,815	580				
11270 Excess Cash	\$ 4,563,307					
11610 Land Purchases	\$ -					
11620 Building Purchases	\$ 617,101					
11630 Furniture & Equipment - Dwelling Purchases	\$ 72,537					
11640 Furniture & Equipment - Administrative Purchases	\$ 14,256					
11660 Infrastructure Purchases	\$ 155,523					
13510 CFFP Debt Service Payments	\$ -					

14.182 N/C S/R Section 8 Programs	1 Business Activities	2 State/Local	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
-	-	-	-	-	-	-	180,810 7,111	-	180,810 7,111
-	-	-	-	-	-	-	- 187,921	-	- 187,921
27,031	(26,513)	101,941	1,498,716	2,749,559	68,545	3,639,025	25,264,923	(3,283,945)	21,721,048
134,998	29,838	(48,417)	(786,827)	30,562,028	690,029	(42,794)	33,464,259	-	33,724,189
133,545	5,170	111,725	774 258,540	4,820 29,922,446 11,402	690,029	11,287	91,359 30,889,857 2,804,654 81,501		91,359 30,889,857 2,804,654 81,501
160,576	(21,343)	213,666	1,758,030	32,688,227	758,574	3,650,312	59,132,294	(3,283,945)	55,588,419
							180,000 (180,000)		180,000 (180,000)
							-		-
-	-	-	-	-	-	-	-	-	-
\$ 1,453	\$ 24,668	\$ (160,142)	\$ (1,046,141)	\$ 623,360	\$ -	\$ (54,081)	\$ (403,112)	\$ -	\$ (143,182)
\$ 83,515	\$ 2,786,340	\$ 1,844,055	\$ 12,506 \$ 5,648,404 \$ 1,054,769	\$ 335,859	\$ 224,488	\$ (1,015,983)	\$ 583,991 \$ 57,476,079 \$ (215,584) \$ 664,593 \$ 294,626 \$ 80,580 71,386 \$ 4,563,307 \$ - \$ 617,101 \$ 72,537 \$ 14,256 \$ 155,523 \$ -		\$ 583,991 \$ 57,476,079 \$ (215,584) \$ 664,593 \$ 294,626 \$ 80,580 71,386 \$ 4,563,307 \$ - \$ 617,101 \$ 72,537 \$ 14,256 \$ 155,523 \$ -
468	7		864	55,080	1,380				
425	7		794	47,909	856				

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF MODERNIZATION COSTS - COMPLETED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. Actual Modernization costs of the Project are as follows:

<u>Modernization Authority Number</u>	<u>OH12P005501-16</u>	<u>OH12P005501-17</u>
Fund Approved	\$ 4,933,909	\$ 4,975,699
Funds Expended	<u>4,933,909</u>	<u>4,975,699</u>
Excess of Fund Advanced	<u>\$ -</u>	<u>\$ -</u>

2. All modernization work in connection with the projects has been completed.
3. All modernization costs have been paid and all related liabilities have been discharged through payment

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR

Pass Through Grantor

Program / Cluster Title	Federal ALN	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Direct Program</i>		
Lower Income Housing Assistance Program - Section 8 New Construction/ Substantial Rehabilitation	14.182	\$ 162,029
Public Housing Operating Fund	14.850	10,111,778
Resident Opportunity and Supportive Services - Service Coordinators	14.870	361,935
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	33,548,249
COVID-19 - Emergency Housing Vouchers Program	14.871	758,574
		<u>34,306,823</u>
Mainstream Vouchers	14.879	189,072
Total Housing Voucher Cluster		<u>34,495,895</u>
Public Housing Capital Fund	14.872	<u>4,883,576</u>
Total U.S. Department of Housing and Urban Development		<u>50,015,213</u>
Total Expenditures of Federal Awards		<u><u>\$ 50,015,213</u></u>

The accompanying notes are an integral part of this schedule

**DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1: BASIS OF PRESENTATION

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

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 Dayton Metropolitan Housing Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 28, 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 entity'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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 28, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

Report on Compliance for Each Major Federal Program***Opinion on Each Major Federal Program***

We have audited the Dayton Metropolitan Housing Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 June 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 Auditors' 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

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.

Auditors' 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 a 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 Auditors' 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 28, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

Housing Voucher Cluster:

ALN 14.871 – Housing Voucher Cluster
ALN 14.871 – COVID-19 – Emergency Housing Vouchers Program
ALN 14.879 – Mainstream Voucher Program

Dollar threshold to distinguish between Type A and Type B programs:	\$1,500,456
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted



Greater Dayton Premier Management

Enhancing Neighborhoods • Strengthening Communities • Changing Lives

Dayton Metropolitan Housing Authority

Schedule of Prior Audit Findings

June 30, 2024

2023-001: Significant Deficiency – Bank Reconciliations

During our review of internal control procedures over cash and the corresponding reconciliation process, we identified that cash accounts were not reconciled within a timely manner. In addition, variances between the general ledger and cash balances went unreconciled for multiple months. Lastly, bank reconciliations were not reviewed and approved by someone other than the preparer.

Status: Corrected.

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OHIO AUDITOR OF STATE KEITH FABER



DAYTON METROPOLITAN HOUSING AUTHORITY

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/1/2025

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

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