

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditor's Report

March 31, 2024

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Ashland
Ashland, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Housing Authority of the City of Ashland ("Housing Authority"), a component unit of the City of Ashland, Wisconsin, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority, as of March 31, 2024, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Housing 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 these 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 Housing 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 generally accepted auditing standards 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.

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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 generally accepted auditing standards 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 Housing 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 Housing 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 on pages 6 through 9 and schedules relating to pensions and other postemployment benefits on pages 29-31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying combining financial statements, financial data schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 combining financial statements, financial data schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the Housing 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 Housing 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 Housing Authority's internal control over financial reporting and compliance.

Collins & Associates, S.C.

Collins & Associates, S.C.
La Crosse, Wisconsin
December 27, 2024

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2024

As management of the Housing Authority of the City of Ashland ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$3,054,594.
- The Authority's cash and investment balance at March 31, 2024, was \$1,232,744 representing an increase of \$287,585 from March 31, 2023.
- Department of Housing and Urban Development grants and other governmental grants amounting to \$1,361,873 were reported as revenues, an increase of \$377,732 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this report are those of a special-purpose government engaged only in a business-type activity. The following statements are included:

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

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* reports the Authority's cash flows from operating, investing, and capital and related financing activities.

The basic financial statements can be found on pages 10 - 12 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 13 - 28 of this report.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2024

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows exceeded liabilities and deferred inflows by \$3,054,594 at the close of the most recent fiscal year.

By far, the largest portion of the Authority's net position (73 percent) reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and machinery), less any related debt used to acquire those assets that is still outstanding. The Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

**Housing Authority of the City of Ashland - Net Position
March 31, 2024 and 2023**

	2024	2023	Total Change
<u>ASSETS</u>			
Current assets	\$ 1,310,180	\$ 1,010,451	\$ 299,729
Capital assets	2,398,180	2,340,319	57,861
Other assets	-	173,654	(173,654)
Total assets	3,708,360	3,524,424	183,936
<u>DEFERRED OUTFLOWS</u>			
Related to pension	450,044	347,486	102,558
Related to OPEB	39,886	34,731	5,155
Total deferred outflows	489,930	382,217	107,713
<u>LIABILITIES</u>			
Current liabilities	254,143	263,777	(9,634)
Noncurrent liabilities	569,369	429,931	139,438
Total liabilities	823,512	693,708	129,804
<u>DEFERRED INFLOWS</u>			
Related to pension	250,757	410,170	(159,413)
Related to OPEB	42,123	9,954	32,169
Related to HAP	27,304	-	27,304
Total deferred inflows	320,184	420,124	(99,940)
<u>NET POSITION</u>			
Net investment in capital assets	2,237,757	2,172,019	65,738
Restricted	80,430	230,345	(149,915)
Unrestricted	736,407	390,445	345,962
Total net position	\$ 3,054,594	\$ 2,792,809	\$ 261,785

Current assets increased \$299,729 due to an increase in cash and investments of \$287,585. Capital assets increased during the year due to capital additions in excess of depreciation. The Authority had capital additions of \$333,093 during the year. Total liabilities increased \$129,804, from the prior year due to an increase in net pension liability of \$118,472. The Authority had debt retirement of \$7,877 during the fiscal year.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2024

**Housing Authority of the City of Ashland - Changes in Net Position
For The Years Ended March 31, 2024 and 2023**

	2024	2023	Total Change
<u>OPERATING REVENUES</u>			
Dwelling rental	\$ 811,310	\$ 713,639	\$ 97,671
Tenant revenue - other	26,548	62,217	(35,669)
Operating grants	1,053,314	807,094	246,220
Total operating revenues	<u>1,891,172</u>	<u>1,582,950</u>	<u>308,222</u>
<u>OPERATING EXPENSES</u>			
Low Rent Public Housing	1,193,366	1,228,291	(34,925)
Capital Fund Program	138,577	124,214	14,363
Business Activities	13,229	8,012	5,217
Voucher Program	374,494	282,616	91,878
N/C S/R Section 8	86,140	86,671	(531)
COCC	197,961	184,246	13,715
Total operating expenses	<u>2,003,767</u>	<u>1,914,050</u>	<u>89,717</u>
Operating income (loss)	(112,595)	(331,100)	218,505
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest on investments	14,140	2,569	11,571
Other revenues	234,601	207,889	26,712
Fraud recovery	720	617	103
Casualty losses	(165,584)	-	(165,584)
Interest subsidies	15,744	16,636	(892)
Interest expense	(18,056)	(18,902)	846
Total nonoperating revenues (expenses)	<u>81,565</u>	<u>208,809</u>	<u>(127,244)</u>
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(31,030)	(122,291)	91,261
Capital grants	<u>292,815</u>	<u>160,411</u>	<u>132,404</u>
CHANGE IN NET POSITION	261,785	38,120	223,665
NET POSITION - Beginning of Year	<u>2,792,809</u>	<u>2,754,689</u>	<u>38,120</u>
NET POSITION - END OF YEAR	<u><u>\$ 3,054,594</u></u>	<u><u>\$ 2,792,809</u></u>	<u><u>\$ 261,785</u></u>

The Authority's net position increased \$261,785 during the fiscal year. Operating revenues increased by \$308,222 from the previous year due mainly to an increase in dwelling rental of \$97,671 and operating grants of \$246,220. Operating expenses increased \$89,717 from the previous year due mainly to an increase in administrative expense of \$55,056 and housing assistance payments of \$75,904.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2024

BUDGETS

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD and RD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS	2024	2023	Total Change
Land	\$ 365,191	\$ 354,565	\$ 10,626
Buildings	12,258,799	11,787,364	471,435
Furniture, Equipment and Machinery			
Dwellings	134,332	134,333	(1)
Administrative	328,862	346,136	(17,274)
Less accumulated depreciation	(10,691,404)	(10,436,659)	(254,745)
Construction in progress	2,400	154,580	(152,180)
Total	<u>2,398,180</u>	<u>2,340,319</u>	<u>57,861</u>
 Long-term debt	 <u>160,423</u>	 <u>168,300</u>	 <u>(7,877)</u>
 Net investment in capital assets	 <u>\$ 2,237,757</u>	 <u>\$ 2,172,019</u>	 <u>\$ 65,738</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority has stayed within budget for the fiscal year ending March 31, 2024. While it is difficult to predict emergency spending for the next fiscal year, the Authority anticipates the budget for fiscal year end March 31, 2025, is adequate for operating and maintaining its housing units. The Authority also does annual and five-year planning for its Capital Fund Program. While capital fund grants are not known at this time, the Authority anticipates the grants will meet the long-term improvements in their plan.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, City of Ashland Housing Authority, 319 Chapple Ave, Ashland, WI 54806.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
STATEMENT OF NET POSITION
March 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 870,607
Accounts receivable - tenants	10,975
Accounts receivable - HUD	2,400
Prepaid expense	55,041
Inventory	9,020

Restricted Assets:

Cash and cash equivalents	187,224
Investments	174,913
Total Current Assets	<u>1,310,180</u>

Noncurrent Assets

Capital Assets:

Land	365,191
Buildings	12,258,799
Furniture, Equipment and Machinery:	
Dwellings	134,332
Administrative	328,862
Accumulated depreciation	(10,691,404)
Construction in progress	2,400
Total Noncurrent Assets	<u>2,398,180</u>
Total Assets	<u>3,708,360</u>

DEFERRED OUTFLOWS

Deferred outflows related to pension	450,044
Deferred outflows related to OPEB	39,886
Total Deferred Outflows	<u>489,930</u>

LIABILITIES

Current Liabilities

Accounts payable	8,043
Accrued wages/payroll taxes	18,297
Accrued compensated absences - current	31,648
Accrued interest payable	1,499
Accrued payables - other government	102,270
Accrued liabilities - other	12,896

Current Liabilities Payable from Restricted Assets:

Tenant security deposits payable	65,094
Unearned revenues	3,723
Current portion of long-term debt	10,673
Total Current Liabilities	<u>254,143</u>

Noncurrent Liabilities

Long-term debt net of current portion	149,750
Net pension liability	118,472
Net OPEB liability	58,892
Accrued compensated absences	67,342
Noncurrent liabilities - other	174,913
Total Noncurrent Liabilities	<u>569,369</u>
Total Liabilities	<u>823,512</u>

DEFERRED INFLOWS

Deferred inflows related to pension	250,757
Deferred inflows related to OPEB	42,123
Deferred inflows related to HAP	27,304
Total Deferred Inflows	<u>320,184</u>

NET POSITION

Net investment in capital assets	2,237,757
Restricted	80,430
Unrestricted	736,407
TOTAL NET POSITION	<u>\$ 3,054,594</u>

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

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For The Year Ended March 31, 2024

Operating Revenues

Dwelling rental	\$ 811,310
Tenant revenue - other	26,548
HUD operating grants	1,011,372
Rental assistance	41,942
Total Operating Revenues	<u>1,891,172</u>

Operating Expenses

Administration	522,303
Tenant services	19,471
Utilities	241,535
Ordinary maintenance and operation	475,983
Protective services	3,675
General expense	134,913
Depreciation expense	275,232
Housing assistance payments	330,655
Total Operating Expenses	<u>2,003,767</u>

Operating Income (Loss)	(112,595)
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Nonoperating Revenues (Expenses)

Interest on investments	14,140
Other revenues	234,601
Fraud recovery	720
Casualty losses	(165,584)
Interest subsidies	15,744
Interest expense	(18,056)
Total Nonoperating Revenues (Expenses)	<u>81,565</u>

Change in Net Position Before Capital Grants	(31,030)
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Capital grants	<u>292,815</u>
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Change in Net Position	261,785
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Total Net Position - beginning	<u>2,792,809</u>
Total Net Position - ending	<u><u>\$ 3,054,594</u></u>

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

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2024

Cash Flows From Operating Activities

Cash received from tenants	\$ 825,109
Cash received from grants	1,085,171
Cash paid to employees	(446,912)
Cash paid to suppliers	(879,276)
Housing assistance payments	(330,655)
Net Cash Flows Provided by Operating Activities	<u>253,437</u>

Cash Flows From Capital and Related Financing Activities

Purchase of capital assets	(333,093)
Capital grants	292,815
Interest subsidies	15,744
Interest paid	(17,318)
Debt retirement	(7,877)
Other receipts	235,321
Casualty losses	(165,584)
Net Cash Flows Provided by Capital and Related Financing Activities	<u>20,008</u>

Cash Flows From Investing Activities

Interest received on investments	14,140
Net Cash Flows Provided by Investing Activities	<u>14,140</u>

Net Change in Cash	287,585
Cash Balance - Beginning of year	945,159
CASH BALANCE - END OF YEAR	<u><u>\$ 1,232,744</u></u>

Cash Balance is Comprised of

Cash - unrestricted	\$ 870,607
Cash - restricted	187,224
Investments - restricted	174,913
	<u><u>\$ 1,232,744</u></u>

Reconciliation Of Operating Income (Loss) To Net

Cash Provided By Operating Activities

Operating income (loss)	\$ (112,595)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	275,232
Pension expense	30,155
OPEB expense	8,510
Changes in Operating Assets and Liabilities	
Accounts receivable - tenants	(6,304)
Accounts receivable - HUD	1,100
Prepaid expenses	(6,819)
Inventory	(121)
Accounts payable	(9,444)
Accrued wages/payroll taxes	(8,992)
Accrued compensated absences	(6,700)
Accrued payable - other government	56,724
Accrued liabilities - other	(5,485)
Noncurrent liabilities - other	13,864
Unearned revenues	26,661
Tenant security deposits	(2,349)
Net Cash Flows From Operating Activities	<u><u>\$ 253,437</u></u>

The accompanying notes are an integral part of the financial statement.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Ashland, Wisconsin, conform to generally accepted accounting principles as applicable to enterprise funds of governmental units.

A. REPORTING ENTITY – This report contains the financial information of the Housing Authority of the City of Ashland (the “Authority”), which is a component unit of the City of Ashland. The Authority is a legally separate organization. The board of commission of the Authority is appointed by the mayor and city council of the City of Ashland. Wisconsin Statutes provide for circumstances whereby the City of Ashland can impose their will on the Authority, and also create a potential financial benefit to or burden on the City of Ashland. The reporting entity for the Authority 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 their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

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

B. FINANCIAL STATEMENTS – All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. The Authority reports on the accrual basis of accounting. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into “net investment in capital assets”; “restricted”; and “unrestricted” components.

The Authority distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for dwelling rental and administrative fees. Operating expenses for the Authority include administrative expenses, tenant expenses, maintenance and operation, housing assistance payments and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION - continued

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET POSITION

Deposits and Investments – For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an initial maturity of three years or less when acquired to be cash equivalents. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

None of the Authority's investments are subject to fair value measurement. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

See NOTE 3A for further information.

Receivables – Accounts receivable have been shown net of an allowance for uncollectible accounts of \$0.

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within business-type activities are eliminated in the Statement of Net Position.

Fee revenue and fee expenses are eliminated on the Statement of Revenues, Expenses, and Changes in Net Position. The result of this is that fee revenues and operating expenses decreased by \$189,314 from the Combining Statement of Revenues, Expenses, and Changes in Net Position.

Prepaid Expense – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

Inventory – Inventory is valued at the lower of cost or net realizable value. At March 31, 2024, inventory of \$9,020 represents maintenance and office supplies on hand.

Restricted Assets – Mandatory segregations of assets are presented as restricted assets. Such segregations are required by loan agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. ASSETS, LIABILITIES, AND NET POSITION– continued

Capital Assets – Capital assets are defined by the Authority as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$-0- of net interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Equipment	5 - 10 Years
Improvements	15 Years

Compensated Absences - Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at March 31, 2024, are determined on the basis of current salary rates and include salary related payments.

Claims and Judgments – Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

Net Position – Net position is classified and displayed in three components:

- a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION - The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS - The Authority's deposits and investments as of March 31, 2024:

	2024	
	Bank Balance	Carrying Value
Petty cash	\$ -	\$ 100
Deposits covered by federal insurance	735,758	737,352
Deposits uncollateralized and uninsured	525,340	495,292
Totals	<u>\$ 1,261,098</u>	<u>\$ 1,232,744</u>

The Authority had no significant type of investment during the year not included in the above schedule.

The FDIC's coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits (which includes NOW accounts, money markets deposit accounts, and other interest-bearing checking accounts) owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Additionally, all demand deposits owned by a public unit and held by the same official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. The FDIC coverage of accounts owned by a public unit and held by the same official custodian in a depository institution is located outside the State in which the public unit is located is different; all deposits are added together and insured up to \$250,000.

Bank accounts are also provided limited protection by the Wisconsin State Public Deposit Guarantee Fund up to \$400,000 in excess of FDIC coverage until the fund is depleted. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual entities.

Fluctuating cash flows during the year due to receipt of federal grants and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of the year end there were no long-term investments.

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

Concentration of Credit Risk – The Authority has an investment policy regarding concentration of credit risk.

Custodial Credit Risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The Authority does have an investment policy that would limit the exposure to custodial credit risk for deposits.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS – continued

A. DEPOSITS AND INVESTMENTS - continued

The Authority does have an investment policy that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

B. RESTRICTED ASSETS – The following represent the balances of the restricted assets:

Tenant Security Deposits – Monies held by the Authority for payment of repairs and/or repayment at the end of residents' tenancies.

Housing Assistance Payments – Monies held by the Authority for the Housing Choice Voucher Program. These monies are restricted for payments of rents through the Housing Choice Voucher program.

Deferred Compensation Program – Monies held by Nationwide Retirement solutions to be used for future employee retirement benefits.

Rural Development Escrow Accounts – These accounts are held for future repairs and replacement of capital assets for the Bay Ridge program.

C. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2024, was as follows:

	Beginning Balance	Reclassifications & Addititons	Reclassifications & Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 354,565	\$ 10,626	\$ -	\$ 365,191
Construction in progress	154,580	2,400	(154,580)	2,400
Other Capital Assets				
Buildings	11,787,364	471,435	-	12,258,799
Furniture, equipment and machinery				
Dwellings	134,333	-	(1)	134,332
Administrative	346,136	3,213	(20,487)	328,862
Total Capital Assets At Historical Cost	12,776,978	487,674	(175,068)	13,089,584
Less: Accumulated depreciation	(10,436,659)	(275,232)	20,487	(10,691,404)
Net Capital Assets	<u>\$ 2,340,319</u>			<u>\$ 2,398,180</u>

Depreciation expense was charged to functions as follows:

Low Rent Public Housing	\$ 194,876
CFP	49,857
Business Activities	3,128
N/C S/R Section 8	26,792
COCC	579
Total Depreciation Expense	<u>\$ 275,232</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 3 – DETAILED NOTES ON ALL FUNDS - continued

E. NET POSITION

Net position reported on statement of net position at March 31, 2024, includes the following:

Investment in capital assets, net of related debt	
Land	\$ 365,191
Construction in progress	2,400
Other capital assets, net of accumulated depreciation	2,030,589
Less long-term debt	<u>(160,423)</u>
Net investment in capital assets	2,237,757
Restricted	80,430
Unrestricted	<u>736,407</u>
Total Net Position	<u><u>\$ 3,054,594</u></u>

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended March 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 105,690	\$ -	\$ 6,700	\$ 98,990	\$ 31,648
Note payable	168,300	-	7,877	160,423	10,673
Noncurrent liabilities - other	<u>161,049</u>	<u>13,864</u>	<u>-</u>	<u>174,913</u>	<u>-</u>
Totals	<u><u>\$ 435,039</u></u>	<u><u>\$ 13,864</u></u>	<u><u>\$ 14,577</u></u>	<u><u>\$ 434,326</u></u>	<u><u>\$ 42,321</u></u>

Rural Development Project 02-5 - On October 2, 1981, the PHA signed a loan resolution with the United States Department of Agriculture, Rural Development for the amount of \$366,000. A promissory note was issued which is payable in installments over a 50 year period and which bears interest at a 11% rate as prescribed by the United States Government. As security on the note, the government has a lien on the related buildings and equipment.

	<u>\$ 160,423</u>
Total	160,423
Current portion of long-term debt	<u>10,673</u>
LONG-TERM DEBT	<u><u>\$ 149,750</u></u>

Estimated annual total maturities on the above notes are as follows:

2025	\$ 10,673
2026	11,206
2027	11,765
2028	12,351
2029	12,965
Thereafter	<u>101,463</u>
TOTAL	<u><u>\$ 160,423</u></u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Summary of Significant Accounting Policies

Pensions. The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$26,886 in contributions from the employer.

Contribution rates as of December 31, 2022, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executive, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

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

At March 31, 2024, the Housing Authority of the City of Ashland reported a liability (asset) of \$118,472 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority of the City of Ashland's proportion of the net pension liability (asset) was based on the Housing Authority of the City of Ashland's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Housing Authority of the City of Ashland's proportion was 0.00223630%, which was an increase of 0.00008183% from its proportion measured as of December 31, 2021.

For the year ended March 31, 2024, the Housing Authority of the City of Ashland recognized pension expense (revenue) of \$60,054.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 188,691	\$ (247,897)
Net differences between projected and actual earnings on pension plan investments	201,258	-
Changes in assumptions	23,296	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,014	(2,860)
Employer contributions subsequent to the measurement date	35,785	-
Total	<u>\$ 450,044</u>	<u>\$ (250,757)</u>

\$35,785 reported as deferred outflows related to pension resulting from the Housing Authority of the City of Ashland's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended March 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (revenue) as follows:

<u>Year ended March 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 229,239	\$ (222,629)
2024	200,800	(167,137)
2025	161,148	(126,808)
2026	126,062	(37,174)
Thereafter	-	-

*Katherine Beeksmay*₂₁

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES' RETIREMENT SYSTEM – continued

Actuarial assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
	January 1, 2018 - December 31, 2020
Experience Study:	Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Asset Allocation Targets and Expected Returns
As of December 31, 2022**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	15.0%	9.6%	6.9%
Total Core Fund	115.0%	7.4%	4.8%
Variable Fund Asset			
U.S. Equities	70.0%	7.2%	4.6%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	100.0%	7.7%	5.1%

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION - continued

A. EMPLOYEES’ RETIREMENT SYSTEM – continued

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond 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 Housing Authority of the City of Ashland’s proportionate share of the Net Pension Liability (Asset) to changes in the discount rate. The following presents the Housing Authority of the City of Ashland’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent, as well as what the Housing Authority of the City of Ashland’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	1% Decrease To Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase To Discount Rate (7.80%)
Housing Authority of the City of Ashland's proportionate share of the net pension liability (asset)	\$ 393,206	\$ 118,472	\$ (70,520)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION - continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary of Significant Accounting Policies

Other Post-Employment Benefits (OPEB). The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Other Post-Employment Benefits

Plan description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement Life Insurance financial report, which can also be found using the link above.

Benefits provided. The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

Contributions.

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit. Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2022, are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active).

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION – continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued

The member contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance		
Member Contribution Rates*		
For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$310 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At March 31, 2024, the Housing Authority of the City of Ashland reported a liability (asset) of \$58,892 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Housing Authority of the City of Ashland's proportion of the net OPEB liability (asset) was based on the Housing Authority of the City of Ashland's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022 the Housing Authority of the City of Ashland's proportion was 0.01545800%, which was an increase of 0.00236300% from its proportion measured as of December 31, 2021.

For the year ended March 31, 2024, the Housing Authority of the City of Ashland recognized OPEB expense (revenue) of \$8,809.

At March 31, 2024, the Housing Authority of the City of Ashland reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (5,764)
Net differences between projected and actual earnings on plan investments	1,105	-
Changes in actuarial assumptions	21,159	(34,763)
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,219	(1,596)
Employer contributions subsequent to the measurement date	403	-
Total	<u>\$ 39,886</u>	<u>\$ (42,123)</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION – continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - continued

\$403 reported as deferred outflows related to OPEB resulting from the Housing Authority of the City of Ashland's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended March 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Year ended March 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2023	\$ 10,567	\$ (8,853)
2024	10,104	(8,708)
2025	9,637	(6,837)
2026	5,814	(6,350)
2027	1,893	(6,058)
2028	1,467	(5,319)
2029	-	-

Actuarial assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
	January 1, 2018 - December 31, 2020, Published
Experience Study:	November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION – continued

B. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – continued

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount rate. A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76 percent, as well as what the Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	<u>1% Decrease To Discount Rate (2.76%)</u>	<u>Current Discount Rate (3.76%)</u>	<u>1% Increase To Discount Rate (4.76%)</u>
Housing Authority of the City of Ashland's proportionate share of the net OPEB liability (asset)	\$ 80,293	\$ 58,892	\$ 42,491

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 – OTHER INFORMATION – continued

C. DEFERRED COMPENSATION PLAN

The employees of the Authority can also participate in a 457(b) deferred compensation plan through the City of Ashland.

D. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

E. COMMITMENTS AND CONTINGENCIES

From time to time, the Authority is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Authority's financial position or results of operations.

The Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

F. ECONOMIC DEPENDENCY

The Authority is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD) and Rural Development (RD). The Authority operates at a loss prior to receiving contributions and grants from HUD and RD.

G. SUBSEQUENT EVENTS

In preparing the financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through December 27, 2024, the date the financial statements were available to be issued.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Last 10 Fiscal Years*

Plan Year Ending	Authority's Proportion of the Net Pension Liability (Asset)	Authority's Proportionate Share of the Net Pension Liability (Asset)	Authority's Covered Employee Payroll	Authority's Proportionate Share of the Net Pension Liability/Asset as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/2022	0.00223630%	\$ 118,472	\$ 413,634	28.64%	95.72%
12/31/2021	0.00215447%	\$ (173,654)	\$ 374,166	-46.41%	106.02%
12/31/2020	0.00203894%	\$ (127,293)	\$ 377,113	-33.75%	105.26%
12/31/2019	0.00193632%	\$ (62,435)	\$ 324,505	-19.24%	102.96%
12/31/2018	0.00192385%	\$ 68,444	\$ 278,393	24.59%	96.45%
12/31/2017	0.00198865%	\$ (59,046)	\$ 292,596	-20.18%	102.93%
12/31/2016	0.00208468%	\$ 17,183	\$ 288,641	5.95%	99.12%
12/31/2015	0.00213722%	\$ 34,730	\$ 284,132	12.22%	98.20%
12/31/2014	0.00211175%	\$ (51,870)	\$ 315,470	-16.44%	102.74%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

SCHEDULE OF CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
3/31/2024	\$ 26,886	\$ (26,886)	\$ -	\$ 413,634	6.50%
3/31/2023	\$ 25,256	\$ (25,256)	\$ -	\$ 374,166	6.75%
3/31/2022	\$ 25,455	\$ (25,455)	\$ -	\$ 377,113	6.75%
3/31/2021	\$ 21,255	\$ (21,255)	\$ -	\$ 324,505	6.55%
3/31/2020	\$ 18,652	\$ (18,652)	\$ -	\$ 278,393	6.70%
3/31/2019	\$ 19,896	\$ (19,896)	\$ -	\$ 292,596	6.80%
3/31/2018	\$ 19,050	\$ (19,050)	\$ -	\$ 288,641	6.60%
3/31/2017	\$ 19,321	\$ (19,321)	\$ -	\$ 284,132	6.80%
3/31/2016	\$ 22,083	\$ (22,083)	\$ -	\$ 315,470	7.00%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See notes to Required Supplementary Information

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Local Retiree Life Insurance Fund
Last 10 Fiscal Years*

Plan Year Ending	Authority's proportion of the net OPEB liability (asset)	Authority's proportionate share of the net OPEB liability (asset)	Authority's covered employee payroll	Authority's proportionate share of the Net OPEB Liability/Asset as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
12/31/2022	0.01545800%	\$ 58,892	\$ 382,000	15.42%	38.81%
12/31/2021	0.01309500%	\$ 77,396	\$ 380,000	20.37%	29.57%
12/31/2020	0.01327600%	\$ 73,028	\$ 345,000	21.17%	31.36%
12/31/2019	0.01008000%	\$ 42,923	\$ 314,000	13.67%	37.58%
12/31/2018	0.00864700%	\$ 22,313	\$ 233,000	9.58%	48.69%
12/31/2017	0.00957500%	\$ 28,807	\$ 402,656	7.15%	44.81%

*The Amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

SCHEDULE OF CONTRIBUTIONS
Local Retiree Life Insurance Fund
Last 10 Fiscal Years*

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
3/31/2024	\$ 310	\$ (310)	\$ -	\$ 382,000	0.08%
3/31/2023	\$ 268	\$ (268)	\$ -	\$ 380,000	0.07%
3/31/2022	\$ 264	\$ (264)	\$ -	\$ 345,000	0.08%
3/31/2021	\$ 182	\$ (182)	\$ -	\$ 314,000	0.06%
3/31/2020	\$ 166	\$ (166)	\$ -	\$ 233,000	0.07%
3/31/2019	\$ 181	\$ (181)	\$ -	\$ 402,656	0.04%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

See notes to Required Supplementary Information

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
March 31, 2024

NOTE 1 – WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms

2022 - None
2021 - None
2020 - None
2019 - None
2018 - None
2017 - None
2016 - None
2015 - None
2014 - None

Changes of assumptions

2022 - None
2021 – The discount rate and long-term expected rate of return changed from 7.0% to 6.8%. The post-retirement adjustment changed from 1.9% to 1.7%. The price inflation rate changed from 2.5% to 2.4%. The mortality rate changed from the Wisconsin 2018 mortality table to the 2020 WRS experience mortality table.
2020 - None
2019 - None
2018 – The discount rate and the long-term expected rate of return changed from 7.2% to 7.0%. The post-retirement adjustment changed from 2.1% to 1.9%. The wage inflation rate changed from 3.2% to 3.0%. The price inflation rate changed from 2.7% to 2.5%. The mortality rate changed from the Wisconsin 2012 mortality table to the Wisconsin 2018 mortality table.
2017 - None
2016 - None
2015 - None
2014 - None

NOTE 2 – OTHER POST-EMPLOYMENT BENEFITS

Changes of benefit terms

2022 - None
2021 - None
2020 - None
2019 - None
2018 - None
2017 - None

Changes of assumptions

2022 - None
2021 – The discount rate changed from 2.25% to 2.17%. Price inflation was changed from 2.5% to 2.4%. The mortality rate changed from the Wisconsin 2018 mortality table to the 2020 WRS experience mortality table.
2020 - The discount rate changes from 2.87% to 2.25%.
2019 - The discount rate changed from 4.22% to 2.87%. The long-term expected rate of return changed from 5.0% to 4.25%.
2018 - The discount rate changed from 3.63% to 4.22%. The wage inflation rate went from 3.2% to 3.0%. The seniority/merit rate went from 0.2%-5.6% to 0.1%-5.6%. The mortality rate changed from the Wisconsin 2012 mortality table to the Wisconsin 2018 mortality table.
2017 - None

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF NET POSITION
March 31, 2024

	Low Rent Public Housing	CFP	Business Activities	Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
ASSETS							
<i>Current Assets</i>							
Cash and cash equivalents	\$ 530,780	\$ -	\$ 51,861	\$ 48,025	\$ 3,577	\$ 236,364	\$ 870,607
Accounts receivable - tenants	10,847	-	-	-	128	-	10,975
Accounts receivable - HUD	2,400	-	-	-	-	-	2,400
Prepaid expense	49,866	-	641	2,771	873	890	55,041
Inventory	7,331	-	-	-	-	1,689	9,020
<i>Restricted Assets:</i>							
Cash and cash equivalents	60,045	-	2,109	48,749	76,321	-	187,224
Investments	-	-	-	-	-	174,913	174,913
Total Current Assets	661,269	-	54,611	99,545	80,899	413,856	1,310,180
<i>Noncurrent Assets</i>							
<i>Capital Assets:</i>							
Land	350,506	-	10,626	-	4,059	-	365,191
Buildings	10,560,455	896,242	123,515	-	678,587	-	12,258,799
Furniture, Equipment and Machinery:							
Dwellings	111,310	-	-	-	23,022	-	134,332
Administrative	285,556	-	350	636	15,908	26,412	328,862
Accumulated depreciation	(10,017,347)	(91,591)	(4,867)	(636)	(552,775)	(24,188)	(10,691,404)
Construction in progress	-	2,400	-	-	-	-	2,400
Total Noncurrent Assets	1,290,480	807,051	129,624	-	168,801	2,224	2,398,180
Total Assets	1,951,749	807,051	184,235	99,545	249,700	416,080	3,708,360
DEFERRED OUTFLOWS							
Deferred outflows related to pension	317,763	-	-	12,268	-	120,013	450,044
Deferred outflows related to OPEB	25,592	-	-	1,161	-	13,133	39,886
Total Deferred Outflows	343,355	-	-	13,429	-	133,146	489,930
LIABILITIES							
<i>Current Liabilities</i>							
Accounts payable	5,008	-	-	33	1,819	1,183	8,043
Accrued wages/payroll taxes	8,483	-	-	765	-	9,049	18,297
Accrued compensated absences - current	16,230	-	-	1,671	-	13,747	31,648
Accrued interest payable	-	-	-	-	1,499	-	1,499
Accrued payables - other government	98,004	-	-	-	4,266	-	102,270
Accrued liabilities - other	12,826	-	-	-	70	-	12,896
<i>Current Liabilities Payable from Restricted Assets:</i>							
Tenant security deposits payable	59,775	-	2,109	-	3,210	-	65,094
Unearned revenues	270	-	-	3,453	-	-	3,723
Current portion of long-term debt	-	-	-	-	10,673	-	10,673
Total Current Liabilities	200,596	-	2,109	5,922	21,537	23,979	254,143
<i>Noncurrent Liabilities</i>							
Long-term debt net of current portion	-	-	-	-	149,750	-	149,750
Net pension liability	84,011	-	-	3,109	-	31,352	118,472
Net OPEB liability	37,825	-	-	1,697	-	19,370	58,892
Accrued compensated absences	44,720	-	-	4,313	-	18,309	67,342
Noncurrent liabilities - other	-	-	-	-	-	174,913	174,913
Total Noncurrent Liabilities	166,556	-	-	9,119	149,750	243,944	569,369
Total Liabilities	367,152	-	2,109	15,041	171,287	267,923	823,512
DEFERRED INFLOWS							
Deferred inflows related to pension	177,818	-	-	6,580	-	66,359	250,757
Deferred inflows related to OPEB	27,054	-	-	1,214	-	13,855	42,123
Deferred inflows related to HAP	-	-	-	27,304	-	-	27,304
Total Deferred Inflows	204,872	-	-	35,098	-	80,214	320,184
NET POSITION							
Net investment in capital assets	1,290,480	807,051	129,624	-	8,378	2,224	2,237,757
Restricted	-	-	-	17,992	62,438	-	80,430
Unrestricted	432,600	-	52,502	44,843	7,597	198,865	736,407
TOTAL NET POSITION	\$ 1,723,080	\$ 807,051	\$ 182,126	\$ 62,835	\$ 78,413	\$ 201,089	\$ 3,054,594

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For The Year Ended March 31, 2024

	Low Rent Public Housing	CFP	Business Activities	Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
Operating Revenues							
Dwelling rental	\$ 755,988	\$ -	\$ 15,019	\$ -	\$ 40,303	\$ -	\$ 811,310
Tenant revenue - other	24,690	-	-	-	1,858	-	26,548
HUD operating grants	429,528	187,078	-	394,766	-	-	1,011,372
Rental assistance	-	-	-	-	41,942	-	41,942
Fee revenues	-	-	-	-	-	189,314	189,314
Total Operating Revenues	<u>1,210,206</u>	<u>187,078</u>	<u>15,019</u>	<u>394,766</u>	<u>84,103</u>	<u>189,314</u>	<u>2,080,486</u>
Operating Expenses							
Administration	409,735	39,343	3,560	37,054	17,979	184,306	691,977
Asset management fee	19,640	-	-	-	-	-	19,640
Tenant services	19,248	-	-	-	-	223	19,471
Utilities	214,749	-	4,144	-	18,540	4,102	241,535
Ordinary maintenance and operation	410,634	48,882	1,177	-	14,837	453	475,983
Protective services	2,697	-	-	-	978	-	3,675
General expense	111,101	495	1,220	6,785	7,014	8,298	134,913
Depreciation expense	194,876	49,857	3,128	-	26,792	579	275,232
Housing assistance payments	-	-	-	330,655	-	-	330,655
Total Operating Expenses	<u>1,382,680</u>	<u>138,577</u>	<u>13,229</u>	<u>374,494</u>	<u>86,140</u>	<u>197,961</u>	<u>2,193,081</u>
Operating Income (Loss)	(172,474)	48,501	1,790	20,272	(2,037)	(8,647)	(112,595)
Nonoperating Revenues (Expenses)							
Interest on investments	12,145	-	12	13	3	1,967	14,140
Other revenues	221,442	-	-	-	572	12,587	234,601
Fraud recovery	720	-	-	-	-	-	720
Casualty losses	(165,584)	-	-	-	-	-	(165,584)
Interest subsidies	-	-	-	-	15,744	-	15,744
Interest expense	-	-	-	-	(18,056)	-	(18,056)
Total Nonoperating Revenues (Expenses)	<u>68,723</u>	<u>-</u>	<u>12</u>	<u>13</u>	<u>(1,737)</u>	<u>14,554</u>	<u>81,565</u>
Change in Net Position Before Capital Grants and Transfers	(103,751)	48,501	1,802	20,285	(3,774)	5,907	(31,030)
Capital grants	-	292,815	-	-	-	-	292,815
Operating transfer	<u>98,358</u>	<u>(98,358)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	(5,393)	242,958	1,802	20,285	(3,774)	5,907	261,785
Total Net Position - beginning	<u>1,728,473</u>	<u>564,093</u>	<u>180,324</u>	<u>42,550</u>	<u>82,187</u>	<u>195,182</u>	<u>2,792,809</u>
Total Net Position - ending	<u>\$ 1,723,080</u>	<u>\$ 807,051</u>	<u>\$ 182,126</u>	<u>\$ 62,835</u>	<u>\$ 78,413</u>	<u>\$ 201,089</u>	<u>\$ 3,054,594</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended March 31, 2024

	Low Rent Public Housing	CFP	Business Activities	Housing Choice Vouchers	N/C S/R Section 8	COCC	Total
<i>Cash Flows From Operating Activities</i>							
Cash received from tenants	\$ 767,929	\$ -	\$ 15,019	\$ -	\$ 42,161	\$ -	\$ 825,109
Cash received from grants	427,128	187,078	-	429,023	41,942	-	1,085,171
Cash paid to employees	(312,312)	-	(123)	(12,874)	(9,280)	(112,323)	(446,912)
Cash paid to suppliers	(833,381)	(88,720)	(10,619)	(25,496)	(46,812)	(63,562)	(1,068,590)
Other receipts (payments)	-	-	-	-	-	189,314	189,314
Housing assistance payments	-	-	-	(330,655)	-	-	(330,655)
Net Cash Flows From Operating Activities	49,364	98,358	4,277	59,998	28,011	13,429	253,437
<i>Cash Flows From Capital and Related Financing Activities</i>							
Purchase of capital assets	(16,653)	(292,815)	(14,043)	-	(7,975)	(1,607)	(333,093)
Capital grants	-	292,815	-	-	-	-	292,815
Cash transfer	98,358	(98,358)	-	-	-	-	-
Interest subsidy	-	-	-	-	15,744	-	15,744
Interest paid	-	-	-	-	(17,318)	-	(17,318)
Debt retirement	-	-	-	-	(7,877)	-	(7,877)
Other receipts	222,162	-	-	-	572	12,587	235,321
Casualty losses	(165,584)	-	-	-	-	-	(165,584)
Net Cash Flows From Capital and Related Financing Activities	138,283	(98,358)	(14,043)	-	(16,854)	10,980	20,008
<i>Cash Flows From Investing Activities</i>							
Interest received on investments	12,145	-	12	13	3	1,967	14,140
Net Cash Flows From Investing Activities	12,145	-	12	13	3	1,967	14,140
Net Change in Cash	199,792	-	(9,754)	60,011	11,160	26,376	287,585
Cash Balance - Beginning of year	391,033	-	63,724	36,763	68,738	384,901	945,159
CASH BALANCE - END OF YEAR	<u>\$ 590,825</u>	<u>\$ -</u>	<u>\$ 53,970</u>	<u>\$ 96,774</u>	<u>\$ 79,898</u>	<u>\$ 411,277</u>	<u>\$ 1,232,744</u>
<i>Cash Balance is Comprised of</i>							
Cash and cash equivalents - unrestricted	\$ 530,780	\$ -	\$ 51,861	\$ 48,025	\$ 3,577	\$ 236,364	\$ 870,607
Cash and cash equivalents - restricted	60,045	-	2,109	48,749	76,321	-	187,224
Investments - restricted	-	-	-	-	-	174,913	174,913
	<u>\$ 590,825</u>	<u>\$ -</u>	<u>\$ 53,970</u>	<u>\$ 96,774</u>	<u>\$ 79,898</u>	<u>\$ 411,277</u>	<u>\$ 1,232,744</u>
<i>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</i>							
Operating income (loss)	\$ (172,474)	\$ 48,501	\$ 1,790	\$ 20,272	\$ (2,037)	\$ (8,647)	\$ (112,595)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation	194,876	49,857	3,128	-	26,792	579	275,232
Pension expense	22,103	-	-	867	-	7,185	30,155
OPEB expense	3,682	-	-	731	-	4,097	8,510
Changes in Operating Assets and Liabilities:							
Accounts receivables - tenants	(6,176)	-	-	-	(128)	-	(6,304)
Accounts receivables - HUD	(2,400)	-	-	3,500	-	-	1,100
Prepaid expenses	(4,390)	-	(641)	(1,617)	214	(385)	(6,819)
Inventory	(293)	-	-	-	-	172	(121)
Accounts payable	(7,170)	-	-	(66)	866	(3,074)	(9,444)
Accrued wages/payroll taxes	(3,635)	-	-	242	-	(5,599)	(8,992)
Accrued compensated absences	(17,249)	-	-	5,312	-	5,237	(6,700)
Accrued payable - other government	54,548	-	-	-	2,176	-	56,724
Accrued liabilities - other	(5,485)	-	-	-	-	-	(5,485)
Noncurrent liabilities - other	-	-	-	-	-	13,864	13,864
Unearned revenues	(4,096)	-	-	30,757	-	-	26,661
Tenant security deposits	(2,477)	-	-	-	128	-	(2,349)
Net Cash Flows From Operating Activities	<u>\$ 49,364</u>	<u>\$ 98,358</u>	<u>\$ 4,277</u>	<u>\$ 59,998</u>	<u>\$ 28,011</u>	<u>\$ 13,429</u>	<u>\$ 253,437</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF NET POSITION OF
ASSET MANAGEMENT PROJECTS
March 31, 2024

	AMP 01		AMP 02		
	Low Rent	Capital	Low Rent	Capital	
	Public Housing	Fund	Public Housing	Fund	Total
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 400,502	\$ -	\$ 130,278	\$ -	\$ 530,780
Accounts receivable - tenants	8,142	-	2,705	-	10,847
Accounts receivable - HUD	2,400	-	-	-	2,400
Prepaid expense	38,488	-	11,378	-	49,866
Inventory	5,496	-	1,835	-	7,331
Restricted Assets:					
Cash and cash equivalents	48,086	-	11,959	-	60,045
Total Current Assets	503,114	-	158,155	-	661,269
<i>Noncurrent Assets</i>					
Capital Assets:					
Land	350,506	-	-	-	350,506
Buildings	8,926,506	791,879	1,633,949	104,363	11,456,697
Furniture, Equipment and Machinery:					
Dwellings	90,365	-	20,945	-	111,310
Administrative	241,333	-	44,223	-	285,556
Accumulated depreciation	(8,501,181)	(86,522)	(1,516,166)	(5,069)	(10,108,938)
Construction in progress	-	2,400	-	-	2,400
Total Noncurrent Assets	1,107,529	707,757	182,951	99,294	2,097,531
Total Assets	1,610,643	707,757	341,106	99,294	2,758,800
DEFERRED OUTFLOWS					
Deferred outflows related to pension	258,033	-	59,730	-	317,763
Deferred outflows related to OPEB	21,647	-	3,945	-	25,592
Total Deferred Outflows	279,680	-	63,675	-	343,355
LIABILITIES					
<i>Current Liabilities</i>					
Accounts payable	4,694	-	314	-	5,008
Accrued wages/payroll taxes	6,203	-	2,280	-	8,483
Accrued compensated absences - current	11,922	-	4,308	-	16,230
Accrued payable - other government	74,137	-	23,867	-	98,004
Accrued liabilities - other	10,603	-	2,223	-	12,826
Current Liabilities Payable from Restricted Assets:					
Tenant security deposits	47,832	-	11,943	-	59,775
Unearned revenues	254	-	16	-	270
Total Current Liabilities	155,645	-	44,951	-	200,596
<i>Noncurrent Liabilities</i>					
Net pension liability	68,319	-	15,692	-	84,011
Net OPEB liability	31,990	-	5,835	-	37,825
Accrued compensated absences	39,571	-	5,149	-	44,720
Total Noncurrent Liabilities	139,880	-	26,676	-	166,556
Total Liabilities	295,525	-	71,627	-	367,152
DEFERRED INFLOWS					
Deferred inflows related to pension	144,603	-	33,215	-	177,818
Deferred inflows related to OPEB	22,881	-	4,173	-	27,054
Total Deferred Inflows	167,484	-	37,388	-	204,872
NET POSITION					
Net investment in capital assets	1,107,529	707,757	182,951	99,294	2,097,531
Unrestricted	319,785	-	112,815	-	432,600
TOTAL NET POSITION	\$ 1,427,314	\$ 707,757	\$ 295,766	\$ 99,294	\$ 2,530,131

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION OF ASSET MANAGEMENT PROJECTS
For The Year Ended March 31, 2024

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
Operating Revenues					
Dwelling rental	\$ 595,094	\$ -	\$ 160,894	\$ -	\$ 755,988
Tenant revenue - other	15,188	-	9,502	-	24,690
HUD operating grants	382,910	169,374	46,618	17,704	616,606
Total Operating Revenues	<u>993,192</u>	<u>169,374</u>	<u>217,014</u>	<u>17,704</u>	<u>1,397,284</u>
Operating Expenses					
Administration	310,385	39,343	99,350	-	449,078
Asset management fee	16,060	-	3,580	-	19,640
Tenant services	15,240	-	4,008	-	19,248
Utilities	180,257	-	34,492	-	214,749
Ordinary maintenance and operation	346,330	48,882	64,304	-	459,516
Protective services	2,031	-	666	-	2,697
General expense	90,542	495	20,559	-	111,596
Depreciation expense	146,054	45,158	48,822	4,699	244,733
Total Operating Expenses	<u>1,106,899</u>	<u>133,878</u>	<u>275,781</u>	<u>4,699</u>	<u>1,521,257</u>
Operating Income (Loss)	(113,707)	35,496	(58,767)	13,005	(123,973)
Nonoperating Revenues (Expenses)					
Interest on investments	9,099	-	3,046	-	12,145
Fraud recovery	720	-	-	-	720
Other revenues	221,442	-	-	-	221,442
Casualty losses	(165,584)	-	-	-	(165,584)
Total Nonoperating Revenues (Expenses)	<u>65,677</u>	<u>-</u>	<u>3,046</u>	<u>-</u>	<u>68,723</u>
Change in Net Position Before Capital Grants and Transfers	(48,030)	35,496	(55,721)	13,005	(55,250)
Capital grants	-	252,037	-	40,778	292,815
Operating transfer	80,654	(80,654)	17,704	(17,704)	-
Change in Net Position	32,624	206,879	(38,017)	36,079	237,565
Total Net Position - beginning	<u>1,394,690</u>	<u>500,878</u>	<u>333,783</u>	<u>63,215</u>	<u>2,292,566</u>
Total Net Position - ending	<u>\$ 1,427,314</u>	<u>\$ 707,757</u>	<u>\$ 295,766</u>	<u>\$ 99,294</u>	<u>\$ 2,530,131</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
COMBINING STATEMENT OF CASH FLOWS OF
ASSET MANAGEMENT PROJECTS
For The Year Ended March 31, 2024

	AMP 01		AMP 02		
	Low Rent Public Housing	Capital Fund	Low Rent Public Housing	Capital Fund	Total
<i>Cash Flows From Operating Activities</i>					
Cash received from tenants	\$ 601,947	\$ -	\$ 165,982	\$ -	\$ 767,929
Cash received from grants	380,510	169,374	46,618	17,704	614,206
Cash paid to employees	(236,829)	-	(75,483)	-	(312,312)
Cash paid to suppliers	(693,924)	(88,720)	(139,457)	-	(922,101)
Net Cash Flows From Operating Activities	51,704	80,654	(2,340)	17,704	147,722
<i>Cash Flows From Capital and Related Financing</i>					
Purchase of capital assets	(13,010)	(252,037)	(3,643)	(40,778)	(309,468)
Capital grants	-	252,037	-	40,778	292,815
Cash transfer	80,654	(80,654)	17,704	(17,704)	-
Other receipts	222,162	-	-	-	222,162
Casualty losses	(165,584)	-	-	-	(165,584)
Net Cash Flows From Capital and Related Financing Activities	124,222	(80,654)	14,061	(17,704)	39,925
<i>Cash Flows From Investing Activities</i>					
Interest received on investments	9,099	-	3,046	-	12,145
Net Cash Flows From Investing Activities	9,099	-	3,046	-	12,145
Net Change in Cash	185,025	-	14,767	-	199,792
Cash Balance - Beginning of year	263,563	-	127,470	-	391,033
CASH BALANCE - END OF YEAR	<u>\$ 448,588</u>	<u>\$ -</u>	<u>\$ 142,237</u>	<u>\$ -</u>	<u>\$ 590,825</u>
<i>Cash Balance is Comprised of</i>					
Cash and cash equivalents - unrestricted	400,502	-	130,278	-	530,780
Cash and cash equivalents - restricted	48,086	-	11,959	-	60,045
	<u>\$ 448,588</u>	<u>\$ -</u>	<u>\$ 142,237</u>	<u>\$ -</u>	<u>\$ 590,825</u>
<i>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</i>					
Operating income (loss)	\$ (113,707)	\$ 35,496	\$ (58,767)	\$ 13,005	\$ (123,973)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	146,054	45,158	48,822	4,699	244,733
Pension expense	19,360	-	2,743	-	22,103
OPEB expense	1,853	-	1,829	-	3,682
Changes in assets and liabilities					
Accounts receivable - tenants	(3,654)	-	(2,522)	-	(6,176)
Accounts receivable - HUD	(2,400)	-	-	-	(2,400)
Prepaid expenses	(4,447)	-	57	-	(4,390)
Inventory	(293)	-	-	-	(293)
Accounts payable	(6,409)	-	(761)	-	(7,170)
Accrued wages/payroll taxes	(3,237)	-	(398)	-	(3,635)
Accrued compensated absences	(13,057)	-	(4,192)	-	(17,249)
Accrued payable - other government	41,843	-	12,705	-	54,548
Accrued liabilities - other	(5,521)	-	36	-	(5,485)
Unearned revenues	(2,945)	-	(1,151)	-	(4,096)
Tenant security deposits	(1,736)	-	(741)	-	(2,477)
Net Cash Flows From Operating Activities	<u>\$ 51,704</u>	<u>\$ 80,654</u>	<u>\$ (2,340)</u>	<u>\$ 17,704</u>	<u>\$ 147,722</u>

Ashland Housing Authority (WI131)
ASHLAND, WI
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$530,780	\$3,577	\$51,861		\$46,025	\$236,364	\$870,607		\$870,607
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted		\$62,438			\$45,296		\$107,734		\$107,734
114 Cash - Tenant Security Deposits	\$59,775	\$3,210	\$2,109				\$65,094		\$65,094
115 Cash - Restricted for Payment of Current Liabilities	\$270	\$10,673			\$3,453		\$14,396		\$14,396
100 Total Cash	\$590,825	\$75,898	\$53,970	\$0	\$96,774	\$236,364	\$1,057,831	\$0	\$1,057,831
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects	\$2,400						\$2,400		\$2,400
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous									
126 Accounts Receivable - Tenants	\$10,847	\$128					\$10,975		\$10,975
126.1 Allowance for Doubtful Accounts - Tenants	\$0						\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0						\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current									
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable									
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,247	\$128	\$0	\$0	\$0	\$0	\$13,375	\$0	\$13,375
131 Investments - Unrestricted									
132 Investments - Restricted						\$174,913	\$174,913		\$174,913
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets	\$49,866	\$673	\$641		\$2,771	\$890	\$55,041		\$55,041
143 Inventories	\$7,331					\$1,689	\$9,020		\$9,020
143.1 Allowance for Obsolete Inventories	\$0					\$0	\$0		\$0
144 Inter Program Due From						\$0	\$0	\$0	\$0
145 Assets Held for Sale									
150 Total Current Assets	\$661,269	\$80,899	\$54,611	\$0	\$99,545	\$413,856	\$1,310,180	\$0	\$1,310,180
161 Land	\$350,506	\$4,059	\$10,626				\$365,191		\$365,191
162 Buildings	\$11,456,697	\$678,587	\$123,515				\$12,258,799		\$12,258,799
163 Furniture, Equipment & Machinery - Dwellings	\$111,310	\$23,522	\$0				\$134,832		\$134,832
164 Furniture, Equipment & Machinery - Administration	\$285,556	\$15,908	\$350		\$636	\$26,412	\$328,862		\$328,862
165 Leasehold Improvements									
166 Accumulated Depreciation	-\$10,108,938	-\$552,775	-\$4,867		-\$636	-\$24,188	-\$10,691,404		-\$10,691,404
167 Construction in Progress	\$2,400						\$2,400		\$2,400
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,097,531	\$168,801	\$129,624	\$0	\$0	\$2,224	\$2,398,180	\$0	\$2,398,180
171 Notes, Loans and Mortgages Receivable - Non-Current									
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets									
176 Investments in Joint Ventures									
180 Total Non-Current Assets	\$2,097,531	\$168,801	\$129,624	\$0	\$0	\$2,224	\$2,398,180	\$0	\$2,398,180
200 Deferred Outflow of Resources	\$343,355				\$13,429	\$133,146	\$489,930		\$489,930
200 Total Assets and Deferred Outflow of Resources	\$3,102,155	\$249,700	\$184,235	\$0	\$112,974	\$549,226	\$4,198,290	\$0	\$4,198,290
311 Bank Overdraft									
312 Accounts Payable <= 90 Days	\$5,008	\$1,819			\$33	\$1,183	\$8,043		\$8,043
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable	\$8,483				\$765	\$9,048	\$18,297		\$18,297
322 Accrued Compensated Absences - Current Portion	\$16,230				\$1,671	\$13,747	\$31,648		\$31,648
324 Accrued Contingency Liability									
325 Accrued Interest Payable		\$1,499					\$1,499		\$1,499
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects									
333 Accounts Payable - Other Government	\$98,004	\$4,266					\$102,270		\$102,270
341 Tenant Security Deposits	\$59,775	\$3,210	\$2,109				\$65,094		\$65,094
342 Unearned Revenue	\$270				\$3,453		\$3,723		\$3,723
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$10,673					\$10,673		\$10,673
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities									
346 Accrued Liabilities - Other	\$12,825	\$70				\$0	\$12,895		\$12,895
347 Inter Program - Due To					\$0		\$0	\$0	\$0
348 Loan Liability - Current									
310 Total Current Liabilities	\$200,596	\$21,537	\$2,109	\$0	\$5,922	\$23,979	\$254,143	\$0	\$254,143
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$149,750					\$149,750		\$149,750
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other						\$174,913	\$174,913		\$174,913
354 Accrued Compensated Absences - Non Current	\$44,720				\$4,313	\$18,309	\$67,342		\$67,342
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities	\$121,836				\$4,806	\$50,722	\$177,364		\$177,364
350 Total Non-Current Liabilities	\$166,556	\$149,750	\$0	\$0	\$9,119	\$243,944	\$569,369	\$0	\$569,369
300 Total Liabilities	\$367,152	\$171,287	\$2,109	\$0	\$15,041	\$267,923	\$823,512	\$0	\$823,512

400 Deferred Inflow of Resources	\$204,872				\$35,098	\$80,214	\$320,184		\$320,184
508.4 Net Investment in Capital Assets	\$2,097,531	\$8,378	\$129,624			\$2,224	\$2,237,757		\$2,237,757
511.4 Restricted Net Position		\$62,438			\$17,992		\$80,430		\$80,430
512.4 Unrestricted Net Position	\$432,600	\$7,597	\$52,502	\$0	\$44,843	\$198,865	\$736,407		\$736,407
513 Total Equity - Net Assets / Position	\$2,530,131	\$78,413	\$182,126	\$0	\$62,835	\$201,089	\$3,054,594	\$0	\$3,054,594
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,102,155	\$249,700	\$184,235	\$0	\$112,974	\$549,228	\$4,198,290	\$0	\$4,198,290

Ashland Housing Authority (WI131)
ASHLAND, WI
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2024

	Project Total	14.182 N/C S/R Section 8 Programs	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$755,988	\$40,303	\$15,019				\$811,310		\$811,310
70400 Tenant Revenue - Other	\$24,690	\$1,858					\$26,548		\$26,548
70500 Total Tenant Revenue	\$780,678	\$42,161	\$15,019	\$0	\$0	\$0	\$837,858	\$0	\$837,858
70600 HUD PHA Operating Grants	\$816,606			\$0	\$394,799		\$1,011,372		\$1,011,372
70610 Capital Grants	\$292,815								\$292,815
70710 Management Fee						\$154,944	\$154,944	-\$154,944	\$0
70720 Asset Management Fee						\$19,640	\$19,640	-\$19,640	\$0
70730 Book Keeping Fee						\$14,730	\$14,730	-\$14,730	\$0
70740 Front Line Service Fee									
70750 Other Fees									
70700 Total Fee Revenue						\$189,314	\$189,314	-\$189,314	\$0
70800 Other Government Grants		\$15,744		\$41,942			\$57,686		\$57,686
71100 Investment Income - Unrestricted	\$12,145	\$3	\$12		\$13	\$1,967	\$14,140		\$14,140
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery	\$720						\$720		\$720
71500 Other Revenue	\$221,442	\$572				\$12,587	\$234,601		\$234,601
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted						\$0	\$0		\$0
70000 Total Revenue	\$1,024,406	\$58,480	\$15,031	\$41,942	\$394,779	\$203,868	\$2,638,506	-\$189,314	\$2,449,192
91100 Administrative Salaries	\$136,516	\$2,372			\$18,428	\$111,961	\$269,277		\$269,277
91200 Auditing Fees	\$9,330	\$1,650			\$1,450	\$500	\$12,930		\$12,930
91300 Management Fee	\$154,944						\$154,944	-\$154,944	\$0
91310 Book-keeping Fee	\$14,730						\$14,730	-\$14,730	\$0
91400 Advertising and Marketing	\$924					\$208	\$1,132		\$1,132
91500 Employee Benefit Contributions - Administrative	\$70,164	\$1,299			\$6,606	\$33,534	\$111,605		\$111,605
91600 Office Expenses	\$39,217	\$501	\$2,260		\$3,576	\$13,618	\$59,172		\$59,172
91700 Legal Expense	\$4,968					\$115	\$5,083		\$5,083
91800 Travel	\$294	\$45			\$249	\$444	\$1,022		\$1,022
91810 Allocated Overhead									
91900 Other	\$18,001	\$12,112	\$1,300		\$6,743	\$23,926	\$62,082		\$62,082
91000 Total Operating - Administrative	\$449,078	\$17,979	\$3,560	\$0	\$37,054	\$184,306	\$691,977	-\$169,674	\$522,303
92000 Asset Management Fee	\$19,640						\$19,640	-\$19,640	\$0
92100 Tenant Services - Salaries									
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services									
92400 Tenant Services - Other	\$19,248					\$223	\$19,471		\$19,471
92500 Total Tenant Services	\$19,248	\$0	\$0	\$0	\$0	\$223	\$19,471	\$0	\$19,471
93100 Water	\$106,462	\$5,701	\$2,241			\$2,602	\$117,006		\$117,006
93200 Electricity	\$73,335	\$9,427	\$963			\$1,500	\$85,245		\$85,245
93300 Gas	\$34,952	\$3,412	\$920				\$39,284		\$39,284
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	\$214,749	\$18,540	\$4,144	\$0	\$0	\$4,102	\$241,535	\$0	\$241,535
94100 Ordinary Maintenance and Operations - Labor	\$154,913	\$6,909	\$123				\$161,944		\$161,944
94200 Ordinary Maintenance and Operations - Materials and Other	\$41,619	\$540	\$158			\$453	\$42,778		\$42,778
94300 Ordinary Maintenance and Operations Contracts	\$213,285	\$6,435	\$863				\$220,603		\$220,603
94500 Employee Benefit Contributions - Ordinary Maintenance	\$49,700	\$945	\$13				\$50,658		\$50,658
94000 Total Maintenance	\$459,516	\$14,837	\$1,177	\$0	\$0	\$453	\$475,983	\$0	\$475,983
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs	\$2,697	\$978					\$3,675		\$3,675
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$2,697	\$978	\$0	\$0	\$0	\$0	\$3,675	\$0	\$3,675
96110 Property Insurance	\$61,753	\$4,024					\$65,777		\$65,777
96120 Liability Insurance									
96130 Workmen's Compensation	\$5,081	\$296			\$1,127	\$538	\$7,042		\$7,042
96140 All Other Insurance	\$3,475	\$518	\$1,033		\$345	\$2,523	\$7,894		\$7,894
96100 Total Insurance Premiums	\$70,309	\$4,838	\$1,033	\$0	\$1,472	\$3,061	\$80,713	\$0	\$80,713
96200 Other General Expenses	\$3,215						\$3,215		\$3,215
96210 Compensated Absences	-\$17,247				\$5,313	\$5,237	-\$6,697		-\$6,697
96300 Payments in Lieu of Taxes	\$54,547	\$2,176	\$187				\$56,910		\$56,910
96400 Bad debt - Tenant Rents	\$772						\$772		\$772
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	\$41,287	\$2,176	\$187	\$0	\$5,313	\$5,237	\$54,200	\$0	\$54,200
96710 Interest of Mortgage (or Bonds) Payable		\$18,056					\$18,056		\$18,056

96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	\$0	\$18,056	\$0	\$0	\$0	\$0	\$18,056	\$0	\$18,056
96900 Total Operating Expenses	\$1,276,524	\$77,404	\$10,101	\$0	\$43,839	\$197,382	\$1,605,250	-\$189,314	\$1,415,936
97000 Excess of Operating Revenue over Operating Expenses	\$647,882	-\$18,924	\$4,930	\$41,942	\$350,940	\$6,486	\$1,033,256	\$0	\$1,033,256
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized	\$165,584						\$165,584		\$165,584
97300 Housing Assistance Payments					\$330,655		\$330,655		\$330,655
97350 HAP Portability-In									
97400 Depreciation Expense	\$244,733	\$26,792	\$3,128			\$579	\$275,232		\$275,232
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	\$1,686,841	\$104,196	\$13,229	\$0	\$374,494	\$197,961	\$2,376,721	-\$189,314	\$2,187,407
10010 Operating Transfer In	\$98,358	\$41,942					\$140,300	-\$140,300	\$0
10020 Operating transfer Out	-\$98,358			-\$41,942			-\$140,300	\$140,300	\$0
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$0	\$41,942	\$0	-\$41,942	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$237,565	-\$3,774	\$1,802	\$0	\$20,285	\$5,907	\$261,785	\$0	\$261,785
11020 Required Annual Debt Principal Payments	\$0	\$10,673	\$0	\$0	\$0	\$0	\$10,673		\$10,673
11030 Beginning Equity	\$2,292,566	\$82,187	\$180,324	\$0	\$42,550	\$195,182	\$2,792,809		\$2,792,809
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0						\$0		\$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity					\$44,843		\$44,843		\$44,843
11180 Housing Assistance Payments Equity					\$17,992		\$17,992		\$17,992
11190 Unit Months Available	2004	132			780		2916		2916
11210 Number of Unit Months Leased	1963	132			706		2801		2801
11270 Excess Cash	\$300,378						\$300,378		\$300,378
11610 Land Purchases	\$0					\$0	\$0		\$0
11620 Building Purchases	\$298,840						\$298,840		\$298,840
11630 Furniture & Equipment - Dwelling Purchases	\$0					\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0					\$1,607	\$1,607		\$1,607
11650 Leasehold Improvements Purchases	\$0					\$0	\$0		\$0
11660 Infrastructure Purchases	\$0					\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0					\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0					\$0	\$0		\$0

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2024

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Agency</u>	<u>Total Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Low Rent Public Housing	14.850	Direct Program	429,528
Public Housing Capital Fund Program	14.872	Direct Program	479,893
Housing Choice Voucher Cluster	14.871	Direct Program	394,766
U.S. DEPARTMENT OF AGRICULTURE			
Rural Rental Housing Loans	10.415	Direct Program	41,942
Total			<u>\$ 1,346,129</u>

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
NOTES TO SCHEDULE OF EXPENITURES OF FEDERAL AWARDS
Year Ended March 31, 2024

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the Housing Authority of the City of Ashland (Housing Authority) under programs of the federal government for the year ended March 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Housing Authority it is not intended to and does not present the financial position, changes in net position or cash flows of the Housing Authority.

NOTE 2 - 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority did not elect to use the 10% de minimis indirect cost rate as covered in section 200.414 of the Uniform Guidance for Federal Awards.

NOTE 3 - Subrecipient Payments

No federal awards were passed through to subrecipients during the year ended March 31, 2024.



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

To the Board of Commissioners
Housing Authority of the City of Ashland
Ashland, Wisconsin

We have audited, in accordance with 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, the basic financial statements of the Housing Authority of the City of Ashland, ("Authority"), as of and for the year ended March 31, 2024, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2024.

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 as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatements, 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 determination of financial statement amounts. 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*.

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3815 Mormon Coulee Road, Suite 100 - La Crosse, WI 54601 - (608) 784-6448
Prairie du Chien: Fax (608) 326-5100 - La Crosse: Fax (608) 782-6618
Email - collinspdc@cpacollins.com or collinslax@cpacollins.com

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 of 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.

Collins & Associates, S.C.

Collins & Associates, S.C.
La Crosse, Wisconsin
December 27, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Housing Authority of the City of Ashland
Ashland, Wisconsin

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Ashland's ("the Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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 generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery,

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intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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* 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 have not been identified.

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

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

Collins & Associates, S.C.

Collins & Associates, S.C.
La Crosse, Wisconsin
December 27, 2024

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2024

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified	
Internal control over financial reporting		
Material weakness(es) identified?	_____ Yes	___X___ No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ Yes	___X___ No

Federal Awards

Internal control over major programs		
Material weakness(es) identified?	_____ Yes	___X___ No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	___X___ No

Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)?	_____ Yes	___X___ No

Identification of major federal programs

<u>FEDERAL ASSISTANCE LISTING NUMBER(S)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Cluster

Dollar threshold used to distinguish between Type A and Type B programs	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	___X___ Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings required to be reported in accordance with Generally Accepted Government Auditing Standards.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for federal awards.

HOUSING AUTHORITY OF THE CITY OF ASHLAND
Ashland, Wisconsin
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended March, 2024

There are no prior findings that would have been reported under the criteria provided in the Uniform Guidance for Federal Awards.