



**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY
DECEMBER 31, 2024**

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HANCOCK COUNTY
DECEMBER 31, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Hancock Metropolitan Housing Authority
Hancock County
1800 North Blanchard Street, Suite 114
Findlay, Ohio 45840-4504

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hancock Metropolitan Housing Authority, Hancock County, Ohio (the Authority), as of and for the year ended December 31, 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 Hancock Metropolitan Housing Authority, Hancock County, Ohio as of December 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

August 19, 2025

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**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

This Management's Discussion and Analysis (MD&A) for the Hancock Metropolitan Housing Authority (the Authority) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in the Authority's financial position. It is designed to focus on the financial activity for the fiscal year ended December 31, 2024, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Overview of the Financial Statements

The basic financial statements included elsewhere in this report are:

The Statement of Net Position
The Statement of Revenues, Expenses and Change in Net Position, and
The Statement of Cash Flows

The Statement of Net Position is very similar to, and what most people would think of as, a Balance Sheet. In the first half it generally reports the value of assets the Authority holds, that is, the cash the Authority has, the amounts that are owed the Authority from others, and the value of the equipment the Authority owns. In the other half of the statement, it generally shows the liabilities the Authority has, that is, what the Authority owes others, and what Net Position (or what is commonly referred to as Equity) the Authority has. The two parts of the report are in balance, thus why many might refer to this type of report as a Balance Sheet, in that the total of the assets and deferred outflow of resources equals the total of the liabilities and deferred inflows of resources plus Net Position (or equity).

In the statement, the Net Position part is broken out into three categories:

Net Investment in Capital Assets
Restricted Net Position, and
Unrestricted Net Position

The balance in Net Investment in Capital Assets reflects the value of capital assets, that is assets such as land, buildings, and equipment, reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding balances of debt or other borrowings or liabilities incurred to acquire those assets.

The balance in Restricted Net Position reflects the value of assets reported in the top part of the statements that are restricted for use by law or regulation, or when the use of those assets is restricted by constraints placed on the assets by creditors.

The balance in Unrestricted Net Position is what is left over of Net Position after what is classified in the two previously mentioned components of Net Position. It reflects the value of assets available to the Authority to use to further its purpose.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The Statement of Revenues, Expenses & Change in Net Position is very similar to and may commonly be referred to as an Income Statement. It essentially is a report showing what the Authority earned, that is what its revenues or incomes were, and what expenses the Authority had over the same period. It shows how the Net Position (or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if the Authority had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the Net Position. The bottom line of the report, Total Net Position at End of Year, is what is referred to in the above discussion of the Statement of Net Position that when added to the liabilities and deferred inflow of resources the Authority has equals the total assets and deferred outflow of resources the Authority has.

The Statement of Cash Flows is a report that shows how the amount of cash the Authority had at the end of the previous year was impacted by the activities of the current year. It breaks out in general categories the cash coming in and the cash going out. It helps the reader to understand the sources and uses of cash by the Authority during the year to include a measurement of cash gained or used by operating activities, by activities related to acquiring capital assets, and by activities related to investing activities.

The Authority's Business Type Funds

The financial statements included elsewhere in this report are presented using the Authority-wide perspective meaning the activity reported reflects the summed results of all programs, or business-type funds of the Authority. The Authority consists exclusively of Enterprise Funds. The full accrual basis of accounting is used for Enterprise Funds. That method of accounting is very similar to accounting used in the private sector.

The Authority's programs include the following:

The Section 8 Housing Programs (Housing Choice Vouchers and Mainstream Vouchers), and
The State and Local program.

Under the Section 8 Housing Choice Voucher and Mainstream Voucher programs, the Authority subsidizes the rent of low to moderate-income families through Housing Assistance Payments contracts when those families rent from private landlords. These are called tenant-based programs because when the tenant family moves, the rental assistance goes with the family to the new rental unit. Under the Mainstream Voucher Program, the rental assistance is targeted to a specific population.

Under its State and Local program, the Authority reports activities of the Authority other than those related to the HUD funded programs of the Authority, or when funding comes from sources other than HUD.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

THE AUTHORITY'S STATEMENTS

Statement of Net Position

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

**Table 1 - Condensed Statement of Net Position Compared to Prior Year
(Values rounded to nearest Thousand)**

	2024	2023
<u>Assets and Deferred Outflows of Resources</u>		
<u>Assets</u>		
Current and Other Assets	\$ 655,000	\$ 530,000
Capital Assets	65,000	24,000
Net OPEB Asset	13,000	0
Total Assets	<u>733,000</u>	<u>554,000</u>
Deferred Outflows	<u>134,000</u>	<u>217,000</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 867,000</u></u>	<u><u>\$ 771,000</u></u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
<u>Liabilities</u>		
Current Liabilities	\$ 29,000	\$ 16,000
Non-Current Liabilities	445,000	487,000
Total Liabilities	<u>474,000</u>	<u>503,000</u>
Deferred Inflows of Resources	<u>15,000</u>	<u>3,000</u>
<u>Net Position</u>		
Net Investment in Capital Assets	7,000	16,000
Restricted	145,000	99,000
Unrestricted	226,000	150,000
Total Net Position	<u>378,000</u>	<u>265,000</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 867,000</u></u>	<u><u>\$ 771,000</u></u>

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

Total assets increased \$179,000 (about 32%) from last fiscal year-end. Current assets is where the largest part of the increase was, and that increase was primarily an increase in cash. Unrestricted cash increased \$64,922, a reflection of the favorable results of operations. Restricted cash increased \$33,199, as funding from HUD for the Authority to use to make rental assistance payments on behalf of its clients exceeded what the Authority spent for that purpose. Capital assets also increased notably, that due to a three year lease agreement the Authority entered into in the period for use of office space, to house the administrative offices of the Authority.

Total liabilities on the other hand decreased modestly, by \$29,000 (about 6%), with the increase in lease liabilities from the new lease for office space being more than offset by the reduction in the Net Pension and Net OPEB liabilities.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The following is a condensed Statement of Revenues, Expenses and Change in Net Position. The Authority is engaged only in business type activities.

**Table 2 - Condensed Statement of Revenues, Expenses, and Change in Net Position
Compared to Prior Year
(Values rounded to nearest Thousand)**

	2024	2023
<u>Revenues</u>		
Operating Subsidies and Grants	\$ 4,131,000	3,965,000
Other Revenues	47,000	16,000
Total Revenues	<u>4,178,000</u>	<u>3,981,000</u>
<u>Expenses</u>		
Administrative	456,000	456,000
General and Maintenance	12,000	17,000
Housing Assistance Payments	3,568,000	3,449,000
Depreciation	29,000	26,000
Total Expenses	<u>4,065,000</u>	<u>3,948,000</u>
Net Increase	113,000	33,000
Beginning Net Position	265,000	232,000
Total Net Position - Ending	<u><u>\$ 378,000</u></u>	<u><u>\$ 265,000</u></u>

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

Total revenues increased \$197,000 (about 5%), while total expenses increased \$117,000 (or 3%). The result was an increase of net position of \$113,000, compared to \$33,000 in the prior fiscal year. On the revenue side, the largest part of the increase was in operating subsidies and grants. Funding from HUD to make rental assistance payments, HAP revenue, made up \$160,124 of that. HUD provides funding for this purpose based on trends in current spending for this purpose as reported by the Authority. So it is not unexpected then that on the expense side is Housing Assistance Payments (HAP) expense increased notably, by \$119,000 (or 3%). HAP expense is the expense recorded when the Authority makes rental assistance payments on behalf of program participants. And HAP expense increased as much as it did, despite that unit months leased under the program dropped slightly. The amount of HAP paid by the Authority is based on a formula set by HUD based on family income and composition to make rents paid by program families affordable. This year the trend from recent years of increased rental rates in the area served by the Authority continued, and higher rents mean more rental assistance is needed to keep rents paid by program families affordable.

Of the increase in net position for the period, a portion of it is to restricted net position. HAP revenue from HUD increased by more than HAP expense. Since HAP revenue is restricted by regulation, the increase in HAP revenue over the increase in HAP expense contributes to the increase in restricted net position in the period, and resulted in the increase in restricted cash of \$33,199 referred to in the section following Table 1 of this MD&A.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The following is a condensed comparison of the balances in capital assets at the year-end versus at the end of the prior year.

**Table 3 - Condensed Comparison of Capital Assets to Prior Year
(Values rounded to nearest Thousand)**

	2024	2023
Intangible Right-to-Use-Buildings	\$ 70,000	\$ 45,000
Equipment	36,000	142,000
Accumulated Depreciation/Amortization	(41,000)	(163,000)
Total	<u>\$ 65,000</u>	<u>\$ 24,000</u>

Additions in the period were related to executing a lease for use of office space to house the administrative offices of the Authority.

Debt

The Authority has no outstanding debt at December 31, 2024. However, the Authority has office space intangible right-to-use lease liability at year-end 2024. The following summarizes the change in the lease liability from last fiscal year-end.

Intangible Right-to-use Office Space Lease Liability, December 31, 2023	\$ 9,000
Additions in Period	68,000
Liability Retirement in Period	(19,000)
Intangible Right-to-use Office Space Lease Liability, December 31, 2024	<u>\$ 58,000</u>

Intangible right-to-use lease liabilities are presented in detail in Note 5.

Economic Factors

The continued trend of deep cuts to funding for administration of the Authority's programs by HUD presents significant challenges to management to find ways to continue to provide services to the clients of the Authority. While the Authority is always looking for opportunities to make cuts to improve results, operating with less dollars to administer programs means less staff to perform the work of the Authority and ultimately fewer families in the community that are provided rental assistance by the Authority.

Financial Contact

Questions concerning this report or requests for additional information should be directed to Casey Ricker, Executive Director of the Hancock Metropolitan Housing Authority, Suite 114, the Family Center, 1800 N. Blanchard Street, Findlay, Ohio, 45840.

HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets

Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 425,872
Cash and Cash Equivalents - Restricted	132,146
Accounts Receivable, Net	80,048
Prepaid Expenses and Other Assets	16,801
Total Current Assets	654,867

Noncurrent Assets

Capital Assets:

Depreciable Capital Assets, Net	65,231
Net OPEB Asset	12,753
Total Noncurrent Assets	77,984

Deferred Outflows of Resources

Pension	123,554
OPEB	11,020
Total Deferred Outflows of Resources	134,574

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 867,425

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities

Current Liabilities

Accounts Payable	\$ 2,953
Lease Liability	21,938
Other Current Liabilities	3,710
Total Current Liabilities	28,601

Noncurrent Liabilities

Accrued Compensated Absences	12,265
Lease liability, Net of Current Portion	36,533
Net Pension Liability	396,633
Total Noncurrent Liabilities	445,431

Total Liabilities

474,032

Deferred Inflow of Resources

Pension	7,754
OPEB	7,388
Total Deferred Inflows of Resources	15,142

Net Position

Net Investment in Capital Assets	6,760
Restricted Net Position	144,899
Unrestricted Net Position	226,592
Total Net Position	378,251

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$ 867,425

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Operating Revenue

Government Operating Grants	\$ 4,131,251
Other Revenues	46,702
Total Operating Revenue	<u>4,177,953</u>

Operating Expenses

Administrative	456,402
Maintenance	2,560
General	7,172
Housing Assistance Payments	3,567,603
Depreciation	29,454
Total Operating Expenses	<u>4,063,191</u>
Operating Income	<u>114,762</u>

Nonoperating Revenues (Expenses)

Interest Expense	(1,481)
Change in Net Position	<u>113,281</u>

Total Net Position at Beginning of Year	<u>264,970</u>
-----------------------------------------	----------------

Total Net Position at End of Year	<u><u>\$ 378,251</u></u>
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The accompanying notes are an integral part of the basic financial statements.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash Flows from Operating Activities

Operating Grants Received	\$ 4,131,251
Other Revenue Received	24,501
General and Administrative Expenses Paid	(468,157)
Housing Assistance Payments	(3,567,603)
Net Cash Provided by Operating Activities	<u>119,992</u>

Cash Flows from Capital and Related Activities

Capital Assets Acquired	(70,353)
Lease Proceeds	68,472
Lease Liability Retired	(18,704)
Interest Paid	(1,286)
Net Cash Used by Capital and Related Activities	<u>(21,871)</u>
Net Increase in Cash	98,121

Cash and Cash Equivalents at Beginning of Year	<u>459,897</u>
------------------------------------------------	----------------

Cash and Cash Equivalents at End of Year	<u>\$ 558,018</u>
-------------------------------------------------	--------------------------

**Reconciliation of Operating Income to
Net Cash Provided by Operating Activities**

Net Operating Income	\$ 114,762
Adjustments to Reconcile Operating Income to Net Cash	
Used by Operating Activities:	
Depreciation	29,454
(Increase) Decrease in:	
Accounts Receivable	(22,201)
Prepaid Expenses	(4,677)
Net OPEB Asset	(12,753)
Deferred Outflows of Resources	82,388
Increase (Decrease) in:	
Accounts Payable	2,237
Accrued Compensated Absences	1,299
Other Liabilities	(2,659)
Net Pension/OPEB Liability	(79,676)
Deferred Inflows of Resources	11,818
Net Cash Provided by Operating Activities	<u>\$ 119,992</u>

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1: SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority is a political subdivision of the State of Ohio, located in Findlay, Ohio. The Authority was created under the Ohio Revised Code, Section 3735.27, to engage in the acquisition, development, leasing, and administration of low-rent housing program. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low- and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

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

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

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

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

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Basis of Presentation

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

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

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

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

Measurement Focus

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

Enterprise Fund

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

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

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

Section 8 Programs

Under the Section 8 Housing Choice Voucher and Mainstream Voucher Programs, the Authority subsidizes the rents of low-income families that rent from private landlords. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income.

State and Local Program

The State and Local Program is activities of the Authority for which funding comes to the Authority from sources other than HUD.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less, and all non-negotiable certificates of deposits regardless of maturity.

Investments

Investments are restricted by the provisions of the HUD regulations. Investments are valued at market value.

Prepaid Expenses

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

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$4,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	25-40 years
Building Improvements	15-25 years
Furniture, Equipment, and Machinery	3-7 years

Net Position

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

Operating Revenues and Expenses

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Compensated Absences

The Authority recognizes a liability for compensated absences for leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation- The Authority's policy permits employees to accumulated earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick – The Authority's policy permits employees to accumulated earned but unused sick leave. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the Authority's termination policy. The Authority adopted the last-in, first-out (LIFO) method for sick time used.

Pensions/Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the Statement of Net Position for pension/OPEB. The deferred outflows of resources related to pension/OPEB plans are explained in Notes 6 and 7.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for pension/OPEB. Deferred inflows of resources related to pension/OPEB plans are reported on the Statement of Net Position (See Notes 6 and 7).

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1: SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. The Board of Commissioners adopts the budget through passage of a budget resolution.

Estimates

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

Change in Accounting Principle

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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

At fiscal year-end December 31, 2024, the carrying amount of the Authority's deposits totaled \$558,018, and its bank balance was \$572,424. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2024, \$250,000 was covered by the Federal Depository Insurance Corporation and \$322,424 was secured by the specific pledge collateral method.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover the deposits. All deposits exceeding FDIC are collateralized with eligible securities in amounts equal to at least 102 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve banks or at member banks of the Federal Reserve System in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 3: RESTRICTED CASH AND INVESTMENTS

The restricted cash balance as of December 31, 2024 was \$132,146 and it represents the following:

Unspent HUD advances for Housing Assistance Payments - HCV Program	\$ 127,742
Unspent HUD advances for Housing Assistance Payments - MSV Program	<u>4,404</u>
Total Restricted Cash on Hand	<u><u>\$ 132,146</u></u>

HANCOCK METROPOLITAN HOUSING AUTHORITY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<u>Capital Assets Being Depreciated/Amortized</u>				
Intangible Right-to-Use Lease Buildings	\$ 45,313	\$ 70,353	\$ (45,313)	\$ 70,353
Furniture, Machinery, and Equipment - Admin	142,245	-	(105,835)	36,410
Total Capital Assets Being Depreciated/Amortized	187,558	70,353	(151,148)	106,763
<u>Accumulated Depreciation/Amortization</u>				
Intangible Right-to-Use Lease Buildings	(37,500)	(21,493)	45,313	\$ (13,680)
Furniture, Machinery, and Equipment	(125,726)	(7,961)	105,835	(27,852)
Total Accumulated Depreciation/Amortization	(163,226)	(29,454)	151,148	(41,532)
Total Capital Assets, Net	\$ 24,332	\$ 40,899	\$ 0	\$ 65,231

NOTE 5: NON-CURRENT LIABILITIES

In year-end 2024, the Authority entered into a 3 year lease for office space calling for monthly payments of \$1,881.08 beginning June 1 the first year of the agreement, \$2069.18 beginning June 1, 2025, and \$2,276.10 beginning June 1, 2026. The leased space is being amortized over the life of the lease. The annual interest rate on the lease is estimated to be 4 percent.

Lease commitments for fiscal years ending December 31 are as follows:

	Principal	Interest	Total
2025	\$ 21,938	\$ 1,951	\$ 23,889
2026	25,265	1,014	26,279
2027	11,268	113	11,381
Total	\$ 58,471	\$ 3,078	\$ 61,549

A summary of changes in non-current liabilities is as follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Current Portion
Compensated Absences *	\$ 10,966	\$ 1,299	\$ 0	\$ 12,265	\$ 0
Net Pension Liability	467,028	0	(70,395)	396,633	0
Net OPEB Liability	9,281	0	(9,281)	0	0
Intangible Right-to-Use Lease Liability	8,703	68,472	(18,704)	58,471	21,938
Total	\$ 495,978	\$ 69,771	\$ (98,380)	\$ 467,369	\$ 21,938

* Net change for period presented

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HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved

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NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

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

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

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

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

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HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

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

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

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

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HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

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

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

For fiscal year ending December 31, 2024, the Authority's contractually required contributions used to fund pension benefits was \$36,991 for the Traditional Pension Plan.

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

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.001581%
Current Measurement Date	0.001515%
Change in Proportionate Share	-0.000066%
Proportionate Share of the Net Pension Liability	\$ 396,633
Pension Expense	\$ 40,210

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HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

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

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 80,060
Differences between expected and actual experience	6,483
Changes in proportion and differences between Authority contributions and proportionate share of contributions	20
Authority contributions subsequent to the measurement date	36,991
Total Deferred Outflows of Resources	\$ 123,554
Deferred Inflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	\$ 7,754
Total Deferred Inflows of Resources	\$ 7,754

\$36,991 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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 Pension Plan
Year Ending December 31:	
2025	\$ 14,626
2026	24,494
2027	51,088
2028	(11,399)
Total	\$ 78,809

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.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

***Actuarial Assumptions – OPERS* (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<u>Traditional Pension Plan</u>
Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Future Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return	
Current Measurement Date:	6.9 percent
Prior Measurement Date:	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

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

HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00 %	

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NOTE 6: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent.

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	\$ 624,407	\$ 396,633	\$ 207,191

NOTE 7: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Liability (Continued)

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

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

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

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

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2023 and 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023-2024, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023-2024 was 2.0 percent and 4.0 percent, respectively.

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

None of the Authority's contractually required contribution were allocated to health care for the year ending December 31, 2024.

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

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

HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

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

	<u>OPERS</u>
Proportion of the Net OPEB Liability/Asset:	
Prior Measurement Date	0.001472%
Current Measurement Date	<u>0.001413%</u>
Change in Proportionate Share	<u>-0.000059%</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$ (12,753)
OPEB Expense	\$ (1,441)

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on	
OPEB plan investments	\$ 7,658
Changes of assumptions	3,283
Changes in proportion and differences between Authority	
contributions and proportionate share of contributions	<u>79</u>
Total Deferred Outflows of Resources	<u>\$ 11,020</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 1,815
Changes of assumptions	5,482
Changes in proportion and differences between Authority	
contributions and proportionate share of contributions	<u>91</u>
Total Deferred Inflows of Resources	<u>\$ 7,388</u>

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

	<u>OPERS</u>
Year Ending December 31:	
2025	\$ (363)
2026	621
2027	5,960
2028	<u>(2,586)</u>
Total	<u>\$ 3,632</u>

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2023	December 31, 2022
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.70 percent	5.22 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	3.77 percent	4.05 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2038	5.50 percent initial, 3.50 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 7,008	\$ (12,753)	\$ (29,122)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7: DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OPERS (Continued)

		Current Health Care Cost Trend Rate	
	1% Decrease	Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	\$ (13,282)	\$ (12,753)	\$ (12,152)

NOTE 8: 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. During fiscal year ending December 31, 2024, the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents, general liability, fidelity, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

Additionally, workers' compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

NOTE 9: RESTRICTED NET POSITION

The restricted net position balance at December 31, 2024 was \$144,899 and it represents the following:

Unspent HUD advances to make Housing Choice Voucher	\$ 127,742
Program Housing Assistance Payments:	
Unspent HUD advances to make Mainstream 5 Voucher Program	
Housing Assistance Payments	4,404
Restricted for Net OPEB Asset	12,753
Total	\$ 144,899

NOTE 10: CONTINGENCIES

Grants

Amount grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2024.

Litigations

In the normal course of operations, the Authority may be subject to litigations and claims. At December 31, 2024, the Authority was not aware of any such matters.

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

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.001515%	0.001581%	0.001580%	0.001555%	0.001447%	0.001489%	0.001330%	0.001470%	0.001783%	0.002054%
Authority's Proportionate Share of the Net Pension Liability	\$ 396,633	\$ 467,028	\$ 137,466	\$ 230,262	\$ 286,009	\$ 407,807	\$ 208,651	\$ 333,812	\$ 308,837	\$ 247,735
Authority's Covered Payroll	\$ 249,371	\$ 245,000	\$ 229,307	\$ 219,057	\$ 203,557	\$ 201,071	\$ 180,631	\$ 190,042	\$ 221,908	\$ 251,775
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.62%	59.95%	105.12%	140.51%	202.82%	115.51%	175.65%	139.17%	98.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

See accompanying notes to the required supplementary information.

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

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 36,991	\$ 34,912	\$ 34,300	\$ 32,103	\$ 30,668	\$ 28,498	\$ 28,150	\$ 23,482	\$ 22,805	\$ 26,629
Contributions in Relation to the Contractually Required Contribution	(36,991)	(34,912)	(34,300)	(32,103)	(30,668)	(28,498)	(28,150)	(23,482)	(22,805)	(26,629)
Contribution Deficiency / (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Authority's Covered Payroll	\$ 264,221	\$ 249,371	\$ 245,000	\$ 229,307	\$ 219,057	\$ 203,557	\$ 201,071	\$ 180,631	\$ 190,042	\$ 221,908
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.001413%	0.001472%	0.001470%	0.001448%	0.001347%	0.001386%	0.001440%	0.001590%
Authority's Proportionate Share of the OPEB Liability/(Asset)	\$ (12,753)	\$ 9,281	\$ (46,043)	\$ (25,797)	\$ 186,056	\$ 180,702	\$ 156,373	\$ 160,595
Authority's Covered Payroll	\$ 249,371	\$ 245,000	\$ 229,307	\$ 219,057	\$ 203,557	\$ 201,071	\$ 204,600	\$ 220,303
Authority's Proportionate share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.08%	-11.78%	91.40%	89.87%	76.43%	72.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,912	\$ 5,011	\$ 4,438
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	0	0	(2,912)	(5,011)	(4,438)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Authority Covered Payroll	\$ 264,221	\$ 249,371	\$ 245,000	\$ 229,307	\$ 219,057	\$ 203,557	\$ 201,071	\$ 204,600	\$ 220,303	\$ 254,185
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.42%	2.27%	1.75%

See accompanying notes to the required supplementary information.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

Hancock Metropolitan Housing Authority
Hancock County
Financial Data Schedule
Entity Wide Balance Sheet Summary
For the Year Ended December 31, 2024

	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	108,428	66,806	250,638	425,872
115 Cash - Restricted for Payment of Current Liabilities		4,404	127,742	132,146
100 Total Cash	108,428	71,210	378,380	558,018
125 Accounts Receivable - Miscellaneous	360			360
128 Fraud Recovery			194,784	194,784
128.1 Allowance for Doubtful Accounts - Fraud			(115,096)	(115,096)
120 Total Receivables, Net of Allowances for Doubtful Accounts	360		79,688	80,048
142 Prepaid Expenses and Other Assets			16,801	16,801
150 Total Current Assets	108,788	71,210	474,869	654,867
164 Furniture, Equipment & Machinery - Administration			36,410	36,410
165 Leasehold Improvements			70,353	70,353
166 Accumulated Depreciation			(41,532)	(41,532)
160 Total Capital Assets, Net of Accumulated Depreciation			65,231	65,231
174 Other Assets			12,753	12,753
180 Total Non-Current Assets			77,984	77,984
200 Deferred Outflow of Resources			134,574	134,574
290 Total Assets and Deferred Outflow of Resources	108,788	71,210	687,427	867,425
312 Accounts Payable <= 90 Days			2,953	2,953
325 Accrued Interest Payable			195	195
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			21,938	21,938
345 Other Current Liabilities	3,515			3,515
310 Total Current Liabilities	3,515		25,086	28,601
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			36,533	36,533
354 Accrued Compensated Absences - Non Current			12,265	12,265
357 Accrued Pension and OPEB Liabilities			396,633	396,633
350 Total Non-Current Liabilities			445,431	445,431
300 Total Liabilities	3,515		470,517	474,032
400 Deferred Inflow of Resources			15,142	15,142
508.4 Net Investment in Capital Assets			6,760	6,760
511.4 Restricted Net Position		4,404	140,495	144,899
512.4 Unrestricted Net Position	105,273	66,806	54,513	226,592
513 Total Equity - Net Assets / Position	105,273	71,210	201,768	378,251
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	108,788	71,210	687,427	867,425

Hancock Metropolitan Housing Authority
Hancock County
Financial Data Schedule
Entity Wide Revenue and Expense Summary
For the Year Ended December 31, 2024

	2 State/Local	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	Total
70600 HUD PHA Operating Grants		249,007	3,882,244	4,131,251
70700 Total Fee Revenue		249,007	3,882,244	4,313,251
71400 Fraud Recovery			42,382	42,382
71500 Other Revenue	4,320			4,320
70000 Total Revenue	4,320	249,007	3,924,626	4,359,953
91100 Administrative Salaries		30,409	245,667	276,076
91200 Auditing Fees		1,100	9,267	10,367
91400 Advertising and Marketing			96	96
91500 Employee Benefit contributions - Administrative		10,844	89,387	100,231
91600 Office Expenses			62,671	62,671
91800 Travel			74	74
91900 Other			6,887	6,887
91000 Total Operating - Administrative		42,353	414,049	456,402
94300 Ordinary Maintenance and Operations Contracts			2,560	2,560
94000 Total Maintenance			2,560	2,560
96120 Liability Insurance			5,803	5,803
96100 Total insurance Premiums			5,803	5,803
96200 Other General Expenses			1,370	1,370
96000 Total Other General Expenses			1,370	1,370
96710 Interest of Mortgage (or Bonds) Payable			1,481	1,481
96700 Total Interest Expense and Amortization Cost			1,481	1,481
96900 Total Operating Expenses		42,353	425,263	467,616
97000 Excess of Operating Revenue over Operating Expenses	4,320	206,654	3,499,363	3,892,337
97300 Housing Assistance Payments		173,623	3,393,980	3,567,603
97400 Depreciation Expense			29,453	29,453
90000 Total Expenses		215,976	3,848,696	4,064,672
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	4,320	33,031	75,930	295,281
11030 Beginning Equity	100,953	38,179	125,838	264,970
11170 Administrative Fee Equity			74,026	74,026
11180 Housing Assistance Payments Equity			127,742	127,742
11190 Unit Months Available		900	9,540	10,440
11210 Number of Unit Months Leased		900	7,271	8,171

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR	Federal	Total Federal
<i>Pass Through Grantor</i>	AL	Expenditures
Program / Cluster Title	Number	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
<i>Direct Programs</i>		
Housing Voucher Cluster:		
Section 8 Housing Choice Voucher	14.871	\$ 3,882,244
Mainstream Vouchers	14.879	249,007
Total Housing Voucher Cluster		<u>4,131,251</u>
Total U.S. Department of Housing and Urban Development		<u>4,131,251</u>
Total Expenditures of Federal Awards		<u>\$ 4,131,251</u>

The accompanying notes are an integral part of this schedule.

**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Hancock Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

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

Hancock Metropolitan Housing Authority
Hancock County
1800 North Blanchard Street, Suite 114
Findlay, Ohio 45840-4504

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hancock Metropolitan Housing Authority, Hancock County, Ohio (the Authority) as of and for the year ended December 31, 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 August 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

August 19, 2025



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

Hancock Metropolitan Housing Authority
Hancock County
1800 North Blanchard Street, Suite 114
Findlay, Ohio 45840-4504

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Hancock Metropolitan Housing Authority, Hancock County, Ohio's, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Hancock Metropolitan Housing Authority's major federal program for the year ended December 31, 2024. Hancock Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Hancock Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

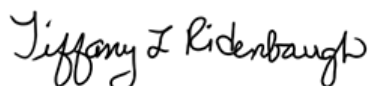
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

KEITH FABER
Ohio Auditor of State



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

August 19, 2025

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**HANCOCK METROPOLITAN HOUSING AUTHORITY
HANCOCK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



HANCOCK METROPOLITAN HOUSING AUTHORITY

HANCOCK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/2/2025

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This report is a matter of public record and is available online at
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