bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED MARCH 31, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Harrison Metropolitan Housing Authority
82450 Cadiz-Jewett Road
Cadiz, Ohio 43907

We have reviewed the *Independent Auditor's Report* of the Harrison Metropolitan Housing Authority, Harrison County, prepared by BHM CPA Group, Inc., for the audit period April 1, 2022 through March 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 11, 2023

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Harrison County
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For the Year Ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

Harrison Metropolitan Housing Authority
Harrison County
82450 Cadiz-Jewett Road
Cadiz, Ohio 43907

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Harrison Metropolitan Housing Authority, Harrison County, Ohio (the Authority), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Harrison Metropolitan Housing Authority, Harrison County, Ohio as of March 31, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
October 2, 2023

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The management of the Harrison Metropolitan Housing Authority (the "Authority" or Primary Government) offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the fiscal year ended March 31, 2023. This discussion and analysis are designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual account issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the fiscal year ended March 31, 2023 activities, resulting changes, and currently known facts. Please read it in conjunction with the Authority's financial statements (beginning on page 13). In accordance with GASB Statement No. 34, paragraph 10, the financial information and discussion presented below focuses on the primary government.

FINANCIAL HIGHLIGHTS

The management of the Harrison Metropolitan Housing Authority operates an independent for profit limited liability company, Enterprise Housing Property Preservation, L.L.C.

The primary government's programs include: Conventional Public-Housing, Capital Fund Program (CFP), Housing Choice Voucher Program, State/Local, and USDA Rural Development. The discretely presented component unit consists of Enterprise Housing Property Preservation, L.L.C.

- Net position for the primary government was $1,232,454 and $1,066,620 for the fiscal years ended March 31, 2023 and 2022, respectively. The Authority's net position increased by $165,834 or 15.5 percent during 2023.

- Revenues for the primary government increased by $62,416 or 4.0 percent during 2023, and were $1,615,902 and $1,553,486 for 2023 and 2022, respectively.

- Expenses increased by $70,059 or 5.0 percent during 2023 and were $1,460,068 and $1,390,009 for 2023 and 2022, respectively.

USING THIS ANNUAL REPORT

The following outlines the format of this report:

MD&A ~ Management Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
Other Required Supplementary Information ~Required Supplementary Information~ (Other than the MD&A)

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented (pages 13-15) are those of the Authority as a whole (Authority-wide) and the component unit, discretely reported. The financial statements are further detailed by major account. This perspective (Authority-wide, major account, and component unit) allows the user to address relevant questions, broadens a basis for comparison year to year or Authority to Authority, and enhances the Authority's accountability.

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

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

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

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

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

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

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

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

FINANCIAL STATEMENTS BY MAJOR FUND

In general, the Authority's financial statements consist exclusively of an enterprise fund. An enterprise fund utilizes the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by private sector accounting.

Many of the funds maintained by the Authority are required by the United States Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

THE AUTHORITY'S PROGRAMS

Business Type Programs

Conventional Public Housing and Capital Fund Program – Under the Conventional Public Housing Program, the Authority rents units that 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 PHA to provide the housing at a rent that is based upon 30 percent of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30 percent, and the Housing Authority subsidizes the balance.

USDA Rural Development – Under the USDA Rural Development Program, the Authority rents units that it owns to low-income households. The USDA Rural Development Program is operated under a contract with the United States Department of Agriculture, and the USDA provides Operating Subsidy to enable the PHA to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

State/Local – The State and Local Programs include activity for management of a multi-family project, Bingham Terrace, management of USDA Rural Development properties, and any other non-federal activities conducted by the Authority.

Component Unit **-** represents resources developed from a variety of activities including, but not limited, to the following:

Enterprise Housing Property Preservation, L.L.C. **-** provides routine building maintenance, scheduled property maintenance, unit renovation services to home owners, landlords, banking institutions, real estate agencies and commercial businesses of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Jefferson, and Muskingum counties. Also, Enterprise Housing Property Preservation L.L.C. purchases various types of residential properties, assesses and renovates as needed, and either utilizes them as an income-producing rental or places them back on the open market for resale.

AUTHORITY-WIDE STATEMENTS

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

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

	2023	2022
Assets		
Current Assets	$ 913,967	$ 843,953
Capital Assets	816,335	791,016
Other Non-Current Assets	343,444	416,316
Deferred Outflows of Resources	177,048	51,589
Total Assets and Deferred Outflows of Resources	2,250,794	2,102,874
Liabilities		
Current Liabilites	87,634	98,868
Long-Term Liabilities	889,179	682,546
Defered Inflows of Resources	41,527	254,840
Total Liabilities and Deferred Inflows of Resources	1,018,340	1,036,254
Net Position		
Net Investment in Capital Assets	281,164	237,853
Restricted	99,095	59,737
Unrestricted	852,195	769,030
Total Net Position	1,232,454	1,066,620
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,250,794	$ 2,102,874

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased $70,014 and that was primarily in cash as a result of the increase in restricted net position and otherwise due to favorable operating results. The other notable changes on the statement, the changes to other non-current assets, deferred outflows of resources, non-current liabilities, and deferred inflows of resources, were all largely attributable to changes in balances reported in accordance with GASB 68 and GASB 75.

GASB 68 is an accounting standard that essentially requires Harrison Metropolitan Housing Authority to report financial balances for what is estimated to be its share of the unfunded pension liability, the net pension liability (NPL), and balances caused by changes in the pension liability of the pension system, the Ohio Public Employees Retirement System (OPERS). GASB 75 is an accounting standard that essentially requires Harrison MHA to report financial balances for what is estimated to be its share of the other postemployment benefits (OPEB) liability and balances caused by changes in the OPEB liability/asset of the of the pension system, the Ohio Public Employees Retirement System (OPERS). OPEB refers to the healthcare plan of the pension system. Deferred outflows of resources and deferred inflows of resources are balances caused by changes in the NPL and OPEB liability/asset. Some changes in the NPL and OPEB balances are amortized over a five-year period and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. Changes to balances reported in accordance with GASB 68 and GASB 75 reflect changes of the pension system (OPERS) and are not due to changes in the operations of Harrison MHA.

Employees of Harrison MHA are required by state law to be members of OPERS, and Harrison MHA is required to make retirement contributions to OPERS for all of its employees. The Net Pension Liability is unlike other liabilities the agency has in that these liabilities do not represent invoices to be paid by the agency but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future obligations. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like Harrison MHA. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. Similarly, there is no way for an employer like Harrison MHA to access the OPEB asset. The reporting of the balances in accordance with GASB 68 and GASB 75 has a significant effect on unrestricted net position. Unrestricted net position as of March 31, 2023 is $852,195 and is $176,683 less than what it would be without balances reported in accordance with GASB 68 and GASB 75.

The following table presents a condensed change in Net Position by the separate Net Position components.

Table 2
Change in Net Position - Primary Government

	Unrestricted Net Position	Net Investment In Capital Assets	Restricted Net Position
Beginning Net Position	$ 769,030	$ 237,853	$ 59,737
Results From Operation	155,834	0	0
Adjustment:			
Capital Asset Additions	(164,264)	164,264	0
Current Year Depreciation Expense	138,945	(138,945)	0
Change in Restricted Net Position	(39,358)	0	39,358
Net Change In Debt Balance	(17,992)	17,992	0
Transfer Received from Component Unit	10,000	0	0
Ending Net Position	$ 852,195	$ 281,164	$ 99,095

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Net Position provides a clearer change in financial well-being.

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in Business-Type Activities only.

Table 3
Condensed Statement of Revenues, Expenses, and Change in Net Position - Primary Government

	2023	2022
Revenues		
Tenant Revenue	$ 295,940	$ 268,755
Operating Subsidies	1,075,678	1,164,400
Investment/Other Income	244,284	120,331
Total Revenues	1,615,902	1,553,486
Expenses		
Administration	238,524	159,314
Tenent Services	47,951	53,795
Utilities	158,414	133,881
Maintenance	148,211	166,060
General, Insurance, Interest	42,706	37,552
Housing Assistance Payments	685,317	702,160
Depreciation	138,945	137,247
Total Expenses	1,460,068	1,390,009
Change in Net Position	155,834	163,477
Beginning Net Position	1,066,620	903,143
Transfer from Component Unit	10,000	0
Ending Net Position	$ 1,232,454	$ 1,066,620

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

Incomes and expenses overall increased similarly, incomes by 4.0 percent and expenses by 5.0 percent. Increases in tenant revenues and other revenues were offset by a reduction in operating subsidies. The reduction in operating subsidies of $88,722 was largely due to the prior fiscal year-end income including income of $79,000 related to the forgiveness of the PPP loan the Authority obtained in the months immediately following the emergence of the COVID-19 pandemic, so this does not reflect the loss of an expected future funding source. Tenant rents are based on tenant family incomes so the increase in tenant revenue is primarily due to increases in family incomes. And the increase in other income primarily reflects an increase in capital grant revenue. HUD provides Capital Fund Program grants annually based on a formula, and the Authority decides in consultation with residents and other interested parties how to spend it, and then typically has four years to spend it. The revenue is recognized when the funding is spent. This increase in capital grant revenue then does not reflect a new funding stream but rather reflects a routine fluctuation in when the Capital Grant Program funds are spent and how much of it is spent on capitalized improvements versus repairs of Authority assets.

On the expense side, the largest increase was to administrative expenses, an increase of $79,210 (or 49.7 precent). Staffing changes are responsible for about $30,000 of the change. The remainder of the change is largely due to the change in pension allocated to administrative expenses. Pension expense is the expense incurred by changes in balances reported in accordance with GASB 68 & GASB 75, balances addressed in the section following Table 1 of this MD&A, and so this change in pension expense reflects changes of the pension system OPERS and not of the Authority. The other larger increase was to utilities expense, reflecting the continuing trend of an increase in the cost of electricity and rising rates for the utility.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of March 31, 2023, the Authority had $816,335 invested in a variety of capital assets as reflected in the following table, which represents a net increase of $25,319.

Table 4
Capital Assets (Net of Depreciation) - Primary Government

	2023	2022
Land	$ 137,179	$ 137,179
Buildings	5,109,062	4,986,831
Furniture and Equipment	266,126	224,093
Accumulated Depreciation	(4,696,032)	(4,557,087)
Total Capital Assets	$ 816,335	$ 791,016

The following table summarizes the change in Capital Assets.

Table 5
Change in Capital Assets - Primary Government

		2023
Beginning Balance-Net	$	791,016
Capital Additions		164,264
Depreciation Expense		(138,945)
Total Capital Assets	$	816,335

Refer to Note 6 for additional information on Capital Assets.

As of March 31, 2023, the Authority had $535,171 in debt (mortgages) outstanding compared to $553,163 the prior year.

Table 6
Condensed Statement of Changes in Debt Outstanding-Primary Government

		2023
Beginning Balance-April 1, 2022	$	553,163
Current Year Principal Payments		(17,992)
Ending Balance-March 31, 2023	$	535,171

Refer to Note 9 for additional information on Debt Outstanding.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the U.S. Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income and the overall costs associated with the Section 8 Housing Choice Voucher Program
- Inflationary pressure on utility rates, supplies, and other costs
- Market rates for rental housing

FINANCIAL CONTACT

Questions concerning any of the information provided in this Management Discussion & Analysis should be addressed to:

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Cadiz, Ohio 43907
Phone ~ (740) 942-8372 ext. 4
Email ~ dyeater@harrisonmha.com

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

	Primary Government	Component Unit
Assets		
Current Assets		
Cash and Cash Equivalents	$ 754,603	$ 113,433
Cash and Cash Equivalents - Restricted	125,966	3,575
Receivables - Net of Allowance	8,496	4,163
Prepaid Expenses and Other Assets	24,902	0
Total Current Assets	913,967	121,171
Noncurrent Assets		
Capital Assets		
Land	137,179	54,300
Depreciable Capital Assets - Net	679,156	191,062
Total Capital Assets	816,335	245,362
Net Pension Asset	40,284	0
Pledged Escrow Receivable - Noncurrent	250,000	0
Other Noncurrent Asset	53,160	0
Total Noncurrent Assets	1,159,779	245,362
Deferred Outflows of Resources		
Deferred Outflows of Resources - Pension	146,462	0
Deferred Outflows of Resources - OPEB	30,586	0
Total Deferred Outflows of Resources	177,048	0
Total Assets and Deferred Outflow of Resources	$ 2,250,794	$ 366,533
Liabilities		
Current Liabilities		
Accounts Payable	$ 21,844	276
Accrued Compensated Absences - Current	13,167	0
Accrued Liabilities - Other	7,662	3,325
Tenant Security Deposits	26,871	3,575
Current Portion of Long-Term Debt	18,090	0
Total Current Liabilities	87,634	7,176
Noncurrent Liabilities		
Accrued Compensated Absences - Noncurrent	19,610	0
Long-Term Debt, Net of Current Portion	517,081	0
Net Pension Liability	342,665	0
Net OPEB Liability	9,823	0
Total Noncurrent Liabilities	889,179	0
Total Liabilities	976,813	7,176
Deferred Inflows of Resources		
Deferred Inflows of Resources - Pension	38,287	0
Deferred Inflows of Resources - OPEB	3,240	0
Total Deferred Inflows of Resources	41,527	0
Net Position		
Net Investment in Capital Assets	281,164	245,362
Restricted	99,095	0
Unrestricted	852,195	113,995
Total Net Position	1,232,454	359,357
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,250,794	$ 366,533

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

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

	Primary Government	Component Unit
Operating Revenues		
Tenant Revenue	$ 295,940	$ 51,029
Government Operating Grants	1,075,678	0
Other Revenues	121,983	0
Total Operating Revenues	1,493,601	51,029
Operating Expenses		
Administrative	238,524	3,967
Tenant Services	47,951	0
Utilities	158,414	5,781
Maintenance	148,211	28,041
Insurance	20,632	4,517
General	15,926	7,205
Housing Assistance Payments	685,317	0
Depreciation	138,945	16,040
Total Operating Expenses	1,453,920	65,551
Operating Income/(Loss)	39,681	(14,522)
Non-Operating Revenues (Expenses)		
Capital Grant Revenue	122,231	0
Interest Revenue	70	10
Interest Expense	(6,148)	0
Total Non-Operating Revenue (Expenses)	116,153	10
Change In Net Position	155,834	(14,512)
Total Net Position Beginning of Year	1,066,620	383,869
Transfer between Primary Government & Component Unit	10,000	(10,000)
Total Net Position End of Year	$ 1,232,454	$ 359,357

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

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

	Primary Government
Cash Flows From Operating Activities	
Cash Received From HUD/Other Grants	$ 1,075,678
Cash Received From Tenants	295,272
Cash Received From Other Sources	115,797
Cash Payments For Housing Assistance Payments	(685,317)
Cash Payments For Other Operating Expenses	(684,480)
Net Cash Provided By (Used In) Operating Activities	116,950
Cash Flows From Capital And Related Financing Activities	
Capital Grant Revenue	122,231
Debt Payments - Principal	(17,992)
Purchase of Capital Assets	(164,264)
Debt Payments - Interest	(6,148)
Transfer from Component Unit	10,000
Net Cash Provided By (Used In) Capital And Related Financing Activities	(56,173)
Cash Flows From Investing Activities	
Interest Income	70
Net Cash Provided By (Used In) Investing Activities	70
Net Increase (Decrease) in Cash and Cash Equivalents	60,847
Cash and Cash Equivalents, Beginning	819,722
Cash and Cash Equivalents, Ending	$ 880,569
Reconciliation of Operating Income/Loss To	
Net Cash Provided by (Used in) Operating Activities	
Operating Income/(Loss)	$ 39,681
Adjustments To Reconcile Operating Income/(Loss) To Net Cash Provided By (Used In) Operating Activities	
Depreciation	138,945
(Increase)Decrease In:	
Receivables - Net of Allowance	(7,896)
Prepaid Expenses/Other Assets	(16,927)
Net Pension/OPEB Asset	88,528
Deferred Outflows of Resources	(125,459)
Increase(Decrease) In:	
Accounts Payable	(4,703)
Accrued Wages/Payroll Taxes	(6,013)
Accrued Compensated Absences	(6,194)
Noncurrent Liabilities - Other	(640)
Tenant Security Deposits	1,042
Net Pension/OPEB Liability	229,899
Deferred Inflows of Resources	(213,313)
Net Cash Provided By (Used In) Operating Activities	$ 116,950

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

NOTE 1: **REPORTING ENTITY**

Introduction

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

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

As required by GAAP, the basic financial statements of the reporting entity include those of the Authority and any component units. Component units are separate legal entities. Appointed officials of a primary government have financial accountability for the entity, and the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the basic financial statements misleading or incomplete.

Based upon the application of these criteria, this report includes all programs and activities operated by the Authority. The following organization is described due to its relationship to the Authority.

The component unit column in the financial statements identifies the financial data of the Authority's individual component unit: Enterprise Housing Property Preservation, L.L.C. (the Company). It is reported separately to emphasize that it is a legally separate entity and provides services to clients of the Authority and others.

Enterprise Housing Property Preservation, L.L.C. is an organization that is owned by the Board of Commissioners of the Authority. It was established in 2014 as a for-profit company and is offering residents of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Jefferson, Muskingum, and Tuscarawas counties commercial and residential maintenance services that include routine building maintenance, scheduled property maintenance, and unit renovation services. The Company also purchases various types of residential properties that are assessed and renovated. These properties are either kept as an income-producing rental or are placed back on the open market for resale.

NOTE 1: **REPORTING ENTITY** (Continued)

Introduction (Continued)
There are no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity based on such criteria. A summary of each program administered by the Authority included in the financial statements is provided to assist the reader in interpreting the basic financial statements. These programs constitute all programs subsidized by HUD and operated by the Authority.

Description of Programs

A. **Public Housing Program**

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

B. **Capital Fund Program**

The Capital Fund Program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

C. **Housing Choice Voucher Program**

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit, or public landlords to subsidize rentals for low-income persons. Under this Program, the Authority determines the amount of subsidy a family will receive using HUD guidelines; however, there is a limit of the amount charged to the family.

D. **USDA Rural Development**

Under the USDA Rural Development Program, the Authority rents units that it owns to low-income households. The USDA Rural Development Program is operated under a contract with the United States Department of Agriculture (USDA), and the USDA provides Operating Subsidy to enable the Authority to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

E. **State and Local Program**

The State and Local Program includes activity for the management of a multi-family project, Bingham Terrace, and rural development projects Dunfee Court and Gable Estates, and any other non-federal activities conducted by the Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Basis of Presentation**

The accounts of the Authority are organized based on funds, each of which is considered a separate accounting entity. The Authority has created a number of sub-funds within the enterprise fund. Each sub-fund is accounted for by a separate set of self-balancing accounts.

The individual sub-funds account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. These sub-funds of the Authority are all considered Proprietary Fund Types. The sub-funds included in this category are as follows:

Public Housing Fund
This fund accounts for all activities and projects of the Public Housing Program (described previously), including Public Housing and Capital Fund Grants. The Authority either sets up separate funds within the Public Housing Fund for each program or assigns a particular set of general ledger accounts in order to account for income and expenses of each program separately. All sub-accounts or funds are combined to produce the financial statements of the Public Housing Fund.

Housing Choice Voucher Fund
This fund accounts for the rental assistance program more fully described under the "Housing Choice Voucher Program," in Note 1.

Operating/Business Activities Fund
This fund accounts for fees earned rendering contract administration services to agencies along with any non-federal miscellaneous activity.

Dunfee Court Fund
This fund accounts for all activities associated with the Rural Development Program (described previously) for this specific community. The Authority assigns a particular set of general ledger accounts in order to account for income and expenses of this community separately.

Gable Estates Fund
This fund accounts for all activities associated with the Rural Development Program (described previously) for this specific community. The Authority assigns a particular set of general ledger accounts in order to account for income and expenses of this community separately.

NOTE 2**:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Basis of Accounting**

Primary Government

The accrual basis of accounting is used to account for those operations that are financed and operated in a manner similar to private business, or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses excluding depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Component Unit

The Company utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

C. **Investments**

Primary Government

HUD regulations restrict what investments the Authority can acquire. Investments are valued at market value. Interest income earned in fiscal year 2023 totaled $70 for the primary government.

Component Unit

Investments are valued at market value. Interest income earned in fiscal year 2023 totaled $10 for the component unit.

D. **Receivables – Net of Allowance**

Primary Government

Bad debts are presented net of the allowance based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for doubtful accounts was $958 at March 31, 2023.

Component Unit

Management has not established an allowance for doubtful accounts for the Component Unit and does not use the allowance method for recognizing bad debts. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Bad debts are treated as direct write-off in the period management determines that collection is not probable. There was no bad debt expense for the year ended March 31, 2023.

NOTE 2**:** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Capital Assets**

Primary Government
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. The Authority's capitalization threshold is $5,000, or in the case of aggregate purchases $15,000. The following are the useful lives used for depreciation purposes:

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

Component Unit
Fixed assets are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Statement of Operations. The rental property is depreciated over estimated service levels as follows:

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

F. **Cash and Cash Equivalents**

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

G. **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 statement of net position 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

G. **Compensated Absences** (Continued)

In the Proprietary Fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

The following is a summary of changes in compensated absences for the year ended March 31, 2023:

	Balance 3/31/2022	Increases	Decreases	Balance 3/31/2023	Due Within One Year
Compensated Absences	$ 38,971	$ 20,975	$ (27,169)	$ 32,777	$ 13,167

H. **Unearned Revenue**

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

I. **Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual operating budgets for all of its HUD funded programs. The budgets for its programs are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. The Board adopts the budget through passage of an Authority budget resolution.

J. **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported balances. Actual results could differ from those estimates.

K. **Net Position**

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

L. **Operating Revenues and Expenses**

Primary Government
Operating revenues and expenses are those revenues that are generated directly from the primary activities of the Proprietary Fund and expenses incurred for the day-to-day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

Component Unit
Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the company and its tenants are typically month to month. Service income is recognized as fees become due for monthly fixed fees and recognized, as work is completed per-unit fees.

M. **Pensions**

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Ohio Public Employee Retirement System (OPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by OPERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

N. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

O. **Pensions/Other Postemployment Benefits (OPEB)**

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

P. **Change in Accounting Principle**

GASB Statement No. 87, *Leases*, enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Primary Government**

Deposits

Custodial credit risk is the risk that in the event of bank failure, the primary government will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, the carrying amount of the primary government's deposits was $880,569 (including $200 in petty cash) and its bank balances totaled $887,220. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2023, $306,781 of the primary government's bank balance was covered by Federal Depository Insurance (FDIC). Deposits of $580,439 were exposed to custodial risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held as specific collateral at the Federal Reserve Bank in the name of the Authority.

Investments

The Authority has a formal investment policy, although, the Authority did not have investments at March 31, 2023.

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

B. **Component Unit**

Deposits
At fiscal year end, the carrying amount of the component unit's deposits was $117,008 and its bank balances totaled $117,008. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2023, all $117,008 of the component unit's bank balance was covered by Federal Depository Insurance (FDIC). The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments
The Authority has a formal investment policy it relies on to manage the investments of the component unit; however, the component unit had no investments at March 31, 2023.

NOTE 4: **RESTRICTED CASH**

Primary Government
The restricted cash balance of $125,966 on the financial statements for the primary government represents the following:

Tenant Security Deposits	$	26,871
Unspent Funding to be Used to Make Housing Assistance Payments		32,500
Rural Development Program Reserves		66,595
Total Cash and Cash Equivalents	$	125,966

Component Unit
The restricted cash balance of $3,575 on the financial statements for the component unit represents the following:

Tenant Security Deposits	$	3,575
Total Cash and Cash Equivalents	$	3,575

NOTE 5: **INSURANCE COVERAGE**

The Authority is exposed to risk of loss related to torts; theft or damage to and destruction of real and personal property; errors and omissions; and catastrophes.

Primary Government
The Authority is covered for property damage, general liability, auto damage and liability, and public officials' liability through the State Housing Authority Risk Pool, Inc. (SHARP). SHARP is an insurance pool comprised of 40 housing authorities in Ohio, of which the Authority is a member.

Additionally, workers' compensation is maintained through the State of Ohio, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan for employee health care benefits. There was no significant reduction in coverages and no claims exceed insurance coverage during the past three years.

NOTE 5: **INSURANCE COVERAGE** (Continued)

Component Unit

The Company is covered for property damage, general liability, auto damage and liability through Nationwide Insurance.

NOTE 6: **CAPITAL ASSETS**

The reporting entity's capital asset balances at March 31, 2023 are as follows:

	Primary Government	Component Unit
Capital Assets Not Depreciated		
Land	$ 137,179	$ 54,300
Total Capital Assets Not Depreciated	137,179	54,300
Capital Assets Being Depreciated		
Buildings and Building Improvements	5,109,062	298,756
Furniture and Equipment	266,126	6,040
Subtotal Capital Assets Being Depreciated	5,375,188	304,796
Less: Accumulated Depreciation	(4,696,032)	(113,734)
Total Capital Assets Being Depreciated	679,156	191,062
Total Capital Assets	$ 816,335	$ 245,362

The following is a summary of changes:

A. **Primary Government**

	Balance March 31, 2022	Additions	Deletions	Balance March 31, 2023
Capital Assets Not Being Depreciated				
Land	$ 137,179	$ 0	$ 0	$ 137,179
Total Capital Assets Not Being Depreciated	137,179	0	0	137,179
Capital Assets Being Depreciated				
Buildings and Building Improvements	4,986,831	122,231	0	5,109,062
Furniture and Equipment	224,093	42,033	0	266,126
Subtotal Capital Assets Being Depreciated	5,210,924	164,264	0	5,375,188
Less: Accumulated Depreciation	(4,557,087)	(138,945)	0	(4,696,032)
Total Capital Assets Being Depreciated	653,837	25,319	0	679,156
Total Capital Assets	$ 791,016	$ 25,319	$ 0	$ 816,335
Accumulated Depreciation				
Buildings and Building Improvements	$ 4,429,152	$ 110,088	$ 0	$ 4,539,240
Furniture and Equipment	127,935	28,857	0	156,792
Total Accumulated Depreciation	$ 4,557,087	$ 138,945	$ 0	$ 4,696,032

NOTE 6: **CAPITAL ASSETS** (Continued)

A. Primary Government (Continued)

The depreciation periods for the above asset classes are as follows:

Buildings	40 years
Building Improvements	15 years
Furniture and Equipment Dwellings	7 years
Furniture and Equipment Administration	3 to 7 years

B. **Component Unit**

	Balance March 31, 2022	Additions	Deletions	Balance March 31, 2023
Capital Assets Not Being Depreciated				
Land	$ 54,300	$ 0	$ 0	$ 54,300
Total Capital Assets Not Being Depreciated	54,300	0	0	54,300
Capital Assets Being Depreciated				
Buildings and Building Improvements	298,756	0	0	298,756
Equipment	0	6,040	0	6,040
Subtotal Capital Assets Being Depreciated	298,756	6,040	0	304,796
Less: Accumulated Depreciation	(97,693)	(16,041)	0	(113,734)
Total Capital Assets Being Depreciated	201,063	(10,001)	0	191,062
Total Capital Assets	$ 255,363	$ (10,001)	$ 0	$ 245,362

The depreciation periods for the above asset classes are as follows:

Buildings and Improvements	7 - 40 years
Equipment	3 – 7 years

NOTE 7: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability/Asset

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

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

Net Pension Liability/Asset (Continued)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net pension asset* or a long-term *net pension liability*. There was no liability for the contractually-required pension contribution outstanding at the end of the year.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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.

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

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

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. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

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

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

	State and Local
2022-2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022-2023 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 plan. Beginning July 1, 2022, the employer contribution rate for the combined plan is allocated 2 percent health care with the remainder going to pension. The employer contributions rate for the member-directed plan 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.

For fiscal year ending March 31, 2023, the Authority’s contractually required contributions used to fund pension benefits was $24,135 for the traditional plan and $9,850 for the combined plan.

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

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

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

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Prior Measurement Date	0.001409%	0.018074%	
Current Measurement Date	0.001160%	0.017092%	
Change in Proportionate Share	-0.000249%	-0.000982%	
Proportionate Share of the:			
Net Pension Liability	$ 342,665	$ 0	$ 342,665
Net Pension Asset	$ 0	$ 40,284	$ 40,284
Pension Expense	$ 32,743	$ 4,602	$ 37,345

At March 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 97,668	$ 14,681	$ 112,349
Differences between expected and actual experience	11,382	2,477	13,859
Changes of assumptions	3,621	2,667	6,288
Changes in proportion and differences between Authority contributions and proportionate share of contributions	4,248	3,346	7,594
Authority contributions subsequent to the measurement date	4,276	2,096	6,372
Total Deferred Outflows of Resources	$ 121,195	$ 25,267	$ 146,462
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 0	$ 5,754	$ 5,754
Changes in proportion and differences between Authority contributions and proportionate share of contributions	26,318	6,215	32,533
Total Deferred Inflows of Resources	$ 26,318	$ 11,969	$ 38,287

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

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

$6,372 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in the year ending March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending March 31:			
2024	$ (311)	$ 37	$ (274)
2025	14,317	2,138	16,455
2026	28,751	9,594	38,345
2027	47,844	(715)	47,129
2028	0	(510)	(510)
Thereafter	0	658	658
Total	$ 90,601	$ 11,202	$ 101,803

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

Actuarial Assumptions – OPERS (Continued)

	Traditional Pension Plan	Combined Plan
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

Actuarial Assumptions – OPERS (Continued)

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

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

Actuarial Assumptions – OPERS (Continued)

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

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability/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:

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	$ 513,300	$ 342,665	$ 200,726
Combined Plan	$ (21,023)	$ (40,284)	$ (55,549)

NOTE 8: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

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

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Liability (Continued)

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability*. There was no liability for the contractually-required OPEB contribution outstanding at the end of the year.

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 (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans.

Currently, Medicare-eligible retirees can select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA.

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

The base HRA allowance is determined by OPERS. Retirees receive a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans 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.

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

1. **Medicare Retirees** – Medicare-eligible with a minimum of 20 years of qualifying service credit.
2. **Non-Medicare Retirees** – Non-Medicare retirees qualify based on the following age-and-service criteria:
   a. Group A – 30 years of qualifying service credit at any age;
   b. Group B – 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
   c. Group C – 32 years of qualifying service credit and minimum age 55; or,
   d. A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

NOTE 8: **<u>DEFINED BENEFIT OPEB PLANS</u>** (Continued)

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

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

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

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.

Employer contribution rates are expressed as a percentage of covered payroll. In 2022 and 2023, 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.

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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 and 2023, OPERS did not allocate any employer contributions to health care for members in the Traditional Pension Plan. Effective July 1, 2022, OPERS began allocating 2.0 percent of the employer contribution rate to health care funding for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 and 2023 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 $1,165 for the fiscal year ending March 31, 2023.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to 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	0.001839%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.001558%
Change in Proportionate Share	-0.000281%
Proportionate Share of the Net OPEB Liability	$ 9,823
OPEB Expense	$ (21,619)

At March 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

		OPERS
Deferred Outflows of Resources		
Net difference between projected and actual earnings on OPEB plan investments	$	19,508
Changes of assumptions		9,595
Changes in proportion and differences between Authority contributions and proportionate share of contributions		1,134
Authority contributions subsequent to the measurement date		349
Total Deferred Outflows of Resources	$	30,586
Deferred Inflows of Resources		
Differences between expected and actual experience	$	2,451
Changes of assumptions		789
Total Deferred Inflows of Resources	$	3,240

$349 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending March 31:		OPERS
2024	$	4,342
2025		7,147
2026		6,084
2027		9,424
Total	$	26,997

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2022	December 31, 2021
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2036	5.50 percent initial, 3.50 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions - OPERS

During 2022, 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 loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2022 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 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 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 2054. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB liability	$ 33,435	$ 9,823	$ (9,660)

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

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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 2023 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	$ 9,208	$ 9,823	$ 10,517

NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS**

A. **Primary Government**

The Authority has the following mortgages outstanding as of March 31, 2023:

Dunfee Court - A first and second mortgage with the United States Department of Agriculture (USDA) Rural Housing Service for a 12-unit project. The original loan amount was $373,300, dated January 30, 1985. The term of the loan is 50 years with interest rate of 10.75 percent, discounted to 1 percent. The balance outstanding as of March 31, 2023 was $88,518. The second loan amount was $23,580, dated April 25, 1985. The term of the loan is 50 years with interest rate of 11.875 percent, discounted to 1 percent. The balance outstanding as of March 31, 2023 was $6,382. The note authorizes acceleration of the entire indebtedness at the option of the Government upon any default by the borrower.

Gable Estate – USDA Rural Housing Service loan for a 16-unit project. The amount of the loan was $541,516, dated April 21, 1993. The term of the loan is 50 years with the interest rate of 7.75 percent, discounted to 1 percent. The outstanding balance as of March 31, 2023 was $440,271. The note authorizes acceleration of the entire indebtedness at the option of the Government upon any default by the borrower.

NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

A. **Primary Government** (Continued)

The following is a summary of change in long-term liabilities for the year ended March 31, 2023:

Description	Balance 3/31/2022	Issued	Retired	Balance 3/31/2023	Due Within One Year
1st Mortgage Dunfee Court	$ 97,244	$ 0	$ (8,726)	88,518	$ 8,755
2nd Mortgage Dunfee Court	6,925	0	(543)	6,382	545
Gable Estate	448,994	0	(8,723)	440,271	8,790
Total Mortgage Notes	$ 553,163	$ 0	$ (17,992)	$ 535,171	$ 18,090
Net Pension Liability	122,589	220,076	0	342,665	0
OPEB Liability	0	9,823	0	9,823	0
Total Net Pension and OPEB Liability	$ 122,589	$ 229,899	$ 0	$ 352,488	$ 0

Debt commitments for future years are as follows:

	Principal	Interest	Total
2024	$ 18,090	$ 5,352	$ 23,442
2025	18,864	5,171	24,035
2026	19,692	4,982	24,674
2027	20,577	4,785	25,362
2028	21,525	4,580	26,105
2029-2033	118,976	19,454	138,430
2034-2038	111,245	13,748	124,993
2039-2043	157,203	7,400	164,603
2044-2046	48,999	4,564	53,563
	$ 535,171	$ 70,036	$ 605,207

B. **Component Unit**

The Authority's component unit had no outstanding debt obligations as of March 31, 2023.

NOTE 10: **CONTINGENCIES**

A. **Grants**

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at March 31, 2023.

NOTE 10: **CONTINGENCIES** (Continued)

B. **Litigation**

In the normal course of operations, the Authority may be subject to litigations and claims. At March 31, 2023, the Authority was not aware of any such matters.

NOTE 11: **PLEDGED ESCROW RECEIVABLE**

On June 15, 2010, the Authority signed a guarantee agreement to Bingham Terrace Preservation, LP, an Ohio Limited Partnership, and Huntington Ohio ARRA Fund LLC, an Ohio Limited Liability Company. The Authority is an affiliate of the General Partner of the Partnership, owner of a low-income housing project constructed by the Partnership. The obligation of the Authority under the agreement was a pledge of $500,000, with a balance at March 31, 2023 of $250,000.

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY / ASSET
LAST NINE FISCAL YEARS (1)

Traditional Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Authority's Proportion of the Net Pension Liability	0.001160%	0.001409%	0.001289%	0.001500%	0.001542%	0.001892%	0.001705%	0.001385%	0.001385%
Authority's Proportionate Share of the Net Pension Liability	$ 342,665	$ 122,589	$ 190,873	$ 296,485	$ 422,323	$ 296,818	$ 387,177	$ 239,899	$ 167,047
Authority's Covered Payroll	$ 179,822	$ 204,452	$ 181,536	$ 210,984	$ 208,207	$ 250,071	$ 220,394	$ 172,398	$ 182,340
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.56%	59.96%	105.14%	140.52%	202.84%	118.69%	175.67%	139.15%	91.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

Combined Plan	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Authority's Proportion of the Net Pension Asset	0.017092%	0.018074%	0.014829%	0.014667%	0.014476%	0.012857%	0.013382%	0.013910%	0.013910%
Authority's Proportionate Share of the Net Pension (Asset)	$ (40,284)	$ (71,212)	$ (42,806)	$ (30,584)	$ (16,187)	$ (17,503)	$ (7,448)	$ (6,768)	$ (5,356)
Authority's Covered Payroll	$ 79,462	$ 82,397	$ 65,352	$ 65,290	$ 61,911	$ 52,655	$ 52,091	$ 50,630	$ 47,122
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	50.70%	86.43%	65.50%	46.84%	26.15%	33.24%	14.30%	13.37%	11.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

(1) - Information prior to 2015 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

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions										
Traditional Plan	$ 24,135	$ 27,263	$ 25,619	$ 27,718	$ 29,688	$ 31,245	$ 29,980	$ 21,801	$ 18,854	(2)
Combined Plan	9,960	10,987	9,657	9,141	8,714	7,365	6,623	6,099	5,793	(2)
Total Required Contributions	$ 34,095	$ 38,250	$ 35,276	$ 36,859	$ 38,402	$ 38,610	$ 36,603	$ 27,900	$ 24,647	$ 27,905
Contributions in Relation to the Contractually Required Contribution	(34,095)	(38,250)	(35,276)	(36,859)	(38,402)	(38,610)	(36,603)	(27,900)	(24,647)	(27,905)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll										
Traditional Plan	$ 172,393	$ 194,736	$ 182,993	$ 197,986	$ 212,056	$ 236,007	$ 243,959	$ 181,675	$ 157,117	(2)
Combined Plan	79,462	78,479	68,976	65,290	62,240	55,393	54,047	50,825	48,275	(2)
Total Covered Payroll	$ 251,855	$ 273,215	$ 251,969	$ 263,276	$ 274,296	$ 291,400	$ 298,006	$ 232,500	$ 205,392	$ 232,543
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.24%	12.29%	12.00%	12.00%	12.00%
Combined Plan	12.53%	14.00%	14.00%	14.00%	14.00%	13.30%	12.25%	12.00%	12.00%	12.00%

(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.

(2) - Information broken down by plan (Traditional vs. Combined) was not available.

See accompanying notes to the required supplementary information

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST SEVEN FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/(Asset)	0.001558%	0.001839%	0.001632%	0.001829%	0.001862%	0.002140%	0.001970%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ 9,823	$ (57,600)	$ (29,075)	$ 252,632	$ 242,761	$ 232,388	$ 198,977
Authority's Covered Payroll	$ 259,284	$ 286,849	$ 246,888	$ 276,274	$ 270,118	$ 302,726	$ 272,485
Authority's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	3.79%	20.08%	11.78%	91.44%	89.87%	76.77%	73.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional 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

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS - OPEB
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 1,165	$ 0	$ 0	$ 0	$ 0	$ 2,186	$ 5,119	$ 4,650	$ 4,108	$ 4,651
Contributions in Relation to the Contractually Required Contributions	(1,165)	0	0	0	0	(2,186)	(5,119)	(4,650)	(4,108)	(4,651)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 251,855	$ 273,215	$ 251,969	$ 263,276	$ 274,296	$ 291,400	$ 298,006	$ 232,504 0	$ 205,389	$ 232,543
Contributions as a Percentage of Covered Payroll	0.46%	0.00%	0.00%	0.00%	0.00%	0.75%	1.72%	2.00%	2.00%	2.00%

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 2014-2023.

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

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2023.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability (Continued)

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

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	$226,195	$113,433	$450,305	$10,714	$67,389	$868,036		$868,036
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted				$66,595	$32,500	$99,095		$99,095
114 Cash - Tenant Security Deposits	$13,830	$3,575		$13,041		$30,446		$30,446
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	$240,025	$117,008	$450,305	$90,350	$99,889	$997,577	$0	$997,577
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects								
124 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous			$2,280			$2,280		$2,280
126 Accounts Receivable - Tenants	$2,528	$4,163		$51		$6,742		$6,742
126.1 Allowance for Doubtful Accounts -Tenants	-$269	$0		$0		-$269		-$269
126.2 Allowance for Doubtful Accounts - Other			$0			$0		$0
127 Notes, Loans, & Mortgages Receivable - Current								
128 Fraud Recovery					$4,595	$4,595		$4,595
128.1 Allowance for Doubtful Accounts - Fraud					-$689	-$689		-$689
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	$2,259	$4,163	$2,280	$51	$3,906	$12,659	$0	$12,659
131 Investments - Unrestricted								
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	$11,178			$4,556	$9,168	$24,902		$24,902
143 Inventories								
143.1 Allowance for Obsolete Inventories								
144 Inter Program Due From								
145 Assets Held for Sale								
150 Total Current Assets	$253,462	$121,171	$452,585	$94,957	$112,963	$1,035,138	$0	$1,035,138
161 Land	$75,202	$54,300		$61,977		$191,479		$191,479
162 Buildings	$4,006,606	$298,756		$1,102,456		$5,407,818		$5,407,818
163 Furniture, Equipment & Machinery - Dwellings	$10,687			$128,824		$139,511		$139,511
164 Furniture, Equipment & Machinery - Administration	$45,026	$6,040	$77,476	$4,113		$132,655		$132,655
165 Leasehold Improvements								

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
166 Accumulated Depreciation	-$3,688,184	-$113,734	-$21,457	-$986,391		-$4,809,766		-$4,809,766
167 Construction in Progress								
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	$449,337	$245,362	$56,019	$310,979	$0	$1,061,697	$0	$1,061,697
171 Notes, Loans and Mortgages Receivable - Non-Current			$250,000			$250,000		$250,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								
173 Grants Receivable - Non Current								
174 Other Assets	$20,820		$60,672	$5,311	$6,641	$93,444		$93,444
176 Investments in Joint Ventures								
180 Total Non-Current Assets	$470,157	$245,362	$366,691	$316,290	$6,641	$1,405,141	$0	$1,405,141
200 Deferred Outflow of Resources	$91,503		$33,017	$23,340	$29,188	$177,048		$177,048
290 Total Assets and Deferred Outflow of Resources	$815,122	$366,533	$852,293	$434,587	$148,792	$2,617,327	$0	$2,617,327
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	$13,374	$276	$72	$7,473	$925	$22,120		$22,120
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable								
322 Accrued Compensated Absences - Current Portion	$7,623		$4,071	$347	$1,126	$13,167		$13,167
324 Accrued Contingency Liability								
325 Accrued Interest Payable								
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government								
341 Tenant Security Deposits	$13,830	$3,575		$13,041		$30,446		$30,446
342 Unearned Revenue								
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				$18,090		$18,090		$18,090
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities								
346 Accrued Liabilities - Other	$7,662	$3,325				$10,987		$10,987
347 Inter Program - Due To								
348 Loan Liability - Current								
310 Total Current Liabilities	$42,489	$7,176	$4,143	$38,951	$2,051	$94,810	$0	$94,810

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				$517,081		$517,081		$517,081
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Non-current Liabilities - Other								
354 Accrued Compensated Absences - Non Current	$10,680		$7,387	$225	$1,318	$19,610		$19,610
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities	$182,173		$65,734	$46,470	$58,111	$352,488		$352,488
350 Total Non-Current Liabilities	$192,853	$0	$73,121	$563,776	$59,429	$889,179	$0	$889,179
300 Total Liabilities	$235,342	$7,176	$77,264	$602,727	$61,480	$983,989	$0	$983,989
400 Deferred Inflow of Resources	$21,462		$7,744	$5,475	$6,846	$41,527		$41,527
508.4 Net Investment in Capital Assets	$449,337	$245,362	$56,019	-$224,192		$526,526		$526,526
511.4 Restricted Net Position				$66,595	$32,500	$99,095		$99,095
512.4 Unrestricted Net Position	$108,981	$113,995	$711,266	-$16,018	$47,966	$966,190		$966,190
513 Total Equity - Net Assets / Position	$558,318	$359,357	$767,285	-$173,615	$80,466	$1,591,811	$0	$1,591,811
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$815,122	$366,533	$852,293	$434,587	$148,792	$2,617,327	$0	$2,617,327

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$176,925	$48,918		$104,547		$330,390		$330,390
70400 Tenant Revenue - Other	$10,618	$2,111		$3,850		$16,579		$16,579
70500 Total Tenant Revenue	$187,543	$51,029	$0	$108,397	$0	$346,969	$0	$346,969
70600 HUD PHA Operating Grants	$146,006				$826,624	$972,630		$972,630
70610 Capital Grants	$122,231					$122,231		$122,231
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue						$0	$0	$0
70800 Other Government Grants			$44,204	$58,844		$103,048		$103,048
71100 Investment Income - Unrestricted		$10		$70		$80		$80
71200 Mortgage Interest Income								
71300 Proceeds from Disposition of Assets Held for Sale								
71310 Cost of Sale of Assets								
71400 Fraud Recovery					$4,595	$4,595		$4,595
71500 Other Revenue	$19,632		$116,457	$195		$136,284	-$18,896	$117,388
71600 Gain or Loss on Sale of Capital Assets								
72000 Investment Income - Restricted								
70000 Total Revenue	$475,412	$51,039	$160,661	$167,506	$831,219	$1,685,837	-$18,896	$1,666,941
91100 Administrative Salaries	$65,061		$27,493	$13,976	$22,450	$128,980		$128,980
91200 Auditing Fees	$3,173	$3,181		$3,122	$5,000	$14,476		$14,476
91300 Management Fee				$18,896		$18,896	-$18,896	$0
91310 Book-keeping Fee								
91400 Advertising and Marketing	$1,727			$510	$2,002	$4,239		$4,239
91500 Employee Benefit contributions - Administrative	$13,882		$24,332	$41	-$841	$37,414		$37,414
91600 Office Expenses	$15,376	$74		$1,156	$27,365	$43,971		$43,971
91700 Legal Expense			$75			$75		$75
91800 Travel					$1,099	$1,099		$1,099
91810 Allocated Overhead								
91900 Other	$1,959	$712	$3,730	$878	$5,020	$12,299		$12,299

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
91000 Total Operating - Administrative	$101,178	$3,967	$55,630	$38,579	$62,095	$261,449	-$18,896	$242,553
92000 Asset Management Fee								
92100 Tenant Services - Salaries			$28,131			$28,131		$28,131
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services			$7,935			$7,935		$7,935
92400 Tenant Services - Other	$1,997		$9,888			$11,885		$11,885
92500 Total Tenant Services	$1,997	$0	$45,954	$0	$0	$47,951	$0	$47,951
93100 Water	$21,503	$2,315		$35,240	$678	$59,736		$59,736
93200 Electricity	$89,166	$3,466		$6,847	$1,604	$101,083		$101,083
93300 Gas	$249			$1,444	$1,683	$3,376		$3,376
93400 Fuel								
93500 Labor								
93600 Sewer								
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	$110,918	$5,781	$0	$43,531	$3,965	$164,195	$0	$164,195
94100 Ordinary Maintenance and Operations - Labor	$11,131	$422		$5,459	$1,854	$18,866		$18,866
94200 Ordinary Maintenance and Operations - Materials and Other	$29,105	$7,337	$2,320	$6,697	$1,391	$46,850		$46,850
94300 Ordinary Maintenance and Operations Contracts	$64,983	$20,065		$18,918	$2,445	$106,411		$106,411
94500 Employee Benefit Contributions - Ordinary Maintenance	$4,010	$217	$940	-$870	-$234	$4,063		$4,063
94000 Total Maintenance	$109,229	$28,041	$3,260	$30,204	$5,456	$176,190	$0	$176,190
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs								
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services								
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0	$0
96110 Property Insurance	$11,427	$4,517		$5,830	$3,375	$25,149		$25,149
96120 Liability Insurance								
96130 Workmen's Compensation								
96140 All Other Insurance								

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
96100 Total insurance Premiums	$11,427	$4,517	$0	$5,830	$3,375	$25,149	$0	$25,149
96200 Other General Expenses				$3,327		$3,327		$3,327
96210 Compensated Absences	$869		$3,379			$4,248		$4,248
96300 Payments in Lieu of Taxes	$7,662	$7,205				$14,867		$14,867
96400 Bad debt - Tenant Rents								
96500 Bad debt - Mortgages								
96600 Bad debt - Other					$689	$689		$689
96800 Severance Expense								
96000 Total Other General Expenses	$8,531	$7,205	$3,379	$3,327	$689	$23,131	$0	$23,131
96710 Interest of Mortgage (or Bonds) Payable				$6,148		$6,148		$6,148
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$6,148	$0	$6,148	$0	$6,148
96900 Total Operating Expenses	$343,280	$49,511	$108,223	$127,619	$75,580	$704,213	-$18,896	$685,317
97000 Excess of Operating Revenue over Operating Expenses	$132,132	$1,528	$52,438	$39,887	$755,639	$981,624	$0	$981,624
97100 Extraordinary Maintenance								
97200 Casualty Losses - Non-capitalized								
97300 Housing Assistance Payments					$685,316	$685,316		$685,316
97350 HAP Portability-In								
97400 Depreciation Expense	$86,912	$16,040	$8,925	$43,109		$154,986		$154,986
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	$430,192	$65,551	$117,148	$170,728	$760,896	$1,544,515	-$18,896	$1,525,619
10010 Operating Transfer In	$20,500					$20,500	-$20,500	$0
10020 Operating transfer Out	-$20,500					-$20,500	$20,500	$0
10030 Operating Transfers from/to Primary Government								
10040 Operating Transfers from/to Component Unit		-$10,000	$10,000			$0		$0

Harrison Metropolitian Housing Authority (OH067)
Cadiz, OH

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit   Fiscal Year End: 03/31/2023

	Project Total	6.1 Component Unit - Discretely Presented	2 State/Local	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss								
10080 Special Items (Net Gain/Loss)								
10091 Inter Project Excess Cash Transfer In								
10092 Inter Project Excess Cash Transfer Out								
10093 Transfers between Program and Project - In								
10094 Transfers between Project and Program - Out								
10100 Total Other financing Sources (Uses)	$0	-$10,000	$10,000	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$45,220	-$24,512	$53,513	-$3,222	$70,323	$141,322	$0	$141,322
11020 Required Annual Debt Principal Payments	$0	$0	$0	$17,994	$0	$17,994		$17,994
11030 Beginning Equity	$513,098	$383,869	$713,772	-$170,393	$10,143	$1,450,489		$1,450,489
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$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					$47,965	$47,965		$47,965
11180 Housing Assistance Payments Equity					$32,501	$32,501		$32,501
11190 Unit Months Available	600	84	0	336	3198	4218		4218
11210 Number of Unit Months Leased	584	78	0	321	1796	2779		2779
11270 Excess Cash	$171,189					$171,189		$171,189
11610 Land Purchases	$0					$0		$0
11620 Building Purchases	$122,231					$122,231		$122,231
11630 Furniture & Equipment - Dwelling Purchases	$0					$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0					$0		$0
11650 Leasehold Improvements Purchases	$0					$0		$0
11660 Infrastructure Purchases	$0					$0		$0
13510 CFFP Debt Service Payments	$0					$0		$0
13901 Replacement Housing Factor Funds	$0					$0		$0

HARRISON METROPOLITAN HOUSING AUTHORITY
HARRISON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

FEDERAL GRANTOR/ *Pass-Through Grantor/* **Program/Title**	**Assistance Listing Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Public and Indian Housing	14.850	$ 125,506
Public Housing Capital Fund	14.872	142,731
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	826,624
Total Housing Voucher Cluster		826,624
Total U.S. Department of Housing and Urban Development		1,094,861
U.S. Department of Agriculture		
Direct Programs:		
Rural Rental Housing Loans	10.415	612,007
Total U.S. Department of Agriculture		612,007
Total Expenditures of Federal Awards		$ 1,706,868

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

NOTE 1: **PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Harrison Metropolitan Housing Authority under programs of the federal government for the year ended March 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Harrison Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Harrison Metropolitan Housing Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

NOTE 3: **INDIRECT COST RATE**

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

NOTE 4: **COMPONENT UNIT**

There were no federal expenditures for the component unit, Enterprise Housing Property Preservation, L.L.C.

NOTE 5: **LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The federal loan programs listed below are administered directly by the Authority, and balances and transactions relating to these programs are included in the Authority's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding at March 31, 2023 consist of:

Assistance Listing Number	Program Cluster Name	Outstanding Balance at March 31, 2023
10.415	Rural Rental Housing Loans	$535,171

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

Harrison Metropolitan Housing Authority
Harrison County
82450 Cadiz-Jewett Road
Cadiz, Ohio 43907

To the Board of Commissioners

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the business-type activities and the discretely presented component unit of the Harrison Metropolitan Housing Authority, Harrison County, (the Authority) as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 2, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

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Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
October 2, 2023

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

Harrison Metropolitan Housing Authority
Harrison County
82450 Cadiz-Jewett Road
Cadiz, Ohio 43907

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Harrison Metropolitan Housing Authority's, Harrison 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 Harrison Metropolitan Housing Authority's major federal program for the year ended March 31, 2023. Harrison Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Harrison Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2023.

Basis for Opinion on the Major Federal Program

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

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
October 2, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weakness 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, ALN #14.871
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > $750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

HARRISON COUNTY METROPOLITAN HOUSING AUTHORITY

HARRISON 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 12/21/2023

88 East Broad Street, Columbus, Ohio 43215
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