bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Directors
Ironton Metropolitan Housing Authority
720 Washington St.
Ironton, OH 45638

We have reviewed the *Independent Auditor's Report* of Ironton Metropolitan Housing Authority, Lawrence County, prepared by BHM CPA Group, Inc., for the audit period October 1, 2021 through September 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 18, 2023

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Ironton Metropolitan Housing Authority
Table of Contents
For the Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

To the Director and Board of Commissioners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ironton Metropolitan Housing Authority, Lawrence County, Ohio (Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ironton Metropolitan Housing Authority, Lawrence County, Ohio as of September 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental Financial Data Schedules presented on pages 40 through 42 are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
March 23, 2023

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2022
MANAGEMENT'S DISCUSSION AND ANALYSIS
Unaudited

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements, which will begin on page 11.

FINANCIAL HIGHLIGHTS

- Total revenues decreased by $808,545 (or 39%) during 2022, and were $1,254,410 and $2,062,955 for 2022 and 2021, respectively.

- Total expenses increased by $179,268 (or 8%). Total expenses were $2,200,305 and $2,021,037 for 2022 and 2021, respectively.

USING THIS ANNUAL REPORT

The following is a summary of the presentation of the Authority's financial statements:

MD&A ~ Management Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses, and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~

The focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broadens a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability.

BASIC FINANCIAL STATEMENTS

The basic financial statements, beginning on page 11, are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the Authority.

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

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets plus deferred outflows of resources, net of liabilities plus deferred inflows of resources, for the entire Authority. Net Position is reported in three broad categories (as applicable):

Net Investment in Capital Assets: This component of Net Position consists of all Net Capital Assets (net of accumulated depreciation).

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

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

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

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position."

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

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

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

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

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

STATEMENT OF NET POSITION

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

TABLE 1
STATEMENT OF NET POSITION

	2022	2021	Variance
Current Assets	$ 2,612,466	$ 3,242,194	$ (629,728)
Noncurrent Assets	3,098,539	3,480,243	(381,704)
TOTAL ASSETS	5,711,005	6,722,437	(1,011,432)
Deferred Outflows of Resources - Pensions/OPEB	41,805	34,426	7,379
Current and Other Liabilities	132,594	127,863	4,731
Long-term liabilities	331,252	407,625	(76,373)
TOTAL LIABILITIES	463,846	535,488	(71,642)
Deferred Inflows of Resources - Pensions/OPEB	175,716	162,232	13,484
Deferred Inflows of Resources - Grants	14,555	14,555	0
TOTAL DEFERRED INFLOWS OF RESOURCES	190,271	176,787	13,484
Net Position:			
Net Investment in Capital Assets	3,059,450	3,457,402	(397,952)
Unrestricted	2,039,243	2,587,186	(547,943)
TOTAL NET POSITION	$ 5,098,693	$ 6,044,588	$ (945,895)

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

The net pension liability (NPL) is the largest single liability reported by the Authority at September 30, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27. GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). This is an asset reported by the Authority at September 30, 2022. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability (when applicable)*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability (asset) to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position. If there is a net OPEB assets, then it is separately identified in the non-current asset section of the statement of net position. In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Current assets decreased by $629,728 primarily due to a decrease in cash and cash equivalents. Capital assets, net decreased $397,952 due to depreciation expense which exceeded additions in 2022.

Long term liabilities decreased $76,373 primarily due to decreases in net pension liability and the net OPEB liability.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table reflects the condensed Statement of Revenues, Expenses and Changes in Net Position compared to the prior year.

TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2022	2021	Variance
Revenues			
Tenant Revenue	$ 841,359	$ 816,642	$ 24,717
Government Operating Grants	284,467	1,119,062	(834,595)
Investment Income/Other Revenues	128,584	127,251	1,333
TOTAL REVENUE	1,254,410	2,062,955	(808,545)
Expenses			
Administrative	188,231	147,320	40,911
Utilities	380,389	334,240	46,149
Ordinary Maintenance and Operation	708,708	595,630	113,078
General Expenses	125,389	96,215	29,174
Housing Assistance Payment	357,412	378,575	(21,163)
Depreciation Expense	440,176	469,057	(28,881)
TOTAL EXPENSES	2,200,305	2,021,037	179,268
NET INCREASE (DECREASE)	(945,895)	41,918	(987,813)
Net Position, Beginning of Year	6,044,588	6,002,670	41,918
Net Position, End of Year	$ 5,098,693	$ 6,044,588	$ (945,895)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Government operating grants decreased by $834,595 from 2021 to 2022 due to decreased government subsidy of rents. Administrative expenses increased $40,911 from 2021 to 2022. Utilities expense increased from 2021 to 2022, due to inflationary increases. Ordinary maintenance and operation expenses increased $113,078 from 2021 to 2022 due to increased maintenance required during 2022. General expenses increased $29,174 due in part to increased payments in lieu of taxes. Other than these changes the Authority operated consistently between the years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had $3,059,450 invested in a variety of capital assets (net of accumulated depreciation) as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of $397,952 from the end of last year.

TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	2022	2021
Construction in Progress	$ 34,432	$ 34,432
Land and Land Rights	500,242	500,242
Buildings and Improvements	16,073,995	16,073,995
Equipment	589,766	563,786
Accumulated Depreciation	(14,138,985)	(13,715,053)
	$ 3,059,450	$ 3,457,402

The following reconciliation summarizes the change in Capital Assets.

TABLE 4
CHANGE IN CAPITAL ASSETS

BEGINNING BALANCE	$ 3,457,402
Additions (Net)	42,224
Depreciation	(440,176)
ENDING BALANCE	$ 3,059,450

This year's major additions are:

Equipment, vehicles and other capital assets purchased by operations	$ 42,224
TOTAL ADDITIONS	$ 42,224

See note 5 to the basic financial statements for more information regarding the Authority's capital assets.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Market rates for rental housing
- The United States and the State of Ohio declared a state of emergency in March 2020 due to the global Coronavirus Disease 2019 (COVID-19) pandemic. The financial impact of COVID-19 will impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

IN CONCLUSION

Ironton Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Jim Johnson, Executive Director of the Ironton Metropolitan Housing Authority at 740-532-8658.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
AS OF SEPTEMBER 30, 2022

	ENTERPRISE
Assets	
Current Assets:	
Cash and Cash Equivalents - Unrestricted	$ 2,340,199
Cash and Cash Equivalents - Restricted	14,555
Tenants - Dwelling Rents, net of allowance for doubtful accounts	190,657
Accrued Interest Receivable	10,113
Prepaid Expenses and Other Assets	56,942
Total Current Assets	2,612,466
Noncurrent Assets:	
Net OPEB Asset	39,089
Capital Assets:	
Nondepreciable Capital Assets	534,674
Depreciable Capital Assets, Net of Accumulated Depreciation	2,524,776
Total Capital Assets	3,059,450
Total Noncurrent Assets	3,098,539
Total Assets	5,711,005
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension	40,370
Deferred Outflows of Resources - OPEB	1,435
Total Deferred Outflows of Resources	41,805
Total Assets and Deferred Outflows of Resources	$ 5,752,810
Liabilities	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	$ 8,013
Accounts Payable	4,825
Compensated Absences, Current Portion	6,661
Tenant Security Deposits	59,356
Intergovernmental Payable	38,501
Other Current Liabilities	15,238
Total Current Liabilities	132,594
Long Term Liabilities:	
Net Pension Liability	116,672
Compensated Absences	214,580
Total Long Term Liabilities	331,252
Total Liabilities	463,846
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pension	145,792
Deferred Inflows of Resources - OPEB	29,924
Deferred Inflows of Resources-Grants	14,555
Total Deferred Inflows of Resources	190,271
Total Liabilities and Deferred Inflows of Resources	654,117
Net Position:	
Net Investment In Capital Assets	3,059,450
Unrestricted	2,039,243
Total Net Position	5,098,693
Total Deferred Inflows of Resources, Liabilities and Net Position	$ 5,752,810

See accompanying notes to the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	ENTERPRISE
Operating Revenues	
Tenant Rental Revenues	$ 738,175
Tenant Revenue - Other	103,184
Government Operating Grants	284,467
Other	125,136
Total Operating Revenues	1,250,962
Operating Expenses	
Administrative:	
Administrative	188,231
Utilities	380,389
Ordinary Maintenance & Operation	708,708
General Expenses	125,389
Housing Assistance Payments	357,412
Depreciation Expense	440,176
Total Operating Expenses	2,200,305
Operating Income	(949,343)
Non-Operating Revenues	
Investment Income - Unrestricted	3,448
Total Non-Operating Revenues	3,448
Change in Net Position	(945,895)
Net Position, Beginning of Year	6,044,588
Net Position, End of Year	$ 5,098,693

See accompanying notes to the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

		ENTERPRISE
Cash flows from operating activities:		
Receipts from tenants	$	832,696
Receipts from operating grants		284,467
Other operating receipts		125,136
Housing assistance payments		(357,412)
Payments for general and administrative expense		(1,523,434)
Net cash provided by operating activities		(638,547)
Cash flows from capital and related financing activities:		
Construction and acquisitions of capital assets		(43,107)
Net cash flow used for capital and related financing activities		(43,107)
Cash flows from investing activities:		
Interest received on investments		6,302
Net cash provided by investing activities		6,302
Net decrease in cash and cash equivalents		(675,352)
Cash and cash equivalents at beginning of year		3,030,106
Cash and cash equivalents at end of year	$	2,354,754
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Operating Income	$	(949,343)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation Expense		440,176
(Increase)Decrease In:		
Accounts Receivable		(13,325)
Prepaid Expenses and Other Assets		(29,445)
Net OPEB Asset		(16,248)
Deferred Outflows of Resources - Pension		(18,649)
Deferred Outflows of Resources - OPEB		11,270
Increase (Decrease) In:		
Accrued Wages/Payroll Taxes Payable		(2,256)
Compensated Absences		10,875
Tenant Security Deposits		4,662
Intergovernmental Payable		(2,516)
Net Pension Liability		(87,232)
Deferred Inflows of Resources - Pension		55,012
Deferred Inflows of Resources - OPEB		(41,528)
Net Cash Provided By Operating Activities	$	(638,547)

See accompanying notes to the basic financial statements.

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

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

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

<u>DESCRIPTION OF PROGRAMS:</u>

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

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

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

<u>REPORTING ENTITY</u>

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

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. For financial statement presentation purposes, the various programs of the Authority are grouped into the following fund type:

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

Enterprise Fund - The enterprise fund is used to account for operations 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services of the general public on a continuing basis be financed or recovered primarily through user charges; or 2) 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.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund type income statements represent increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

C. BASIS OF ACCOUNTING

Proprietary fund types use accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and measurable and expenses are recorded at the time liabilities are incurred, if measurable.

D. BUDGETARY DATA

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds deposited in checking accounts and certificates of deposit. Cash equivalents, such as certificates of deposit, are stated at cost, which approximates market value.

The Authority has investments in the form of certificates of deposits. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, investments of the Authority with an original maturity of six months or less at the time they are purchased by the Authority are considered to be cash equivalents. Investments with an initial maturity of more than six months are reported as investments.

F. CAPITAL ASSETS

The capital asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated. The Authority uses a capitalization threshold of $200.

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

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

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

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

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond September 30, 2022, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

H. TAX LIABILITY

The Authority is by law exempt from all federal, state, and local taxes and assessments. The Authority has elected to pay a Payment in Lieu of Taxes (PILOT) based principally on a percentage of tenant dwelling income received from HUD-assisted programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. COMPENSATED ABSENCES

In 1999, the Authority implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at year-end. In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a fund liability.

J. INTERGOVERNMENTAL REVENUES

Grants, entitlements or shared revenues received for enterprise fund operating purposes are recognized in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as revenue.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and accompanying notes. Accordingly, actual results could differ from those estimates.

L. NET POSITION

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Unrestricted net position represents the portion of net position not restricted.

M. MONIES HELD FOR MATURED BONDS AND INTEREST

The Authority received $15,238 during a prior period from a bank who was the fiscal agent for matured bonds and coupons from old debt issues. The Authority has recorded such monies as a liability as of September 30, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow or resources (revenue) until that time. For the Authority, deferred inflows of resources include pension, OPEB and grants. Deferred inflows of resources related to pension, OPEB and grants are reported on the Statement of Net Position.

O. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the defined benefit retirement plans discussed in Notes 6 and 7 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

3. DEPOSITS AND INVESTMENTS

Cash on Hand

At year end, the Authority had $300 in un-deposited cash on hand which is included on the financial statements of the Authority as part of "cash - unrestricted."

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $2,138,066 of the Authority's bank balance of $2,388,066 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the Federal Deposit Insurance Corporation.

The Authority does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

4. RECEIVABLES

Receivables at September 30, 2022, consisted of accounts receivable from tenants for rent and materials, miscellaneous receivables which includes late charges and utilities owed to the Authority by the tenants and accrued interest receivable.

5. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended September 30, 2022 follows:

	Balance - 09/30/21	Additions	Deletions	Balance - 09/30/22
Capital Assets Not Being Depreciated:				
Land and Land Rights	$ 500,242	$ -	$ -	$ 500,242
Construction in Progress	34,432	-	-	34,432
Total Capital Assets Not Being Depreciated	534,674	-	-	534,674
Capital Assets Being Depreciated:				
Buildings and Improvements	16,073,995	-	-	16,073,995
Equipment	563,786	42,224	(16,244)	589,766
Total Capital Assets Being Depreciated	16,637,781	42,224	(16,244)	16,663,761
Accumulated Depreciation:				
Buildings and Improvements	(13,240,597)	(404,947)	-	(13,645,544)
Equipment	(474,456)	(35,229)	16,244	(493,441)
Total Accumulated Depreciation	(13,715,053)	(440,176)	16,244	(14,138,985)
Net Capital Assets Being Depreciated	2,922,728	(397,952)	-	2,524,776
Net Capital Assets	$ 3,457,402	$ (397,952)	$ -	$ 3,059,450

6. DEFINED BENEFIT PENSION PLAN

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

6. DEFINED BENEFIT PENSION PLAN (Continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset).

Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the pension disclosures. See Note 7 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System
The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Group A Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

6. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

Effective January 1, 2022, the Combined Plan was consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option is no longer be available for member selection.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal year ended September 30, 2022, the contribution rate for members in the state and local classification remained 10 percent. The Authority's contribution rate for members in state and local classifications for the fiscal year ended September 30, 2022 was 14.0 percent. State statute sets a maximum contribution rate for the Authority of 14.0 percent.

The Authority's contractually required contribution to OPERS was $27,101 for fiscal year 2022. The entire contribution has been made.

6. DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability reported as of September 30, 2022 was measured as of December 31, 2021 for OPERS, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional
Proportionate Share of the Net Pension Liability	$ 116,672
Proportion of the Net Pension Liability/Asset - Prior Year	0.001377%
Proportion of the Net Pension Liability/Asset - Current Year	0.001341%
Change in Proportion	-0.000036%
Pension Expense (Gain)	$ (31,919)

6. DEFINED BENEFIT PENSION PLAN (Continued)

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS
Deferred Outflows of Resources:	
Differences between expected and actual economic experience	$ 5,948
Changes of assumptions	14,590
Changes in proportion	881
Contributions subsequent to the measurement date	18,951
Total	$ 40,370

	PERS
Deferred Inflows of Resources:	
Differences between expected and actual economic experience	$ 2,559
Differences between projected and actual investment earnings	138,778
Changes in proportion	4,455
Total	$ 145,792

$18,951 reported as deferred outflows of resources related to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	PERS
Fiscal Year Ending September 30:	
2023	$ (20,650)
2024	(49,013)
2025	(32,632)
2026	(22,078)
	$(124,373)

6. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – OPERS

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

Measurement and Valuation Date	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Wage Inflation	2.75 percent
Projected Salary increase	2.75 -10.75% (Traditional); 2.75% - 8.25% (Combined)
Investment Rate of Return	6.90 percent
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3 percent simple Post-1/7/2013 Retirees: 3 percent simple through 2022, then 2.05% simple

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

Discount Rate

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

6. DEFINED BENEFIT PENSION PLAN (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation For 2021	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
Total	100.00 %	4.21 %

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

Sensitivity of The Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability	$378,779	$116,672	$48,732

7. DEFINED BENEFIT OPEB PLANS

Net Other Postemployment Benefits (OPEB) Liability (Asset)

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

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

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 assumes the liability/asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability (asset) on the accrual basis of accounting.

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

7. DEFINED BENEFIT OPEB PLANS (Continued)

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance. Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets. the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. For the time period January 1, 2022 through June 30, 2022, OPERS did not allocate any employer contributions to health care for members in the Combined Plan. For the time period July 1, 2022 through December 31, 2022, OPERS allocated 2.0 percent of employer contributions to health care for members in the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent.

7. DEFINED BENEFIT OPEB PLANS (Continued)

The Authority's contractually required contribution for health care for the fiscal year ended September 30, 2022 was $0.

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability (asset) was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	PERS
Proportionate Share of the Net OPEB Liability (Asset)	$ (39,089)
Proportion of the Net OPEB Liability/Asset - Prior Year	0.001282%
Proportion of the Net OPEB Liability/Asset - Current Year	0.001248%
Change in Proportionate Share	-0.000034%
OPEB Expense	$ (35,472)

At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PERS
Deferred Outflows of Resources:	
Changes in proportion	$ 1,435
Total	$ 1,435
Deferred Inflows of Resources:	
Differences between expected and actual economic experience	$ 5,929
Differences between projected and actual investment earnings	18,635
Changes of assumptions	4,788
Changes in proportion	572
Total	$ 29,924

There were no deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date since none were made subsequent to the measurement date.

7. DEFINED BENEFIT OPEB PLANS (Continued)

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

	PERS
Fiscal Year Ending September 30:	
2023	$ (13,440)
2024	(8,300)
2025	(4,072)
2026	(2,677)
	$ (28,489)

Actuarial Assumptions - PERS

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

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

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2021	December 31, 2020
Wage Inflation	3.25 percent	3.25 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Future Salary Increases, including inflation		
Single Discount Rate:		
Current measurement date	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent ultimate in 2034	8.5 percent, initial 3.50 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2015

7. DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – PERS (continued)

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

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health-care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was a gain of 14.3% for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

7. DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation As of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78 %
REITs	7.00	3.71 %
International Equities	25.00	4.88 %
Risk Parity	2.00	2.92 %
Other Investments	7.00	1.93 %
Total	100.00 %	3.45 %

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the OPEB liability calculated using the single discount rate of 6.00%, and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB liability	($22,988)	($39,089)	($52,453)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

7. DEFINED BENEFIT OPEB PLANS (Continued)

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	($39,512)	($39,089)	($38,588)

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

8. OTHER EMPLOYEE BENEFITS

Compensated Absences: Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation on the employee's anniversary date. Vacation time can be carried over for one year, but must be taken in the year following the year earned. Employees are paid for earned, unused vacation leave at the time of termination.

Sick leave is earned at a rate of 4.60 hours per pay period (2 weeks). Employees who retire are paid for their earned, unused sick leave hours up to a maximum of 30 days, or the full balance may be transferred to another governmental agency. Such payment shall be based on the employee's rate of pay at the time of retirement. At September 30, 2022 the current amount of unpaid compensated absences was $6,661 and the noncurrent amount was $214,580.

The changes in the Authority's long-term liabilities during 2022 were as follows:

	Balance at 9/30/2021	Increase	Decrease	Balance at 9/30/2022	Amount Due In One Year
Compensated Absences	$210,366	$10,875	$0	$221,241	$6,661
Net Pension Liability	203,904	-	87,232	116,672	-
Net OPEB Liability *	-	-	-	-	-
Total Long-Term Liabilities	$414,270	$10,875	$87,232	$337,913	$6,661

* - OPEB for PERS has a net OPEB asset in the amount of $39,089 as of September 30, 2022.

9 ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

10. RISK MANAGEMENT

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

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

11. CONTINGENCIES

A. Grants

The Authority received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at September 30, 2022.

B. Litigation

The Authority is not party to legal proceedings as of September 30, 2022.

12. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the County. The impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Required Supplementary Information

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Nine Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.001341%	0.001377%	0.001358%	0.001417%	0.001367%	0.001105%	0.001427%	0.001488%	0.001488%
Authority's proportionate share of the net pension liability	$ 116,672	$ 203,904	$ 268,418	$ 388,088	$ 214,456	$ 250,927	$ 247,174	$ 179,469	$ 175,416
Authority's covered payroll	$ 192,171	$ 192,843	$ 190,443	$ 205,715	$ 149,231	$ 126,258	$ 183,233	$ 189,758	$ 217,842
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	60.71%	105.74%	140.94%	188.65%	143.71%	198.74%	134.90%	94.60%	80.50%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.10%	86.50%	86.40%

(1) Information prior to 2013 is not available.
Amounts presented as of the Authority's measurement
date which is the prior fiscal year.

See notes to accompanying required supplementary information.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Pension Contributions
Ohio Public Employees Retirement System
Last Ten Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 27,101	$ 26,904	$ 26,998	$ 26,662	$ 26,743	$ 19,400	$ 15,151	$ 21,988	$ 22,771	$ 26,141
Contributions in relation to the contractually required contribution	(27,101)	(26,904)	(26,998)	(26,662)	(26,743)	(19,400)	(15,151)	(21,988)	(22,771)	(26,141)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 193,579	$ 192,171	$ 192,843	$ 190,443	$ 205,715	$ 149,231	$ 126,258	$ 183,233	$ 189,758	$ 217,842
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	12.00%	12.00%	12.00%	12.00%

See notes to accompanying required supplementary information.

Ironton Metropolitan Housing Authority

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability (Asset)

Ohio Public Employees Retirement System

Last Six Years (1)

	2021	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability (asset)	0.00124800%	0.00128200%	0.00126500%	0.00131900%	0.00128000%	0.00103000%
Authority's proportionate share of the net OPEB liability (asset)	$ (39,089)	$ (22,841)	$ 174,729	$ 171,966	$ 138,999	$ 104,033
Authority's covered-employee payroll	$ 192,171	$ 192,843	$ 190,443	$ 205,715	$ 149,231	$ 126,258
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-20.34%	-11.84%	91.75%	83.59%	93.14%	82.40%
Plan fiduciary net position as a percentage of the total OPEB liability	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2016 is not available.
Amounts presented as of the Authority's measurement
date which is the prior fiscal year.

See notes to accompanying required supplementary information.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's OPEB Contributions
Ohio Public Employees Retirement System
Last Seven Years (1)

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ -	$ -	$ -	$ -	$ 1,616	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	(1,616)	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll	$ 193,579	$ 192,171	$ 192,843	$ 190,443	$ 205,715	$ 149,231	$ 126,258
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	1.08%	0.00%	0.00%

(1) Information prior to 2015 is not available.

See notes to accompanying required supplementary information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions – OPERS Pension– Traditional Plan

There was a change in assumptions for 2022. There were no changes in assumptions for 2021 and 2020. Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used beginning in 2017 and in 2016 are presented below:

	2022	2021, 2020 and 2019	2018 and 2017
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	See below	See below	See below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

	2016 and prior
Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	See below
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use mortality rates based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in Assumptions – OPERS Pension– Traditional Plan (Continued)

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
2022-2019	6 percent
2018	6.5 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022-2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial
	3.5 percent, ultimate in 2034
2021	8.5 percent, initial
	3.5 percent, ultimate in 2035
2020	10 percent, initial
	3.5 percent, ultimate in 2030
2019	10 percent, initial
	3.25 percent, ultimate in 2029
2018	7.5 percent, initial
	3.25 percent, ultimate in 2028

Supplementary Information

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF NET POSITION BY PROGRAM
PROPRIETARY FUND TYPE - ENTERPRISE FUND

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Assets				
Current Assets:				
Cash and Cash Equivalents - Unrestricted	$ 289,620	$ 2,050,579	$ -	$ 2,340,199
Cash and Cash Eqivalents - Restricted	14,555	-	-	14,555
Accounts Receivable:				
Tenants - Dwelling Rents, net of allowance for doubtful accounts	-	190,657	-	190,657
Accrued interest receivable	-	10,113	-	10,113
Prepaid Expenses and Other Assets	8,933	48,009	-	56,942
Total Current Assets	313,108	2,299,358	-	2,612,466
Noncurrent Assets:				
Net OPEB Asset	3,127	35,962	-	39,089
Capital Assets:				
Land	-	500,242	-	500,242
Building	-	16,073,995	-	16,073,995
Furniture, Equipment & Machinery - Dwellings	-	266,888	-	266,888
Furniture, Equipment & Machinery - Administration	1,560	321,318	-	322,878
Construction in Progress	-	-	34,432	34,432
Accumulated Depreciation	(1,560)	(14,137,425)	-	(14,138,985)
Capital Assets, Net of Accumulated Depreciation	-	3,025,018	34,432	3,059,450
Total Noncurrent Assets	3,127	3,060,980	34,432	3,098,539
Total Assets	316,235	5,360,338	34,432	5,711,005
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension	3,228	37,142	-	40,370
Deferred Outflows of Resources - OPEB	114	1,321	-	1,435
Total Deferred Outflows of Resources	3,342	38,463	-	41,805
Total Assets and Deferred Outflows of Resources	$ 319,577	$ 5,398,801	$ 34,432	$ 5,752,810
Liabilities				
Current Liabilities:				
Accrued Wages/Payroll Taxes Payable	$ 662	$ 7,351	$ -	$ 8,013
Accounts Payable:				
<= 90 Days Past Due	-	4,825	-	4,825
Compensated Absences, Current Portion	466	6,195	-	6,661
Tenant Security Deposits	-	59,356	-	59,356
Other Current Liabilities	-	15,238	-	15,238
Intergovernmental Payable	-	38,501	-	38,501
Total Current Liabilities	1,128	131,466	-	132,594
Long Term Liabilities:				
Net Pension Liabilities	9,334	107,338	-	116,672
Compensated Absences	13,853	200,727	-	214,580
Total Long Term Liabilities	23,187	308,065	-	331,252
Total Liabilities	24,315	439,531	-	463,846
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension	11,664	134,128	-	145,792
Deferred Inflows of Resources - OPEB	3,277	26,647	-	29,924
Deferred Inflows of Resources-Grants	14,555	-	-	14,555
Total Deferred Inflows of Resources	29,496	160,775	-	190,271
Total Liabilities and Deferred Inflows of Resources	53,811	600,306	-	654,117
Net Position:				
Net Investment In Capital Assets	-	3,025,018	34,432	3,059,450
Unrestricted	265,766	1,773,477	-	2,039,243
Total Net Position	265,766	4,798,495	34,432	5,098,693
Total Deferred Inflows of Resources, Liabilities and Net Position	$ 319,577	$ 5,398,801	$ 34,432	$ 5,752,810

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM
PROPRIETARY FUND TYPE - ENTERPRISE FUND

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Operating Revenues				
Tenant Rental Revenues	$ -	$ 738,175	$ -	$ 738,175
Tenant Revenue - Other	-	103,184	-	103,184
HUD PHA Grants/OperatingGrants	284,467	-	-	284,467
Other Revenue	125,136	-	-	125,136
Total Operating Revenues	409,603	841,359	-	1,250,962
Operating Expenses				
Administrative:				
Administrative Salaries	15,699	74,862	-	90,561
Auditing and Accounting Fees	1,410	10,336	-	11,746
Employee Benefit Contributions	8,975	34,750	-	43,725
Other Operating	3,267	38,932	-	42,199
Total Administrative	29,351	158,880	-	188,231
Utilities:				
Water	-	156,137	-	156,137
Electricity	247	180,324	-	180,571
Gas	-	43,681	-	43,681
Total Utilities	247	380,142	-	380,389
Ordinary Maintenance & Operation:				
Labor	-	107,308	-	107,308
Materials and Other	-	55,750	-	55,750
Contract Costs	22,905	472,934	-	495,839
Employee Benefit Contributions	-	49,811	-	49,811
Total Ordinary Maintenance & Operation	22,905	685,803	-	708,708
General Expenses:				
Insurance Premiums	-	49,533	-	49,533
Payments in Lieu of Taxes	-	38,501	-	38,501
Other	-	37,355	-	37,355
Total General Expenses	-	125,389	-	125,389
Housing Assistance Payments	357,412	-	-	357,412
Depreciation Expense	-	440,176	-	440,176
Total Operating Expenses	409,915	1,790,390	-	2,200,305
Operating Income	(312)	(949,031)	-	(949,343)
Other Non-Operating Revenues:				
Investment Income - Unrestricted	504	2,944	-	3,448
Total Non-Operating Revenues	504	2,944	-	3,448
Net Increase in Net Position	192	(946,087)	-	(945,895)
Net Position, Beginning of the Year	265,574	5,744,582	34,432	6,044,588
Net Position, End of Year	265,766	4,798,495	34,432	5,098,693
	-	-	-	

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF CASH FLOWS BY PROGRAM
PROPRIETARY FUND TYPE - ENTERPRISE FUND

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Cash flows from operating activities:				
Receipts from tenants	$ -	$ 832,696	$ -	$ 832,696
Receipts from operating grants	284,467	-	-	284,467
Other operating receipts	125,136	-	-	125,136
Housing assistance payments	(357,412)	-	-	(357,412)
Payments for general and administrative expense	(59,659)	(1,463,775)	-	(1,523,434)
Net cash provided by operating activities	(7,468)	(631,079)	-	(638,547)
Cash flows from capital and related financing activities:				
Construction and acquisitions of capital assets	-	(43,107)	-	(43,107)
Net cash flow used for capital and related financing activities	-	(43,107)	-	(43,107)
Cash flows from investing activities:				
Interest received on investments	504	5,798	-	6,302
Net cash provided by investing activities	504	5,798	-	6,302
Net increase in cash and cash equivalents	(6,964)	(668,388)	-	(675,352)
Cash and cash equivalents at beginning of year	311,139	2,718,967	-	3,030,106
Cash and cash equivalents at end of year	$ 304,175	$ 2,050,579	$ -	$ 2,354,754
CASH FLOWS FROM OPERATING ACTIVITIES		-		
Net Operating Income	$ (312)	$ (949,031)	$ -	$ (949,343)
Adjustments to reconcile net gain to net cash provided by operating activities:				
Depreciation Expense	-	440,176	-	440,176
(Increase)Decrease In:				
Accounts Receivable	-	(13,325)	-	(13,325)
Prepaid Expenses and Other Assets	(1,043)	(28,402)	-	(29,445)
Net OPEB Asset	(1,299)	(14,949)	-	(16,248)
Deferred Outflows of Resources - Pension	(1,492)	(17,157)	-	(18,649)
Deferred Outflows of Resources - OPEB	902	10,368	-	11,270
Increase (Decrease) In:				
Accrued Wages/Payroll Taxes Payable	66	(2,322)	-	(2,256)
Compensated Absences	726	10,149	-	10,875
Tenant Security Deposits	-	4,662	-	4,662
Intergovernmental Payable	-	(2,516)	-	(2,516)
Net Pension Liability	(6,978)	(80,254)	-	(87,232)
Deferred Inflows of Resources - Pension	4,401	50,611	-	55,012
Deferred Inflows of Resources - OPEB	(2,439)	(39,089)	-	(41,528)
Net Cash Provided By Operating Activities	$ (7,468)	$ (631,079)	$ -	$ (638,547)

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

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

To the Director and Board of Commissioners

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the Ironton Metropolitan Housing Authority, Lawrence County, (the Authority) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 23, 2023, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Authority.

Report on Internal Control Over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
March 23, 2023

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

Summary Schedule of Prior Audit Findings
September 30, 2022

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2021-001	Noncompliance – Nine Month Single Audit Deadline – 2020 Filing	Yes	Fully Corrected for the Fiscal Year Ending September 30, 2021 and Not Applicable to the Fiscal Year Ending September 30, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

IRONTON METROPOLITAN HOUSING AUTHORITY

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/4/2023

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