OHIO AUDITOR OF STATE
KEITH FABER

PORTAGE METROPOLITAN HOUSING AUTHORITY
PORTAGE COUNTY
DECEMBER 31, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Portage Metropolitan Housing Authority
Portage County
2832 State Route 59
Ravenna, OH 44266

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Portage Metropolitan Housing Authority, Portage County, Ohio (Authority), as of and for the year ended December 31, 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 Portage Metropolitan Housing Authority, Portage County, Ohio as of December 31, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the Financial Data Schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 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.

Keith Faber
Auditor of State
Columbus, Ohio

September 30, 2023

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PORTAGE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)

This Management's Discussion and Analysis (MD&A) for the Portage Metropolitan Housing Authority (the Authority) is intended to assist the reader to identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify changes in the Authority's financial position. It is designed to focus on the financial activity for the calendar year ended December 31, 2022, resulting changes, and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

FINANCIAL HIGHLIGHTS

- During FY 2022, the Authority's net position increased by $147,000. Net Position was $8,870,000 and $9,017,000 for FY 2021 and FY 2022, respectively.

- The revenue increased by $659,000 (or 4%) during FY 2022 and was $16,577,000 and $17,236,000 for FY 2021 and FY 2022, respectively.

- The total expenses of the Authority increased by $278,000 (or 2%). Total expenses were $16,811,000 and $17,089,000 for FY 2021 and FY 2022, respectively.

Overview in the Financial Statements

The basic financial statements included elsewhere in this report are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The Statement of Net Position is very similar to what most people would think of as a Balance Sheet. In the first half it reports the value of assets the Authority holds at December 31, 2022; that is, the cash the Authority has, the amounts that are owed to the Authority from others, and the value of the equipment the Authority owns. The other half reports the Authority's liabilities; that is, what the Authority owes others at December 31, 2022, and what Net Position (equity) the Authority has at December 31, 2022. The two parts of the report are in balance and that is why many might refer to this type of report as a balance sheet, in that the total of the assets part equals the total of the liabilities plus Net Position (or equity) part. In the statement, the Net Position is broken out into three broad categories:

Net Investment in Capital Assets, Net of Related Debt
Net Position Restricted
Net Position Unrestricted

The balance in Net Investment in Capital Assets, Net of Related Debt reflects the value of capital assets (assets such as land, buildings, and equipment) reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding amount of debt yet owed on those assets.

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

The balance in Unrestricted Net Position is the remainder of Net Position after what is classified in the two previously mentioned components of Net Position. It reflects the value of assets available to the Authority for its use in furthering its purposes.

The Statement of Revenues, Expenses, and Changes in Fund Balance (or Net Position or equity) is very similar to, and may commonly be referred to, as an Income Statement. It is a report showing what the Authority earned, that is what its revenues or incomes were, versus what expenses the Authority had over the same period. It also shows how the fund balance (or Net Position or equity) changed because of how the revenues exceeded or were less than the expenses. It helps the reader to determine if the Authority had more in revenues than in expenses, or vice versa, and then how that net gain or net loss affected the fund balance (or Net Position or equity). The ending total Net Position is what is referred to in the above discussion of the Statement of Net Position which when added to the liabilities the Authority has, equals the total assets of the Authority.

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

The Authority's Business Type Fund

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

The Authority's business type fund includes the following programs:

<u>Moving to Work Programs</u> – These programs are demonstration programs that allow participating housing authorities to design and test ways to promote self-sufficiency among assisted households, reduce costs through improved efficiency, and increase housing choice for low-income families. The programs provide no additional funding to the housing authority but permit waivers of laws included within the Housing Act of 1937. The Conventional Public Housing Programs and the Section 8 Housing Choice Voucher Program are the Moving to Work Programs of the Portage Metropolitan Housing Authority.

Conventional Public Housing Program – Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy to enable the Authority to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Section 8 Housing Choice Voucher Program – Under the Housing Choice Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the participant's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contribution Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income.

Shelter Plus Care Program – This program links rental assistance to supportive services for hard-to-reach homeless persons with disabilities, primarily those who are seriously mentally ill, have chronic substance abuse problems, or have AIDS and related diseases.

Section 8 Mainstream Voucher Program – This program provides rental assistance to clients in a manner that is very similar to how rental assistance is provided under the Housing Choice Voucher Program but serves target populations.

Other Non-major Programs – In addition to the major programs described above, the Authority also administers programs that have assets, liabilities, and revenues or expenses of less than 6 percent of the Authority's total assets, liabilities, revenues, or expenses.

Resident Opportunities and Self-Sufficiency (ROSS) – This grant program is funded by HUD to assist residents in the process of moving from welfare to work.

Business Activities – This program represents non-HUD resources developed from a variety of activities.

GASB 68 and GASB 75

The net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For calendar year 2022, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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 pension costs (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*.

GASB 68 and GASB 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems 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 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 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 health care 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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 for the administration of the plan 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.

In accordance with GASB 68 and 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, respectively, not accounted for as deferred inflows/outflows.

The following represents a condensed Statement of Net Position compared to the prior year. The Authority is engaged only in business-type activities. For more detailed information, see the Statement of Net Position.

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

	2022	2021
Assets		
Current and Other Assets	$3,573,000	$3,993,000
Capital Assets	8,051,000	8,085,000
Total Assets	11,624,000	12,078,000
Deferred Outflows of Resources	436,000	3,000
Total Assets and Deferred Outflows of Resources	$12,060,000	$12,081,000
Liabilities		
Current Liabilities	$409,000	$911,000
Long-Term Liabilities	1,056,000	1,633,000
Total Liabilities	1,465,000	2,544,000
Deferred Inflows of Resources	1,578,000	667,000
Total Liabilities and Deferred Inflows of Resources	3,043,000	3,211,000
Net Position		
Net Investment in Capital Assets	$8,051,000	$8,085,000
Restricted Net Position	266,000	266,000
Unrestricted Net Position	700,000	519,000
Total Net Position	9,017,000	8,870,000
Total Liabilities and Net Position	$12,060,000	$12,081,000

Major Factors Affecting the Statement of Net Position

The total net position increased by $147,000 from year-end 2021 to year-end 2022. See the discussion in the next section of factors contributing to this change. During 2022, current and other assets decreased by $420,000 and current liabilities decreased by $502,000. Capital assets decreased $34,000 reflecting capital fund decreases.

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

Table 2 -Statement of Revenues, Expenses, and Changes in Net Position
(Values rounded to nearest Thousand)

	2022	2021
Revenues		
Tenant Revenues	$ 1,069,000	$ 982,000
HUD Operating Subsidies and Grants	15,064,000	14,665,000
Capital Grants	629,000	669,000
Non-Operating Revenue	35,000	17,000
Other Revenues	439,000	244,000
Total Revenues	$17,236,000	$16,577,000
Expenses		
Administrative	$ 2,082,000	$ 2,330,000
Tenant Services	192,000	153,000
Utilities	375,000	348,000
Maintenance and Operations	1,498,000	1,636,000
General	377,000	254,000
Housing Assistance Payments	11,847,000	11,346,000
Depreciation	718,000	744,000
Total Expenses	$ 17,089,000	$ 16,811,000
Net Increase (Decrease) in Net Position	$ 147,000	$ (234,000)

For 2022, the Authority revenues increased 4% and expenses increased by 2%. The Authority experienced increases in tenant revenues and HUD subsidies, and capital funding decreased based on timing of projects. The Authority experienced decreases in administrative expenses because of GASB 68.

The following is a condensed Statement of Changes in Capital Assets comparing balances in capital assets for 2021 and 2022.

Table 3 - Condensed Statement of Changes in Capital Assets

	2022	2021
Land and Land Rights	$ 1,623,000	$ 1,623,000
Building and Improvements	26,936,000	25,545,000
Equipment	537,000	599,000
Construction in Progress	46,000	744,000
Accumulated Depreciation	(21,091,000)	(20,426,000)
Total	$ 8,051,000	$ 8,085,000

Debt

The Authority has no debt outstanding at year end 2022.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development has increased.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Federal Reserve Bank interest rates on investments.
- Local labor supply and demand, which can affect salary and wage rates.

Contact the Authority

Questions concerning this report or requests for additional information should be directed to Pamela Nation Calhoun, Executive Director of the Portage Metropolitan Housing Authority, 2832 State Route 59, Ravenna, Ohio 44266.

PORTAGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted (Note 2)	$ 2,472,435
Cash and Cash Equivalents - Restricted (Note 3)	378,909
Accounts Receivable, (Net of Allowance for Doubtful Accounts)	64,347
Inventory (Net of Allowance for obsolete)	72,533
Net OPEB Asset	333,198
Prepaid Expenses and Other Assets	234,202
Total Current Assets	3,555,624
Non-Current Assets	
Interest Receivable	17,471
Capital Assets: (Note 4)	
Non-Depreciable Capital Assets	1,669,516
Depreciable Capital Assets	6,381,610
Total Non-Current Assets	8,068,597
Deferred Outflow of Resources - Pension	435,961
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 12,060,182

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

PORTAGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(continued)

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

Current Liabilities		
Accounts Payable	$	155,339
Accrued Payroll Taxes		55,021
Tenant Security Deposits		93,363
Accrued Compensated Absences – Current Portion		29,176
Unearned Revenue		34,656
Other Liabilities		41,277
Total Current Liabilities		408,832
Non-Current Liabilities		
Noncurrent Liabilities - Other		49,186
Net Pension Liability		902,232
Accrued Compensated Absences, Net of Current Portion		104,129
Total Non-Current Liabilities		1,055,547
Total Liabilities	$	1,464,379
Deferred Inflow of Resources - Pension	$	1,578,534
Net Position		
Investment in Capital Assets	$	8,051,126
Restricted		266,066
Unrestricted		700,077
Total Net Position	$	9,017,269

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

PORTAGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenue:	
HUD Operating Subsidies and Grants	$ 15,064,011
Tenant Revenue	1,068,945
Other Revenue	438,746
Total Operating Revenue	16,571,702
Operating Expenses:	
Administrative Expense	2,081,554
Tenant Services	191,774
Utilities	375,007
Maintenance and Operations	1,497,708
General Expenses	377,228
Housing Assistance Payments	11,847,500
Depreciation Expense	718,256
Total Operating Expenses	17,089,027
Net Operating Income (Loss)	(517,325)
Non-Operating Revenues (Expenses)	
Interest Income	24,542
Gain(Loss) on Sale of Capital Assets	10,723
Total Non-Operating Revenues (Expenses)	35,265
Excess of Revenue Over(Under) Expenses before Capital Grants	(482,060)
Capital Grants	628,947
Change in Net Position	146,887
Net Position - Beginning of Year	8,870,382
Net Position - End of Year	$ 9,017,269

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

PORTAGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows From Operating Activities:		
Cash Received from HUD	$	15,064,011
Cash Received from Tenant		1,051,284
Cash Received from Other Income		438,746
Cash Payments for Housing Assistance Payments		(11,847,500)
Cash Payments for Administrative		(2,439,730)
Cash Payments for Other Operating Expenses		(3,118,896)
Net Cash Provided (Used) by Operating Activities		(852,085)
Cash Flows From Capital and Related Financing Activities:		
Acquisition of Capital Assets		(683,825)
Gain(Loss) on Sale of Capital Assets		10,723
Capital Grant Funds Received		628,947
Net Cash Provided (Used) by Capital and Related Financing Activities		(44,153)
Cash Flows From Investing Activities:		
Interest Income		11,710
Net Cash Provided (Used) by Investing Activities		11,710
Increase (Decrease) in Cash and Cash Equivalents		(884,530)
Cash and Cash Equivalents - Beginning of Year		3,735,874
Cash and Cash Equivalents - End of Year	$	2,851,344
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:		
Operating Income (Loss)	$	(517,325)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:		
Depreciation		718,256
(Increase) decrease in:		
Accounts Receivable		14,275
Other Assets		4,775
Inventory		(16,984)
Deferred Outflow of Resources - Pension		(433,562)
Prepaid Expenses		(453,826)
Increase (decrease) in:		
Accounts Payable		44,147
Accrued Wages/Payroll		(4,868)
Unearned Revenue		(32,834)
Compensated Absences		(33,293)
Other Liabilities		(465,371)
Accrued Pension		(610,448)
Deferred Inflow of Resources - Pension		910,994
Tenant Security Deposits		898
Noncurrent Liabilities - Other		23,081
Net Cash Provided (Used) by Operating Activities	$	(852,085)

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Portage Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - CONTINUED

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

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable. Based on the above criteria, the Authority has no component units.

Fund Accounting
The Authority uses an enterprise fund to report on its financial position and the results of its operations for the Section 8 and Public Housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

Proprietary Fund Types
Proprietary funds are used to account for the Authority's ongoing activities which are similar to those found in the private sector. The following is the proprietary fund type:

Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America. The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. In accordance with GABS Statement No. 34, the accompanying basic financial statements are reported on an Authority-wide basis. GASB Statement No. 34 (as amended by GASB Statement No. 63) requires the following, which collectively make up the Authority’s basic financial statements:

Basic Financial Statements:

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

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - CONTINUED

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

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

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

Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform). Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as government-mandated or voluntary nonexchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

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

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

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - CONTINUED

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount reported as restricted net position at calendar year end represents the amounts restricted by HUD for future Housing Assistance Payments.
When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. There were no net Position restricted by HUD.

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in calendar year 2022 totaled $24,542.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized.

Cash and Cash Equivalents

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

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the balance reported as a fund liability.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - CONTINUED

Inventories
Inventories are stated at cost. The allowance for obsolete inventory was $2,000 at December 31, 2022.

Budgetary Accounting
The Authority annually prepares its budget as prescribed by the U.S. Department of Housing and Urban Development. This budget is approved by the Board of the Housing Authority.

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

Deferred Outflows/Inflows of Resources
In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 5.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 5).

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits

At calendar year end, the carrying amount of the Authority's deposits were $2,851,344 and the bank balance was $2,908,125. Included in the carrying amount of deposits at December 31, 2022 is $75 in petty cash. Based on criteria described in GASB Statement No. 40, Deposits and Investments Risk Disclosures, as of December 31, 2022, $750,000 of the Authority's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority.

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Authority's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy; however the Authority's investments at December 31, 2022, were limited to certificates of deposit.

Interest Rate Risk

The Authority's investment policy limits investments to 1 year but does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Authority staggers maturity dates of investments to avoid losses from rising interest rates.

Credit Risk

Any deposits of the Authority exceeding the FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority.

Concentration of Credit Risk

The Authority does not limit the amount of funds that may be on deposit with any one financial institution; however, as was mentioned in the preceding paragraph, all deposits exceeding the FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority.

Cash and investments included in the Authority's cash position at December 31, 2022, are as follows:

Cash and Investment Type	Fair Value	Investment Maturities (in Years) ≤1
Carrying Amount of Deposits – Unrestricted	$2,472,435	$2,472,435
Carrying Amount of Deposits – Restricted	378,909	378,909
Totals	$2,851,344	$2,851,344

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $378,909 on the financial statements represents the following:

FSS Escrow Funds	$ 49,211
Sale of HUD Property	213,570
Emergency Housing Voucher Program	20,234
FSS Forfeiture Funds	2,531
Tenant Security Deposits	93,363
Total Restricted Cash	$ 378,909

NOTE 4: **CAPITAL ASSETS**

A summary of capital assets at December 31, 2022, by class is as follows:

	12/31/2021	Additions	Disposals	12/31/2022
Capital Assets Not Being Depreciated				
Land	$1,623,261	$ 0	$ 0	$ 1,623,261
Construction in Progress	744,434	0	(698,179)	46,255
Total Capital Assets Not Being Depreciated	2,367,695	0	(698,179)	1,669,516
Capital Assets Being Depreciated				
Buildings and Improvements	25,562,538	1,373,721	0	26,936,259
Furniture, Equipment, and Machinery-Administrative	581,431	28,560	(73,306)	536,685
Subtotal Capital Assets Being Depreciated	26,143,969	1,402,281	(73,306)	27,472,944
Accumulated Depreciation:				
Buildings and Improvements	(20,037,283)	(656,192)	0	(20,693,475)
Furniture, Equipment and Machinery-Administrative	(388,824)	(62,062)	53,027	(397,859)
Total Accumulated Depreciation	(20,426,107)	(718,254)	53,027	(21,091,334)
Depreciable Assets, Net	5,717,862	684,027	(20,279)	6,381,610
Total Capital Assets, Net	$ 8,085,557	$ 684,027	$(718,458)	$ 8,051,126

Depreciation is calculated using the straight line method with lives varying between 3 and 30 years. The depreciation expense for the year ended December 31, 2022 was $718,256.

NOTE 5: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

NOTE 5: **DEFINED BENEFIT PENSION PLANS -** CONTINUED

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
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	**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	**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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

A death benefit of $500 - $2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains

NOTE 5: **DEFINED BENEFIT PENSION PLANS -** CONTINUED

or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the combined plan will be consolidated under the Traditional pension plan (defined benefit plan) and the Combined plan will no longer be available for new hires beginning in 2022.

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

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

The Authority's contractually required contributions used to fund pension benefits was $227,164 for fiscal year ending December 31, 2022. Of this amount, $18,669 is reported as a current liability.

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

The net pension liability for OPERS was measured as of December 31, 2021, 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

NOTE 5: **DEFINED BENEFIT PENSION PLANS -** CONTINUED

of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.010508%
Proportion of the Net Pension Liability:	
Current Measurement Date	0.010370%
Change in Proportionate Share	-0.000138%
Proportionate Share of the Net Pension Liability	$ 902,232
Pension Expense	$ (201,565)

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 45,994
Changes of assumptions	112,823
Changes in proportion and differences between Authority contributions and proportionate share of contributions	28,792
Authority contributions subsequent to the measurement date	227,164
Total Deferred Outflows of Resources	$ 414,773
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 1,073,172
Differences between expected and actual experience	19,788
Changes in proportion and differences between Authority contributions and proportionate share of contributions	140,309
Total Deferred Inflows of Resources	$ 1,233,269

$227,164 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

NOTE 5: **DEFINED BENEFIT PENSION PLANS** - CONTINUED

Year Ending December 31:	OPERS Traditional Pension Plan
2023	$ (213,210)
2024	(409,386)
2025	(252,348)
2026	(170,716)
Total	$ (1,045,660)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. 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:

NOTE 5: **DEFINED BENEFIT PENSION PLANS** - CONTINUED

	Traditional Pension Plan
Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	3.25 percent
Future Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	
Current Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple
Prior Measurement Date:	0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	
Current Measurement Date:	6.9 percent
Prior Measurement Date:	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class.

NOTE 5: **DEFINED BENEFIT PENSION PLANS -** CONTINUED

These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2021 and the long-term

expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	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 %

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 2,378,774	$ 902,232	$ 326,448

NOTE 6 **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

The net OPEB asset reported on the statement of net position represents an 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 asset represents the Authority's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the OPEB plan's fiduciary net position. The net OPEB 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 related to this asset to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB 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 funded benefits is presented as a long-term *net OPEB asset*. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *current liabilities.*

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

NOTE 6: **DEFINED BENEFIT OPEB PLANS** – CONTINUED

Effective January 1, 2022, OPERS will discontinue 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. These changes are reflected in the December 31, 2021, measurement date health care valuation.

In order to qualify for postemployment health care coverage, generally, age and service retirees under the traditional pension and combined plans must be at least age sixty with twenty or more years of qualifying Ohio service credit, or thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' 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. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the Traditional Pension Plan and Combined Plan.

Employer contribution rates are expressed as a percentage of covered payroll. In 2022, 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 contributions to health care for members in the Traditional Pension Plan and 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution allocated to health care was $1,692 for the fiscal year ending December 31, 2022.

NOTE 6: **DEFINED BENEFIT OPEB PLANS** – CONTINUED

Net OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 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 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:

	OPERS
Proportion of the Net OPEB Asset:	
Prior Measurement Date	0.010821%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.010638%
Change in Proportionate Share	-0.000183%
Proportionate Share of the Net OPEB Asset	$ 333,198
OPEB Expense	$ (255,124)

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	$ 19,496
Authority contributions subsequent to the measurement date	1,692
Total Deferred Outflows of Resources	$ 21,188
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 158,843
Differences between expected and actual experience	50,541
Changes of assumptions	134,874
Changes in proportion and differences between Authority contributions and proportionate share of contributions	1,007
Total Deferred Inflows of Resources	$ 345,265

NOTE 6: **DEFINED BENEFIT OPEB PLANS** – CONTINUED

$1,692 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2023	$ (194,071)
2024	(74,179)
2025	(34,708)
2026	(22,811)
Total	$ (325,769)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used the following actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	3.25 percent
Projected Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent, including wage inflation
Single Discount Rate:	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current Measurement Date:	1.84 percent
Prior Measurement Date:	2.00 percent
Health Care Cost Trend Rate	
Current Measurement Date:	5.50 percent initial, 3.50 percent ultimate in 2034
Prior Measurement Date:	8.50 percent initial, 3.50 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age

NOTE 6: **DEFINED BENEFIT OPEB PLANS** – 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.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3 percent for 2021.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	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 %

NOTE 6: **DEFINED BENEFIT OPEB PLANS** – CONTINUED

Discount Rate A single discount rate of 6.00 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. 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 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 Asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$195,952	$333,198	$447,115

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$336,799	$333,198	$328,927

NOTE 7: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Directors based on local and state laws.

All full-time employees earn 5.0 hours sick leave per pay period. Unused sick leave may be accumulated up to a total of 130 hours per year. There is no maximum on the total accumulation of sick time hours; however, only employees with 10 years or more of service will be paid for accumulated sick leave upon voluntary separation, up to a maximum of 25 percent of accumulated sick leave hours, not to exceed payment for 240 hours.

All full-time non-contract employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will be paid upon separation.

At December 31, 2022, based on the vesting method, $133,305 was accrued by the Authority for unused vacation and sick time.

NOTE 8: INSURANCE

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities, of which Portage is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	$ 1,500	$ 500,000,000 (per occurrence)
Boiler and Machinery	5,000	100,000,000
General Liability	0	6,000,000
Automobile Physical Damage/Liability	500/0	ACV/6,000,000
Public Officials	0	6,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with SummaCare for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 9: CONTINGENCIES AND OTHER COMMITMENTS

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2022, the Authority was involved in no matters which management believes would have a material effect on the financial statements. In addition, the Authority had no material operating lease commitments or construction commitments at December 31, 2022.

NOTE 10: RESTRICTED NET POSITION

Portage Metropolitan Housing Authority reported Restricted Net Position from the sale of Public Housing property in the amount of $213,570 and $52,496 for Section 8 Housing Choice Vouchers as of December 31, 2022.

NOTE 11: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities at December 31, 2022:

	Balance at 12/31/21	Additions	Deletions	Balance at 12/31/22	Due Within One Year
Compensated Absences	$ 166,598	$ 0	$(33,293)	$ 133,305	$ 29,176
Net OPEB Liability	$(4,775)	$ 4,775	$ 0	$ 0	$ 0
FSS Escrow Liability	$ 26,105	$ 23,081	$ 0	$ 49,186	$ 0
Net Pension Liability - Traditional	$1,512,680	$ 0	$(610,448)	$ 902,232	$ 0
Total	$1,700,608	$ 27,856	$(643,741)	$1,084,723	$ 29,176

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

NOTE 12: SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial assistance programs of the Portage Metropolitan Housing Authority (the Authority) for the year ended December 31, 2022. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

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

PORTAGE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST NINE CALENDAR YEARS (1)
(UNAUDITED)

Traditional Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.010370%	0.010508%	0.009885%	0.010040%	0.010019%	0.009932%	0.010432%	0.009612%	0.009612%
Authority's Proportionate Share of the Net Pension Liability	$ 902,232	$ 1,556,006	$ 1,953,837	$ 2,749,752	$ 1,571,787	$ 2,255,388	$ 1,806,954	$ 1,159,315	$ 1,133,130
Authority's Covered Payroll	$ 1,505,057	$ 1,480,007	$ 1,390,779	$ 1,356,057	$ 1,324,000	$ 1,283,983	$ 1,298,167	$ 1,178,442	$ 1,140,279
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.14%	140.49%	202.78%	118.72%	175.66%	139.19%	98.38%	99.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.000000%	0.000000%	0.000000%	0.000000%	0.004778%	0.005164%	0.000000%	0.001001%	0.001001%
Authority's Proportionate Share of the Net Pension (Asset)	$ -	$ -	$ -	$ -	$ (6,504)	$ (2,874)	$ -	$ (385)	$ (105)
Authority's Covered Payroll	$ -	$ -	$ -	$ -	$ 19,569	$ 20,100	$ -	$ 3,658	$ 3,536
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	33.24%	14.30%	0.00%	10.52%	2.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) - Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

PORTAGE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST SIX CALENDAR YEARS (1)
(UNAUDITED)

	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.010638%	0.010821%	0.010252%	0.010368%	0.010320%	0.009768%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ (333,198)	$ (192,785)	$ 1,416,068	$ 1,351,742	$ 1,120,676	$ 986,601
Authority's Covered Payroll	$ 1,658,875	$ 1,636,518	$ 1,548,949	$ 1,503,814	$ 1,460,931	$ 1,349,849
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	20.09%	11.78%	91.42%	89.89%	76.71%	73.09%
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 2017 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

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

See accompanying notes to the required supplementary information

PORTAGE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – PENSION
LAST TEN CALENDAR YEARS
(UNAUDITED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions										
Traditional Plan	$ 227,164	$ 210,708	$ 207,201	$ 194,709	$ 189,848	$ 172,120	$ 154,078	$ 155,780	$ 141,413	148,236
Combined Plan	$ -	$ -	$ -	$ -	$ -	$ 2,544	$ 2,412	$ -	$ 439	460
Total Required Contributions	$ 227,164	$ 210,708	$ 207,201	$ 194,709	$ 189,848	$ 174,664	$ 156,490	$ 155,780	$ 141,852	$ 148,696
Contributions in Relation to the Contractually Required Contribution	$ (227,164)	$ (210,708)	$ (207,201)	$ (194,709)	$ (189,848)	$ (174,664)	$ (156,490)	$ (155,780)	$ (141,852)	$ (148,696)
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll										
Traditional Plan	$ 1,622,600	$ 1,505,057	$ 1,480,007	$ 1,390,779	$ 1,356,057	$ 1,324,000	$ 1,283,983	$ 1,298,167	$ 1,178,442	$ 1,140,279
Combined Plan	$ -	$ -	$ -	$ -	$ -	$ 19,569	$ 20,100	$ -	$ 3,658	$ 3,536
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan.

See accompanying notes to the required supplementary information

PORTAGE METROPOLITAN HOUSING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – OPEB
LAST NINE CALENDAR YEARS (1)
(UNAUDITED)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 1,692	$ 6,153	$ 6,260	$ 6,327	$ 5,910	$ 18,130	$ 27,912	$ 26,000	$ 24,297
Contributions in Relation to the Contractually Required Contribution	(1,692)	(6,153)	(6,260)	(6,327)	(5,910)	(18,130)	(27,912)	(26,000)	(24,297)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority Covered Payroll	$ 1,668,056	$ 1,658,875	$ 1,636,518	$ 1,548,949	$ 1,503,814	$ 1,460,931	$ 1,349,849 0	$ 1,337,847 0	$ 1,337,847
Contributions as a Percentage of Covered Payroll	0.10%	0.37%	0.38%	0.41%	0.39%	1.24%	2.07%	1.94%	1.82%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2022.

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

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2022.

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

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Portage Metropolitan Housing Authority (OH031)
RAVENNA, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	14.879 Mainstream Vouchers	14.HCV MTW Demonstration Program for HCV program	1 Business Activities	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.238 Shelter Plus Care	14.OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14.881 Moving to Work Demonstration Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$61,767	$422,234	$0	$436,662	$260,095	$0	$60,921	$0	$0	$931,353	$278,837	$10,814	$9,752	$2,472,435		$2,472,435
112 Cash - Restricted - Modernization and Development	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
113 Cash - Other Restricted	$213,570	$0	$0	$0	$0	$0	$0	$0	$0	$51,742	$0	$20,234	$0	$285,546		$285,546
114 Cash - Tenant Security Deposits	$75,610	$0	$0	$17,753	$0	$0	$0	$0	$0	$0	$0		$0	$93,363		$93,363
115 Cash - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
100 Total Cash	$350,947	$422,234	$0	$454,415	$260,095	$0	$60,921	$0	$0	$983,095	$278,837	$31,048	$9,752	$2,851,344	$0	$2,851,344
121 Accounts Receivable - PHA Projects	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
122 Accounts Receivable - HUD Other Projects	$0	$0	$0	$0	$0	$0	$32,848	$0	$2,847	$9,491	$0		$0	$45,186		$45,186
124 Accounts Receivable - Other Government	$0	$0	$0	$0	$4,000	$0	$0	$0	$0	$0	$0		$0	$4,000		$4,000
125 Accounts Receivable - Miscellaneous	$0	$3,492	$0	$0	$0	$0	$2,138	$0	$0	$134,950	$500		$6,320	$147,400		$147,400
126 Accounts Receivable - Tenants	$15,921	$10	$0		$9,663	$0	$0	$0	$0	$7,726	$555		$0	$33,875		$33,875
126.1 Allowance for Doubtful Accounts -Tenants	-$18,502	-$456	$0	$0	$0	$0	$0	$0	$0	-$6,183	$0		$0	-$25,141		($25,141)
126.2 Allowance for Doubtful Accounts - Other	$0	-$3,492	$0	$0	$0	$0	-$2,138	$0	$0	-$134,950	-$500		$0	-$141,080		($141,080)
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$107	$0	$0	$0	$0	$0	$0	$0		$0	$107		$107
128 Fraud Recovery	$8,530	$249	$0	$0	$0	$0	$0	$0	$0	$24,802	$0		$0	$33,581		$33,581
128.1 Allowance for Doubtful Accounts - Fraud	-$8,530	-$249	$0	$0	$0	$0	$0	$0	$0	-$24,802	$0		$0	-$33,581		($33,581)
129 Accrued Interest Receivable	$3,412	$0	$0	$1,096	$2,303	$0	$0	$0	$0	$10,656	$0		$4	$17,471		$17,471
120 Total Receivables, Net of Allowances for Doubtful Accounts	$831	-$446	$0	$1,203	$15,966	$0	$32,848	$0	$2,847	$21,690	$555	$0	$6,324	$81,818	$0	$81,818
131 Investments - Unrestricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
132 Investments - Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
142 Prepaid Expenses and Other Assets	$130,261	$997	$0	$10,270	$969	$0	$431	$0	$0	$59,019	$345		$31,910	$234,202		$234,202
143 Inventories	$32,567	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$41,966	$74,533		$74,533
143.1 Allowance for Obsolete Inventories	-$2,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	-$2,000		($2,000)
144 Inter Program Due From	$0	$0	$0	$0	$214	$0	$0	$0	$0	$21,300	$0		$0	$21,514	-$21,514	$0
145 Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
150 Total Current Assets	$512,606	$422,785	$0	$465,888	$277,244	$0	$94,200	$0	$2,847	$1,085,104	$279,737	$31,048	$89,952	$3,261,411	-$21,514	$3,239,897
161 Land	$1,413,461	$0	$0	$19,187	$100,713	$0	$0	$0	$0	$0	$0		$89,900	$1,623,261		$1,623,261
162 Buildings	$23,316,679	$0	$0	$1,526,501	$177,795	$0	$0	$0	$0	$1,249,502	$0		$416,040	$26,686,517		$26,686,517
163 Furniture, Equipment & Machinery - Dwellings	$17,356	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$17,356		$17,356
164 Furniture, Equipment & Machinery - Administration	$367,635	$0	$0	$0	$0	$0	$0	$0	$0	$169,050	$0		$0	$536,685		$536,685
165 Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
166 Accumulated Depreciation	-$18,859,705	$0	$0	-$981,011	-$164,233	$0	$0	$0	$0	-$486,623	$0		-$367,376	-$20,858,948		($20,858,948)
167 Construction in Progress	$46,255	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$46,255		$46,255
168 Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
160 Total Capital Assets, Net of Accumulated Depreciation	$6,301,681	$0	$0	$564,677	$114,275	$0	$0	$0	$0	$931,929	$0	$0	$138,564	$8,051,126	$0	$8,051,126
171 Notes, Loans and Mortgages Receivable - Non-Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
173 Grants Receivable - Non Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
174 Other Assets	$82,700	$5,498	$0	$3,998	$11,695	$0	$5,131	$0	$0	$188,424	$2,366		$33,386	$333,198		$333,198
176 Investments in Joint Ventures	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
180 Total Non-Current Assets	$6,384,381	$5,498	$0	$568,675	$125,970	$0	$5,131	$0	$0	$1,120,353	$2,366	$0	$171,950	$8,384,324	$0	$8,384,324
200 Deferred Outflow of Resources	$108,206	$7,194	$0	$5,230	$15,304	$0	$6,714	$0	$0	$246,535	$3,095		$43,683	$435,961	$0	$435,961
290 Total Assets and Deferred Outflow of Resources	$7,005,193	$435,477	$0	$1,039,793	$418,518	$0	$106,045	$0	$2,847	$2,451,992	$285,198	$31,048	$305,585	$12,081,696	-$21,514	$12,060,182

Portage Metropolitan Housing Authority (OH031)
RAVENNA, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	14.879 Mainstream Vouchers	14.HCV MTW Demonstration Program for HCV program	1 Business Activities	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.238 Shelter Plus Care	14.OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14.881 Moving to Work Demonstration Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
312 Accounts Payable <= 90 Days	$45,857	$2,807	$0	$27,989	$2,967	$0	$0	$0	$19,430	$6,623	$0		$7,519	$113,192		$113,192
313 Accounts Payable >90 Days Past Due	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
321 Accrued Wage/Payroll Taxes Payable	$5,684	$66	$0	$467	$422	$0	$42	$0	$1,106	$31,575	$64		$15,595	$55,021		$55,021
322 Accrued Compensated Absences - Current Portion	$9,446	$168	$0	$570	$406	$0	$84	$0	$1,211	$7,611	$69		$9,611	$29,176		$29,176
324 Accrued Contingency Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
325 Accrued Interest Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
331 Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
332 Account Payable - PHA Projects	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
333 Accounts Payable - Other Government	$42,147	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$42,147		$42,147
341 Tenant Security Deposits	$75,610	$0	$0	$17,753	$0	$0	$0	$0	$0	$0	$0		$0	$93,363		$93,363
342 Unearned Revenue	$8,627	$159	$0	$1,680	$0	$0	$0	$0	$0	$3,956	$0	$20,234	$0	$34,656		$34,656
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
344 Current Portion of Long-term Debt - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
345 Other Current Liabilities	$35,692	$6	$0	$5,071	$6	$0	$3	$0	$0	$335	$2		$162	$41,277		$41,277
346 Accrued Liabilities - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
347 Inter Program - Due To	$21,300	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$214	$21,514	-$21,514	$0
348 Loan Liability - Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
310 Total Current Liabilities	$244,363	$3,206	$0	$53,530	$3,801	$0	$129	$0	$21,747	$50,100	$135	$20,234	$33,101	$430,346	-$21,514	$408,832
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
352 Long-term Debt, Net of Current - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
353 Non-current Liabilities - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$49,186	$0		$0	$49,186		$49,186
354 Accrued Compensated Absences - Non Current	$31,775	$784	$0	$1,628	$2,947	$0	$382	$0	$4,965	$29,830	$313		$31,505	$104,129		$104,129
355 Loan Liability - Non Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
356 FASB 5 Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
357 Accrued Pension and OPEB Liabilities	$223,935	$14,887	$0	$10,827	$31,667	$0	$13,893	$0	$0	$510,213	$6,406		$90,404	$902,232		$902,232
350 Total Non-Current Liabilities	$255,710	$15,671	$0	$12,455	$34,614	$0	$14,275	$0	$4,965	$589,229	$6,719	$0	$121,909	$1,055,547	$0	$1,055,547
300 Total Liabilities	$500,073	$18,877	$0	$65,985	$38,415	$0	$14,404	$0	$26,712	$639,329	$6,854	$20,234	$155,010	$1,485,893	-$21,514	$1,464,379
400 Deferred Inflow of Resources	$391,791	$26,046	$0	$18,942	$55,407	$0	$24,309	$0	$0	$892,661	$11,208		$158,170	$1,578,534	$0	$1,578,534
508.4 Net Investment in Capital Assets	$6,301,681	$0	$0	$564,677	$114,275	$0	$0	$0	$0	$931,929	$0		$138,564	$8,051,126		$8,051,126
511.4 Restricted Net Position	$213,026	$0	$0	$0	$0	$0	$0	$0	$0	$242	$52,798		$0	$266,066		$266,066
512.4 Unrestricted Net Position	-$401,378	$390,554	$0	$390,189	$210,421	$0	$67,332	$0	-$23,865	-$12,169	$214,338	$10,814	-$146,159	$700,077		$700,077
513 Total Equity - Net Assets / Position	$6,113,329	$390,554	$0	$954,866	$324,696	$0	$67,332	$0	-$23,865	$920,002	$267,136	$10,814	-$7,595	$9,017,269	$0	$9,017,269
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$7,005,193	$435,477	$0	$1,039,793	$418,518	$0	$106,045	$0	$2,847	$2,451,992	$285,198	$31,048	$305,585	$12,081,696	-$21,514	$12,060,182

Portage Metropolitan Housing Authority (OH031)
RAVENNA, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	14.879 Mainstream Vouchers	14.HCV MTW Demonstration Program for HCV program	1 Business Activities	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.238 Shelter Plus Care	14.OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14.881 Moving to Work Demonstration Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$762,268	$0	$0	$256,122	$0	$0	$0	$0	$0	$0	$0		$0	$1,018,390		$1,018,390
70400 Tenant Revenue - Other	$50,315	$240	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$50,555		$50,555
70500 Total Tenant Revenue	$812,583	$240	$0	$256,122	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,068,945	$0	$1,068,945
70600 HUD PHA Operating Grants	$0	$1,752,592	$11,199,882	$0	$0	$0	$405,848	$1,242,800	$140,018		$261,516	$40,569	$0	$15,043,225	$20,786	$15,064,011
70610 Capital Grants	$0	$0	$0	$0	$0	$628,947	$0	$0	$0	$0	$0		$0	$628,947		$628,947
70710 Management Fee													$664,315	$664,315	-$664,315	$0
70720 Asset Management Fee													$0	$0		$0
70730 Book Keeping Fee													$28,298	$28,298	-$28,298	$0
70740 Front Line Service Fee													$0	$0		$0
70750 Other Fees				$0									$0	$0		$0
70700 Total Fee Revenue													$692,613	$692,613	-$692,613	$0
70800 Other Government Grants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
71100 Investment Income - Unrestricted	$4,562	$0	$0	$1,783	$2,768	$0	$0	$0	$0	$15,425	$0		$4	$24,542		$24,542
71200 Mortgage Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
71310 Cost of Sale of Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
71400 Fraud Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$71,036	$0		$0	$71,036		$71,036
71500 Other Revenue	$54,173	$3,130	$0	$4,000	$75,712	$0	$0	$0	$0	$35,416	$0		$195,279	$367,710	$0	$367,710
71600 Gain or Loss on Sale of Capital Assets	$19,146	$0	$0	$0	$0	$0	$0	$0	$0	-$8,423	$0		$0	$10,723		$10,723
72000 Investment Income - Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
70000 Total Revenue	$890,464	$1,755,962	$11,199,882	$261,905	$78,480	$628,947	$405,848	$1,242,800	$140,018	$113,454	$261,516	$40,569	$887,896	$17,907,741	-$671,827	$17,235,914
91100 Administrative Salaries	$351,514	$6,826	$0	$736	$9,987	$0	$3,827	$0	$310	$614,378	$5,663	$2,376	$457,746	$1,453,363		$1,453,363
91200 Auditing Fees	$4,010	$98	$0	$189	$105	$0	$43	$0	$0	$5,543	$34		$3,052	$13,074		$13,074
91300 Management Fee	$198,426	$54,366	$0	$40,008	$0	$0	$12,129	$0	$0	$349,070	$7,488	$2,828		$664,315	-$664,315	$0
91310 Book-keeping Fee	$26,288	$0	$0	$2,010	$0	$0	$0	$0	$0	$0	$0			$28,298	-$28,298	$0
91400 Advertising and Marketing	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
91500 Employee Benefit contributions - Administrative	$103,989	$4,109	$0	$0	$3,549	$0	$3,658	$0	$0	$133,521	$2,259	$1,252	$85,215	$337,552		$337,552
91600 Office Expenses	$56,403	$665	$0	$19,332	$24,540	$0	$1,199	$0	$0	$60,762	$243	$0	$23,110	$186,254		$186,254
91700 Legal Expense	$27,035	$467	$0	$896	$201	$0	$206	$0	$0	$27,510	$165		$6,086	$62,566		$62,566
91800 Travel	$5,091	$11	$0	$21	$118	$0	$5	$0	$0	$14,086	$4		$9,409	$28,745		$28,745
91810 Allocated Overhead	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			$0		$0
91900 Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
91000 Total Operating - Administrative	$772,756	$66,542	$0	$63,192	$38,500	$0	$21,067	$0	$310	$1,204,870	$15,856	$6,456	$584,618	$2,774,167	-$692,613	$2,081,554
92000 Asset Management Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0			$0		$0
92100 Tenant Services - Salaries	$0	$0	$0	$0	$0	$0	$0	$0	$99,986	$0	$0		$0	$99,986		$99,986
92200 Relocation Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
92300 Employee Benefit Contributions - Tenant Services	$0	$0	$0	$0	$0	$0	$0	$0	$46,159	$0	$0		$0	$46,159		$46,159
92400 Tenant Services - Other	$27,446	$1	$0	$3,658	$2,676	$0	$1	$0	$11,013	$785	$1		$48	$45,629		$45,629
92500 Total Tenant Services	$27,446	$1	$0	$3,658	$2,676	$0	$1	$0	$157,158	$785	$1	$0	$48	$191,774	$0	$191,774
93100 Water	$97,071	$0	$0	$8,576	$0	$0	$0	$0	$0	$0	$0		$0	$105,647		$105,647
93200 Electricity	$86,536	$82	$0	$10,155	$81	$0	$36	$0	$0	$4,277	$29		$2,469	$103,665		$103,665
93300 Gas	$20,803	$35	$0	$13,840	$37	$0	$15	$0	$0	$1,981	$13		$1,092	$37,816		$37,816
93400 Fuel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
93500 Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
93600 Sewer	$116,717	$0	$0	$11,162	$0	$0	$0	$0	$0	$0	$0		$0	$127,879		$127,879
93700 Employee Benefit Contributions - Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
93800 Other Utilities Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
93000 Total Utilities	$321,127	$117	$0	$43,733	$118	$0	$51	$0	$0	$6,258	$42	$0	$3,561	$375,007	$0	$375,007
94100 Ordinary Maintenance and Operations - Labor	$181,301	$0	$0	$3,307	$13,231	$0	$0	$0	$0	$0	$0		$0	$197,839		$197,839
94200 Ordinary Maintenance and Operations - Materials and Other	$227,788	$151	$0	$15,097	$14,320	$0	$65	$0	$0	$8,280	$53		$34,488	$300,242		$300,242
94300 Ordinary Maintenance and Operations Contracts	$606,543	$2,067	$0	$67,329	$20,684	$0	$890	$0	$0	$197,600	$162		$63,019	$958,294		$958,294
94500 Employee Benefit Contributions - Ordinary Maintenance	$32,928	$0	$0	$0	$8,083	$0	$0	$0	$0	$0	$0		$322	$41,333		$41,333
94000 Total Maintenance	$1,048,560	$2,218	$0	$85,733	$56,318	$0	$955	$0	$0	$205,880	$215	$0	$97,829	$1,497,708	$0	$1,497,708
95100 Protective Services - Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
95200 Protective Services - Other Contract Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
95300 Protective Services - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
95500 Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Portage Metropolitan Housing Authority (OH031)
RAVENNA, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	14.879 Mainstream Vouchers	14.HCV MTW Demonstration Program for HCV program	1 Business Activities	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.238 Shelter Plus Care	14.OPS MTW Demonstration Program for Low Rent	14.870 Resident Opportunity and Supportive Services	14.881 Moving to Work Demonstration Program	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
96110 Property Insurance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96120 Liability Insurance	$99,727	$90	$0	$8,308	$123	$0	$41	$0	$0	$8,727	$32		$2,727	$119,775		$119,775
96130 Workmen's Compensation	$12,741	$309	$0	$515	$641	$0	$152	$0	$0	$11,186	$175	$58	$9,768	$35,545		$35,545
96140 All Other Insurance	$6,395	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$6,395		$6,395
96100 Total insurance Premiums	$118,863	$399	$0	$8,823	$764	$0	$193	$0	$0	$19,913	$207	$58	$12,495	$161,715	$0	$161,715
96200 Other General Expenses	$108,210	$8	$0	$7,702	$7	$0	$4	$0	$0	$474	$4	$0	$260	$116,669		$116,669
96210 Compensated Absences	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96300 Payments in Lieu of Taxes	$43,699	$1	$0	$2,291	$1	$0	$1	$0	$0	$67	$1		$37	$46,098		$46,098
96400 Bad debt - Tenant Rents	$21,735	$323	$0	$316	$0	$0	$0	$0	$0	$30,372	$0		$0	$52,746		$52,746
96500 Bad debt - Mortgages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96600 Bad debt - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96800 Severance Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96000 Total Other General Expenses	$173,644	$332	$0	$10,309	$8	$0	$5	$0	$0	$30,913	$5	$0	$297	$215,513	$0	$215,513
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96720 Interest on Notes Payable (Short and Long Term)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96730 Amortization of Bond Issue Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$2,462,396	$69,609	$0	$215,448	$98,384	$0	$22,272	$0	$157,468	$1,468,619	$16,326	$6,514	$698,848	$5,215,884	-$692,613	$4,523,271
97000 Excess of Operating Revenue over Operating Expenses	-$1,571,932	$1,686,353	$11,199,882	$46,457	-$19,904	$628,947	$383,576	$1,242,800	-$17,450	-$1,355,165	$245,190	$34,055	$189,048	$12,691,857	$20,786	$12,712,643
97100 Extraordinary Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
97200 Casualty Losses - Non-capitalized	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
97300 Housing Assistance Payments	$66,251	$1,435,304	$0	$0	$0	$0	$359,225	$0	$0	$9,741,204	$150,921	$94,595	$0	$11,847,500		$11,847,500
97350 HAP Portability-In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
97400 Depreciation Expense	$572,640	$0	$0	$25,881	$3,896	$0	$0	$0	$0	$98,067	$0		$17,772	$718,256		$718,256
97500 Fraud Losses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
97600 Capital Outlays - Governmental Funds																
97700 Debt Principal Payment - Governmental Funds																
97800 Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
90000 Total Expenses	$3,101,287	$1,504,913	$0	$241,329	$102,280	$0	$381,497	$0	$157,468	$11,307,890	$167,247	$101,109	$716,620	$17,781,640	-$692,613	$17,089,027
10010 Operating Transfer In	$2,302,628	$0	$0	$0	$0	$0	$0	$0	$0	$13,071,629	$0		$0	$15,374,257	-$15,374,257	$0
10020 Operating transfer Out	$0	$0	-$11,199,882	$0	$0	-$628,947	$0	-$1,242,800	$0	-$2,281,842	$0		$0	-$15,353,471	$15,353,471	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
10040 Operating Transfers from/to Component Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
10050 Proceeds from Notes, Loans and Bonds																
10060 Proceeds from Property Sales																
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
10080 Special Items (Net Gain/Loss)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
10091 Inter Project Excess Cash Transfer In	$0													$0		$0
10092 Inter Project Excess Cash Transfer Out	$0													$0		$0
10093 Transfers between Program and Project - In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
10094 Transfers between Project and Program - Out	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
10100 Total Other financing Sources (Uses)	$2,302,628	$0	-$11,199,882	$0	$0	-$628,947	$0	-$1,242,800	$0	$10,789,787	$0	$0	$0	$20,786	-$20,786	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$91,805	$251,049	$0	$20,576	-$23,800	$0	$24,351	$0	-$17,450	-$404,649	$94,269	-$60,540	$171,276	$146,887	$0	$146,887
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$6,021,524	$139,505	$0	$934,290	$348,496	$0	$42,981	$0	-$6,415	$1,324,651	$172,867	$71,354	-$178,871	$8,870,382		$8,870,382
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0		$0
11050 Changes in Compensated Absence Balance																
11060 Changes in Contingent Liability Balance																
11070 Changes in Unrecognized Pension Transition Liability																
11080 Changes in Special Term/Severance Benefits Liability																
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents																
11100 Changes in Allowance for Doubtful Accounts - Other																
11170 Administrative Fee Equity											$214,338			$214,338		$214,338
11180 Housing Assistance Payments Equity											$52,798			$52,798		$52,798
11190 Unit Months Available	3636	2988	0	324	0	0	618	0	0	19056	4728	192	0	31542		31542
11210 Number of Unit Months Leased	3513	2848	0	271	0	0	618	0	0	17875	3550	144	0	28819		28819
11270 Excess Cash	-$309,579													-$309,579		-$309,579
11610 Land Purchases	$0												$0	$0		$0
11620 Building Purchases	$0												$0	$0		$0
11630 Furniture & Equipment - Dwelling Purchases	$0												$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0												$0	$0		$0
11650 Leasehold Improvements Purchases	$0												$0	$0		$0
11660 Infrastructure Purchases	$0												$0	$0		$0
13510 CFFP Debt Service Payments	$0												$0	$0		$0
13901 Replacement Housing Factor Funds	$0												$0	$0		$0

PORTAGE METROPOLITAN HOUSING AUTHORITY
PORTAGE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Total Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Moving to Work Demonstration Program - HCV	14.881	11,199,882
Moving to Work - Public Housing	14.881	1,242,800
Total Moving to Work		12,442,682
Housing Voucher Cluster		
Annual Contribution - Housing Choice Voucher	14.871	261,516
Emergency Housing Voucher	14.871	40,569
Mainstream Vouchers	14.879	1,752,592
Total Housing Voucher Cluster		2,054,677
Resident Opportunity and Supportive Services	14.870	140,018
Public Housing Capital Fund	14.872	628,947
Shelter Plus Care	14.238	405,848
Total U.S. Department of Housing and Urban Development		15,672,172
Total Expenditures of Federal Awards		**$15,672,172**

The accompanying notes are an integral part of this schedule.

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OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Portage Metropolitan Housing Authority
Portage County
2832 State Route 59
Ravenna, OH 44266

To the Board of Directors:

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 Portage Metropolitan Housing Authority, Portage County, (the Authority) as of and for the year ended December 31, 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 September 30, 2023.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

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*.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the findings identified in our audit and described in the accompanying schedule of finding. The Authority's responses were not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

September 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Portage Metropolitan Housing Authority
Portage County
2832 State Route 59
Ravenna, OH 44266

To the Board of Directors:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Portage Metropolitan Housing Authority's, Portage County, (Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Portage Metropolitan Housing Authority's major federal programs for the year ended December 31, 2022. Portage Metropolitan Housing Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Portage Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 30, 2023

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PORTAGE METROPOLITAN HOUSING AUTHORITY
PORTAGE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):** Housing Voucher Cluster Moving to Work	 14.871 and 14.879 14.881
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

1. **Cash Reconciliation**

FINDING NUMBER 2022-001

SIGNIFICANT DEFICIENCY

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Finance Manager is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Board and/or the Executive Director are responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were not complete for each month of 2022. The Authority does not reconcile cash balances related to the investment account activity. Failure to reconcile monthly increases the possibility that the Entity will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

In addition we also noted the following errors:

- Cash was understated in amount of $3,320 due to incorrect postings.
- Cash was understated in the amount of $3,944 due to unrecorded investment income.
- Cash was overstated in the amount of $11,665 due to unrecorded fair market value adjustments on investments.

The Finance Manager should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank and investment accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews. The Housing Authority should record all investment income and fair market value adjustments.

Official's Response: During 2022, bank-to-book reconciliations were not completed for each month. PMHA did not reconcile cash balances related to the investment account activity. Investments were recorded at cost at the time of the purchase rather than monthly at Fair Market Value. The agency holds all investments to maturity, so the value of the investment at the time of the maturity will always be what was originally invested plus interest income. Interest income is recorded when the CD is matured and at year- end interest receivable is adjusted according based upon what the December statement reflects. Retroactive to January 1, 2023 and moving forward, the Finance Manager will record all investment income and fair market value adjustments and prepare monthly bank-to-book cash reconciliations related to the investment accounts to lessen the risk of theft/fraud over the cash cycle and reduce the potential of inaccurate reporting in the annual financial statements. In addition, the Board will review the monthly cash reconciliations (including the related support) during the monthly Board Meetings as part of the Financial Statement review.

2. **Fully Depreciated Assets**

FINDING NUMBER 2022-002

SIGNIFICANT DEFICIENCY

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement,* paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Governmental Accounting Standards Board Implementation Guide 34B (Q145) states that it is not appropriate to report capital assets that are still in active service as “fully depreciated” if the amounts involved are significant: assets still in use should not be reported as fully depreciated. Instead, management should periodically reevaluate asset lives. If an asset will outlive its expected life, management should increase the asset life. This should be treated as a change in accounting estimate per (GASB Cod. 2250.132). These changes require allocating the remaining undepreciated life over the new estimate of remaining life.

The Authority has capital assets in use that are being accounted for as fully depreciated with no book value. Fully depreciated assets should remain on the capital asset records as long as they are in use. However, this should infrequently occur, since management should periodically reevaluate asset lives. If an asset will outlive its expected life, management should increase the asset life. These changes require allocating the remaining undepreciated life over the new estimate of remaining life for similar assets.

After inquiry of the Finance Manager, it was determined that some of the fully depreciated assets as well as a few that were close to fully depreciated were no longer in use by the Authority. Some of these assets were disposed of in 2022, and others in years prior. This caused capital assets to be overstated by $664,696 for buildings. This also caused accumulated depreciation to be overstated by $650,994.

Additionally, the Authority groups renovations to buildings as one asset on their records in the year they are completed. Although, this is considered appropriate, it makes it difficult to determine the amount of an asset that needs deleted when it is partially replaced. This resulted in the Authority having $232,771 that they were not able to determine what amount needed deleted from their capital assets. The Authority has opted to delete these assets when fully disposed of.

The Authority should review the detailed capital asset listing, re-evaluate the useful life of assets that are not yet fully depreciated, and make updates accordingly. Additionally, the Authority may want to consider recording assets separately rather than grouping them together.

Official’s Response: In 2022, it was determined that some fully depreciated assets as well as a few that were close to being fully depreciated were no longer in use by the agency. In addition, renovations have been recorded on the Fixed Asset Schedule as one asset rather than as individual items, and while this is considered appropriate, the agency had difficulty determining the amount of an asset needing partially deleted because it was partially replaced. Retroactive to January 1, 2023 and moving forward, the agency will review the detailed capital asset listing monthly during financial statement preparation, re-evaluate the useful life of the assets that are not yet fully depreciated, and make the corresponding adjustments accordingly. In addition, for 2022 and prior years, the agency has opted to delete these grouped assets when fully disposed of (we will be sure to update the descriptions of the renovations in 2022 to provide cost details). Moving forward for 2023, the agency will record assets separately rather than grouping them together to lessen the complications arising from part of an asset being replaced while the other part is still in use.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Portage Metropolitan Housing Authority

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-001
Planned Corrective Action:	Retroactive to January 1, 2023 and moving forward, the Finance Manager will record all investment income and fair market value adjustments and prepare monthly bank-to-book cash reconciliations related to investment accounts to lessen the risk of theft/fraud over the cash cycle and reduce the potential of inaccurate reporting in the annual financial statements. In addition, the Board will review the monthly cash reconciliations (including the related support) during the monthly Board Meetings as part of the Financial Statement review.
Anticipated Completion Date:	December 31, 2023
Responsible Contact Person:	Mariah Blake, Finance Manager

Finding Number:	2022-002
Planned Corrective Action:	Retroactive to January 1, 2023 and moving forward, the agency will review the detailed capital asset listing monthly during financial statement preparation, re-evaluate the useful life of the assets that are not yet fully depreciated, and make the corresponding adjustments accordingly. This will ensure that assets being added and removed from the fixed asset schedule are done so in the correct period in which they were purchased or disposed of. The agency will also record assets separately rather than grouping them together to lessen the complications arising from part of an asset being replaced while the other part is still in use.
Anticipated Completion Date:	December 31, 2023
Responsible Contact Person:	Mariah Blake, Finance Manager

Mariah B. Blake 9/30/2023
Mariah Blake, Finance Manager

Pamela Nation Calhoun 9/30/2023
Pamela Nation Calhoun, Executive Director

2832 State Route 59, Ravenna, Ohio 44266 Phone: 330-297-1489 Fax: 330-297-6295
• Equal Housing Opportunity •

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OHIO AUDITOR OF STATE
KEITH FABER

PORTAGE COUNTY METROPOLITAN HOUSING AUTHORITY

PORTAGE 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 10/12/2023

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