PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

OHIO AUDITOR OF STATE
KEITH FABER

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

Governing Board
Pickaway Metropolitan Housing Authority
176 Rustic Drive
Circleville, Ohio 43113

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 06, 2023

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Pickaway Metropolitan Housing Authority
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For the Year Ended December 31, 2022

INDEPENDENT AUDITOR'S REPORT

Pickaway Metropolitan Housing Authority
Pickaway County
176 Rustic Drive
Circleville, Ohio 43113

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Pickaway Metropolitan Housing Authority, Pickaway County, Ohio (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Pickaway Metropolitan Housing Authority, Pickaway County, Ohio as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of PMHA Pickaway Terrace, LLC and PMHA Eden Place, LLC, blended component units, which represent 32 percent of the assets and deferred outflows, (19) percent of the net position, and 16 percent of the revenues of the Authority. The statements of the component units were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the blended component units, is based solely on the reports of the other auditors.

Basis for Opinion

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

Emphasis of Matter

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

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 29, 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
June 29, 2023

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

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

FINANCIAL HIGHLIGHTS

- Net position decreased by $214,879 (or 5.43 percent) during 2022, and was $3,957,138 and $3,742,259 for 2021 and 2022, respectively.

- Revenue increased by $394,813 (or 7.24 percent) during 2022, and was $5,455,603 and $5,850,416 for 2021 and 2022, respectively.

- Total expenses increased by $481,984 (or 8.63 percent) during 2022. Total expenses were $5,583,311 and $6,065,295 for 2021 and 2022, respectively.

FINANCIAL STATEMENTS

The financial statements are designed such that all programs are consolidated into one single enterprise fund for the Authority.

These statements include a <u>Statement of Net Position</u>, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equals "Net Position", similar to 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 is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories (as applicable):

> <u>Net Investment in Capital Assets</u>: This component of net position consists of all capital assets net of depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> <u>Restricted Net Position</u>: 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.
>
> <u>Unrestricted Net Position</u>: Consists of net position that does not meet the definition of "Net Investments in Capital Assets", or "Restricted Net Position".

The 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, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses. and Change in Fund 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 by operating activities, non-capital financing activities, and capital and related financing activities.

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

Public Housing – Under the Conventional Public Housing Program (Public Housing), the Authority rents units that it owns to low-income households. Public Housing is operated under an Annual Contributions Contract with the United States Department of Housing and Urban Development (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. Public Housing also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvement. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

Rural Rental Housing Loans – Williamsport Terrace is a multiple family housing project supported with funding by the United States Department of Agriculture (USDA). The USDA provides an interest subsidy on the mortgage and pays rental assistance to the Authority on 15 of the 16 units in the project to enable the Authority to set rents based on 30 percent of the family's adjusted gross income from those units. Each month the rental assistance is paid to the Authority and the USDA deducts the mortgage payment from that rental assistance.

Housing Choice Vouchers – Under the Housing Choice Voucher Program, the Authority subsidizes rents to landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract 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 Authority subsidizes the balance.

Blended Component Units – PMHA Pickaway Terrace, LLC (PT), an entity formed in 2019 with the Authority as its sole member, is a nonprofit corporation owning real estate consisting of land and an apartment complex that provides housing primarily to senior citizens. Tenant rents are based on 30 percent of the adjusted gross income of the tenant family. PT has an on-going Housing Assistance Payments contract whereby HUD provides a subsidy for the difference between the tenant rents and the fair market rent values for the units. Separately issued audited financial statements are available for the LLC.

The Board of Directors of Churches United for Senior Citizens, Inc., a nonprofit corporation owning real estate consisting of land and an apartment complex that provides housing primarily to senior citizens, entered into an agreement to become a subsidiary of the Authority in 2020. A new entity, PMHA Eden Place, LLC (EP), was formed with the Authority as its sole member. A loan closed on October 1, 2020 was used by EP to refinance existing debt and allow for renovations to the property. Tenant rents are based on 30 percent of the adjusted gross income of the tenant family. EP and HUD entered into a Housing Assistance Payments contract, effective October 1, 2020, whereby HUD provides a subsidy for the difference between the tenant rents and the fair market rent values for the units. Separately issued audited financial statements are available for the LLC.

PIH Family Self-Sufficiency Program – The Authority receives a grant from HUD that it uses to hire a coordinator who provides assistance and support for participants of the Housing Choice Voucher Program to move toward self-sufficiency and economic independence.

Business Activities – This is the activity of the Authority outside the scope of HUD and other government supported housing programs. This fund is used to account for operations related to management contracting performed by the Authority, and to account for operations related to residential rental housing owned by the Authority that is not supported by a Federal rental assistance contract, as well as other permissible miscellaneous activities the Authority undertakes.

Statement of Net Position

The following table presents a condensed Statement of Net Position compared to the prior fiscal year:

Table 1 - Condensed Statement of Net Position

	2022	2021
Assets		
Current Assets	$ 2,058,493	$ 2,180,623
Capital Assets, Net	7,997,300	8,059,468
OPEB Asset	143,265	79,405
Other Non-Current Assets	11,929	9,250
Total Assets	10,210,987	10,328,746
Deferred Outflow of Resources	217,368	210,974
Total Assets and Deferred Outflow of Resources	$ 10,428,355	$ 10,539,720
Liabilities		
Current Liabilities	$ 305,920	$ 295,753
Non-Current Liabilities - Pension	427,538	708,702
Non-Current Liabilities - Other	5,286,701	5,024,784
Total Liabilities	6,020,159	6,029,239
Deferred Inflow of Resources	665,937	553,343
Net Position		
Net Investment in Capital Assets	2,724,356	3,029,365
Restricted	598,984	683,896
Unrestricted	418,919	243,877
Total Net Position	3,742,259	3,957,138
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 10,428,355	$ 10,539,720

Major Factors Affecting the Statement of Net Position

Current assets decreased modestly from the prior year-end, dropping $122,130 (or 6%). The change was primarily to cash in the component units, with PMHA Eden Place, LLC spending construction escrows related to renovations being completed at that property and PMHA Pickaway Terrace, LLC increasing spending on maintenance work projects that had been deferred in prior years. A larger increase of $261,917 (or 5%) was realized in noncurrent liabilities – other related to new debt taken on in this period that was used to acquire two rental housing properties in Circleville under the Business Activities program.

Otherwise notable changes on the statement were to balances reported in accordance with the accounting standards GASB 68 and GASB 75, net OPEB asset on the asset side of the statement, and noncurrent liabilities - pension and deferred inflows of resources on the liability and net position side of the statement. Many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and other post-employment benefits (OPEB) and their net liabilities to the reported net position, and subtracting their related deferred outflows and the net OPEB asset.

These balances reported pursuant to the accounting standards GASB 68 and 75 truly do not reflect an operating issue at the Authority, but rather reflect changes in funding levels of future retirement and OPEB (healthcare) commitments of the Ohio Public Employees Retirement System. The accounting standards require the Authority to report on its financial statements what is determined to be its share of the unfunded pension liability, its estimated share of any surplus funding of the OPEB plans, and related balances of the Ohio Public Employees Retirement System (OPERS). The concept behind the standards is for OPERS to resolve the unfunded pension and OPEB liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of the Authority are participants in OPERS and that the Authority makes retirement contributions to OPERS on behalf of all of its employees.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability, and OPEB liability when there is one. As explained above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension liability and net OPEB asset, but are outside the control of the local governments, of which the Authority is one. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and 75, the Authority's statements prepared on an accrual basis of accounting reflect a pension and OPEB expense for their proportionate share of each plan's *change* in net pension and OPEB liability (asset) not accounted for as deferred inflows/outflows. As a result of GASB 68 and 75, the Authority is reporting a net pension liability and OPEB asset, as well as deferred inflows/outflows of resources related to pension and OPEB on the accrual basis of accounting. All of these balances changed significantly from the prior year-end resulting in the recognition of a negative pension expense of $238,824, which contributed to the change in unrestricted net position on this statement.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities:

Table 2 - Statements of Revenues, Expenses, and Changes in Net Position

	2022	2021 *
Revenues		
Tenant Revenue - Rents and Other	$ 1,378,703	$ 1,290,110
Operating Subsidies and Grants	4,238,745	4,025,889
Capital Grants	102,200	9,237
Investment Income/Other Revenues	130,768	130,367
Total Revenues	5,850,416	5,455,603
Expenses		
Administration	704,312	480,135
Tenant Services	33,986	48,938
Utilities	372,187	335,034
Maintenance	667,887	449,552
General/PILOT/Insurance	128,922	120,503
Housing Assistance Payment	3,317,163	3,328,776
Depreciation	583,172	570,958
Interest Expense	237,173	228,209
Bad Debt/Fraud Losses	20,493	21,206
Total Expenses	6,065,295	5,583,311
Changes in Net Position	(214,879)	(127,708)
Net Position - Beginning of Year	3,957,138	4,084,846
Net Position - End of Year	$ 3,742,259	$ 3,957,138

* Some balances reclassified to enhance comparison to 2022.

Major Factors Affecting the Statement of Revenue, Expenses, and Changes in Net Position include:

Overall revenues in the period increased by $394,813 (or 7%). The increase in tenant revenues was partly related to the added rental units acquired in the period by the Business Activities program, and partly in the Public Housing program. Because the rents in the Public Housing program are based on tenant family incomes, this increase indicates family incomes on average were increased. The increase in subsidies and capital grant revenue largely reflect routine fluctuations in spending of reimbursing funding increments provided the Authority by HUD.

Expenses overall increased by $481,984 (or 9%). The increase was generally experienced in 2 areas, administration and maintenance expenses. Some of the increase in maintenance expense was related to the component unit PMHA Pickaway Terrace, LLC increased spending on maintenance work items that had been deferred in previous periods. But otherwise the increase in administration and maintenance was related to the increase in pension expense. Pension expense is incurred by changes in the balances reported in accordance with GASB 68 and GASB 75 discussed in the section following Table 1 of this MD&A about changes to the Statement of Net Position and the expense is allocated to administrative expense and maintenance expense. Changes in the balances reported in accordance with GASB 68 and GASB 75 were so significant that pension expense was a negative $238,824 in 2022, but it was a negative $501,297 in 2021, a change of $262,473. This change in pension expense then does not reflect changes in operations at PMHA but rather changes in the retirement system's estimated funding of future retirement and OPEB (healthcare) commitments.

CAPITAL ASSETS

As of the current fiscal year-end, the Authority had $7,997,300 invested in net capital assets as reflected in the following schedule, which represents a net decrease (additions less depreciation) of $62,168 from the end of last fiscal year. Increases from renovations being completed at the Eden Place property, property acquisitions in the Business Activities Program, and capital expenditures of Capital Fund Program funds were outpaced by depreciation in the period.

Table 3 - Capital Assets at Fiscal Year-End, Net of Depreciation

	2022	2021
Land and Land Rights	$ 793,173	$ 780,723
Buildings	18,712,904	18,280,340
Equipment - Administrative	328,215	328,215
Equipment - Dwellings	429,585	429,585
Leasehold Improvments	30,658	3,405
Construction-in-Progress	396,975	348,238
Accumulated Depreciation	(12,694,210)	(12,111,038)
Total	$ 7,997,300	$ 8,059,468

The following reconciliation summarizes the change in capital assets. Capital fund projects were the main factors affecting a change in capital assets. See notes to the financial statements for more detail of the capital assets.

Table 4 - Change in Capital Assets

Beginning Balance	$ 8,059,468
Additions (Net of Deletions)	521,004
Depreciation	(583,172)
Ending Balance	$ 7,997,300

DEBT OUTSTANDING

Debt Administration

Changes in debt in the period is summarized as follows:

Outstanding Principal Balance as of December 31, 2021	$ 5,030,103
Add:	
New Debt in period	336,000
Less:	
Principal Payments made during the Year	(93,159)
Outstanding Principal Balance as of December 31, 2022	$ 5,272,944

New debt in the period was used to acquire and make improvements to two properties in Circleville, Ohio, that will provide additional affordable housing units in the community.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

1. Federal funding of the U.S. Department of Housing and Urban Development.
2. Local labor supply and demand, which can affect salary and wage rates.
3. Local inflationary, recession, and employment trends, which can affect resident incomes and, therefore, the demand for housing assistance.
4. Inflationary pressure on utility rates, supplies, and other costs.
5. Market rates for rental housing create disincentives for landlords to participate in the HCV Program utilizing program utilization and admin fees earned by the Authority.
6. The growing Columbus metropolitan area southward toward Pickaway County is magnifying all supply, demand, and inflationary pressures.

IN CONCLUSION

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

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact the Executive Director of the Pickaway Metropolitan Housing Authority at (740) 477-2514.

Respectfully submitted,

Joy Ewing
Executive Director

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2022

Assets and Deferred Outflow of Resources	
Assets	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 1,225,948
Cash and Cash Equivalents - Restricted	702,399
Receivables, Net	36,164
Prepaid Expenses and Other Assets	93,982
Total Current Assets	2,058,493
Noncurrent Assets	
Capital Assets:	
Non-Depreciable Capital Assets	1,190,148
Depreciable Capital Assets, Net	6,807,152
Total Capital Assets	7,997,300
Notes Receivable	5,750
Net OPEB Asset	143,265
Other	6,179
Total Noncurrent Assets	8,152,494
Total Assets	10,210,987
Deferred Outflows of Resources	
Pension	206,124
OPEB	11,244
Total Deferred Outflows of Resources	217,368
Total Assets and Deferred Outflow of Resources	$ 10,428,355
Liabilities, Deferred Inflow of Resources, and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	$ 16,416
Accrued Liabilities	100,661
Accrued Interest	8,360
Intergovernmental Payables	16,156
Tenant Security Deposits	63,853
Bonds, Notes, and Loans Payable	100,474
Total Current Liabilities	305,920
Noncurrent Liabilities	
Bonds, Notes, and Loans Payable - Net of Current Portion	5,172,470
Accrued Liablities - Noncurrent	39,562
Accrued Compensated Absences Non-Current	74,669
Accrued Pension Liabilities	427,538
Total Noncurrent Liabilities	5,714,239
Total Liabilities	6,020,159
Deferred Inflow of Resources	
Pension	517,918
OPEB	148,019
Total Deferred Inflow of Resources	665,937
Net Position	
Net Investment in Capital Assets	2,724,356
Restricted Net Position	598,984
Unrestricted Net Position	418,919
Total Net Position	3,742,259
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 10,428,355

See the accompanying notes to the financial statements.

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Operating Revenues	
Tenant Revenue	$ 1,378,703
Government Operating Grants	4,181,473
Other Revenue	130,114
Total Operating Revenues	5,690,290
Operating Expenses	
Administrative	704,312
Tenant Services	33,986
Utilities	372,187
Maintenance	667,887
Insurance	89,665
PILOT	16,368
Compensated Absences	6,031
Other General Expenses	37,351
Housing Assistance Payments	3,317,163
Depreciation	583,172
Total Operating Expenses	5,828,122
Operating Income	(137,832)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	654
Interest Subsidy	57,272
Interest Expense	(237,173)
Total Non-Operating Revenue (Expenses)	(179,247)
Net Loss Before Capital Grants	(317,079)
Capital Grants - HUD	102,200
Changes in Net Position	(214,879)
Total Net Position - Beginning of Year	3,957,138
Total Net Position - End of Year	$ 3,742,259

See the accompanying notes to the financial statements.

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities	
Operating Grants Received	$ 4,179,024
Tenant Revenue Received	1,375,760
Other Revenue Received	126,632
General and Administrative Expenses Paid	(2,159,723)
Housing Assistance Payments	(3,310,796)
Net Cash Provided by Operating Activities	210,897
Cash Flows from Investing Activities	
Interest Earned Received	654
Net Cash Provided by Investing Activities	654
Cash Flows from Capital and Related Activities	
Capital Grant Funds Received	102,200
Capital Assets Acquisition	(521,004)
Debt Proceeds	336,000
Principal Payments	(93,159)
Interest Payments	(180,400)
Net Cash (Used) by Capital and Related Activities	(356,363)
Change in Cash and Cash Equivalents	(144,812)
Cash and Cash Equivalents - Beginning of Year	2,073,159
Cash and Cash Equivalents - End of Year	$ 1,928,347
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (137,832)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	583,172
(Increases) Decreases in:	
Accounts Receivables, Net of Allowance	(18,016)
Prepaid Expenses and Other Assets	(7,345)
OPEB Asset	(63,860)
Deferred Outflow of Resources	(6,394)
Increases (Decreases) in:	
Accounts Payable	(18,899)
Accrued Liabilities	47,712
Intergovernmental Payables	2,193
Tenant Security Deposits	5,646
Accrued Compensated Absence	(6,910)
Accrued Pension Liability	(281,164)
Deferred Inflows of Resources	112,594
Net Cash Provided by Operating Activities	$ 210,897

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

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

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

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

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

Measurement Focus
The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the Authority finances meet the cash flow needs of its enterprise activity.

Fund Accounting
The Authority uses the enterprise fund to report on its financial position and results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The enterprise fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise Fund

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

Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. PH is operated under an Annual Contributions Contract with HUD, and HUD provides Operating Subsidy to enable the Authority to provide the housing at a rent that is based upon 30 percent of adjusted gross household income. PH also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvement. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

Rural Rental Housing Loans – Williamsport Terrace (WT) is a multiple family housing project with funding provided by the United States Department of Agriculture (USDA). The USDA provides an interest subsidy on the mortgage and pays rental assistance to the Authority on 15 of the 16 units in the project to enable the Authority to set rents based on 30 percent of the family's adjusted gross income for those units. Each month the rental assistance is paid to the Authority and the USDA deducts a portion of the mortgage payment from that rental assistance payment.

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

Enterprise Fund (Continued)

Housing Choice Vouchers (HCV) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to 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 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 Authority subsidizes the balance.

PIH Family Self-Sufficiency Program (FSS) – The Authority receives a grant from HUD that it uses to hire a coordinator who provides assistance and support for participants of the Housing Choice Voucher Program to move toward self-sufficiency and economic independence.

Business Activities – This is the activity of the Authority outside the scope of HUD and other government supported housing programs. This fund is used to account for operations related to management contracting performed by the Authority, and to account for operations related to residential rental housing owned by the Authority that is not supported by a Federal rental assistance contract, as well as other permissible miscellaneous activities the Authority undertakes.

Blended Component Units – PMHA Pickaway Terrace, LLC (PT), an entity formed in 2019 with the Authority as its sole member, is a nonprofit corporation owning real estate consisting of land and an apartment complex that provides housing primarily to senior citizens. PT has an on-going Housing Assistance Payments Contract, whereby HUD provides a subsidy for the difference between the affordable tenant rent and the fair market rents for the units. Separately issued audited financial statements for the LLC can be obtained from the Authority.

PMHA Eden Place, LLC (EP), an entity formed in 2020 with the Authority as its sole member, is a nonprofit corporation owning real estate consisting of land and an apartment complex that provides housing primarily to senior citizens. EP has an on-going Housing Assistance Payments Contract, whereby HUD provides a subsidy for the difference between the affordable tenant rent and the fair market rents for the units. Separately issued audited financial statements for the LLC can be obtained from the Authority.

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

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

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

Tenant Receivables – Recognition of Bad Debts
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for bad debts at December 31, 2022 is $5,600.

Property and Equipment
Property and equipment is recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. The capitalization policy amount is $5,000.

Useful Lives	
Buildings	27-40 years
Buildings and Leasehold Improvements	15
Furniture and Equipment	7
Autos	5
Computers	3

Depreciation is recorded on the straight-line method.

Investments
Investments, if any, are stated at fair value. Non-negotiable certificates of deposit and money market investments are stated at cost.

Net Position
Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Commissioners or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. PMHA applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available to be used.

Compensated Absences
Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws. All permanent employees will earn 4.0 hours sick leave per 80 hours of service. Unused sick leave may be accumulated without limit; however, only 25 percent up to a maximum of 160 hours will be paid upon separation. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will be paid upon separation.

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

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

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* GASB Statement No. 87 enhances the relevance and comparability 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 assets, 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**

Deposits
State statutes classify monies held by the Authority into three categories.

- Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

- Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

- Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

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

The carrying amount of the Authority's deposits was $1,928,347, including $525 petty cash, at December 31, 2022. The corresponding bank balances were $2,088,106. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, as of December 31, 2022. $750,885 was covered by federal depository insurance, while $1,003,895 was collateralized with securities pledged in the name of the Authority, and $333,326 was held in trust.

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 that are collateralized are 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 in single financial institution collateral pools at the Federal Reserve banks or at member banks of the Federal Reserve system, in the name of the respective depository banks and pledged as a pool of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Restricted Cash
The restricted cash balance of $702,399 on the financial statements represents the following:

Unspent cash advanced by HUD for HCV Housing Assistance Payments (HAP)	$ 6,870
Family Self-Sufficiency Escrows	39,562
Replacement Reserves of the Rural Housing Williamsport Terrace Project	83,487
Tenant Security Deposits	63,853
Construction and Replacement Resreves of the Eden Place Project	175,301
Replacement Reserve and Debt Related Escrows of the Pickaway Terrace Project	333,326
Total Restricted Cash	$ 702,399

Investments
In accordance with the Ohio Revised Code and HUD regulations, the Authority is permitted to invest in certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based or linked to another asset or index, or both, separate from the financial instrument, contract or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

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

Investments (Continued)
Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement and investment policy specifically requires compliance with HUD requirements.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority's practice to do business with more than one depository.

The Authority had no investments in 2022.

NOTE 4: **CAPITAL ASSETS**

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

	Balance 12/31/2021	Additions	Disposals	Balance 12/31/2022
Capital Assets Not Being Depreciated				
Land	$ 780,723	$ 12,450	$ 0	$ 793,173
Construction in Progress	348,238	48,737	0	396,975
Total Capital Assets Not Being Depreciated	1,128,961	61,187	0	1,190,148
Capital Assets Being Depreciated				
Buildings and Improvements	18,283,745	459,817	0	18,743,562
Furniture and Equipment	757,800	0	0	757,800
Total Capital Assets Being Depreciated	19,041,545	459,817	0	19,501,362
Accumulated Depreciation				
Buildings and Improvements	(11,374,547)	(567,686)	0	(11,942,233)
Furniture and Equipment	(736,491)	(15,486)	0	(751,977)
Total Accumulated Depreciation	(12,111,038)	(583,172)	0	(12,694,210)
Net Depreciable Assets	6,930,507	(123,355)	0	6,807,152
Total Capital Assets, Net	$ 8,059,468	$ (62,168)	$ 0	$ 7,997,300

NOTE 5: **COMPENSATED ABSENCES**

At December 31, 2022, based on the vesting method, $74,669 was accrued by the Authority for unused vacation and sick time. The full liability is considered to be a noncurrent liability.

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (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 plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (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. For those who retired prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

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

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

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

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

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

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

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

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

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

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

The Authority's contractually required contributions used to fund pension benefits was $99,612 for fiscal year ending December 31, 2022.

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

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability: Prior Measurement Date	0.004786%
Proportion of the Net Pension Liability: Current Measurement Date	0.004914%
Change in Proportionate Share	0.000128%
Proportionate Share of the Net Pension Liability	$ 427,538
Pension Expense	$ (32,523)

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

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

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

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 21,795
Changes of assumptions	53,463
Changes in proportion and differences between Authority contributions and proportionate share of contributions	31,254
Authority contributions subsequent to the measurement date measurement date	99,612
Total Deferred Outflows of Resources	$ 206,124
Deferred Inflows of Resources	
Net difference between projected and acdtual earnings on pension plan investments	$ 508,541
Differences between expected and actual experience	9,377
Total Deferred Inflows of Resources	$ 517,918

$99,612 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan
Year Ending December 31:	
2023	$ (40,513)
2024	(170,416)
2025	(119,580)
2026	(80,897)
Total	$ (411,406)

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (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 benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

	Traditional Pension Plan
Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	3.25 percent
Future Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent, including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent, including wage inflation
COLA or Ad Hoc COLA	
Pre 1/7/2013 retirees:	3 percent, simple
Post 1/7/2013 retirees:	
Current Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple
Prior Measurement Date:	0.50 percent, simple through 202[illegible] then 2.15 percent simple
Investment Rate of Return	
Current Measurement Date:	6.9 percent
Prior Measurement Date:	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

Actuarial Assumptions – OPERS (Continued)

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 1,127,222	$ 427,538	$ 154,693

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

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

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

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

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

Net OPEB Asset (Continued)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2021, measurement date health care valuation.

In order to qualify for postemployment health care coverage, generally, age and service retirees under the traditional pension and combined plans must be at least age sixty with twenty or more years of qualifying Ohio service credit, or thirty years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the Traditional Pension Plan and Combined Plan.

Employer contribution rates are expressed as a percentage of covered payroll. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. None of the Authority's contractually required contributions were allocated to health care for the fiscal year ending December 31, 2022.

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

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

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

	OPERS
Proportion of the Net OPEB Asset:	
Prior Measurement Date	0.004457%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.004574%
Change in Proportionate Share	0.000117%
Proportionate Share of the Net OPEB Asset	$ 143,265
OPEB Expense	$ (106,689)

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

	OPERS
Deferred Outflows of Resources	
Changes in proportion and differences between Authority contributions and proportionte share of contributions	$ 11,244
Total Deferred Outflows of Resources	$ 11,244
Deferred Inflows of Resources	
Net difference between projected and acrtual earnings on OPEB plan investments	$ 68,297
Differences between expected and actual experience	21,731
Changes of assumptions	57,991
Total Deferred Inflows of Resources	$ 148,019

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

	OPERS
Year Ending December 31:	
2023	$ (80,729)
2024	(31,314)
2025	(14,924)
2026	(9,808)
Total	$ (136,775)

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

Actuarial Assumptions - OPERS

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

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

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

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.

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

Actuarial Assumptions - OPERS

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

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

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

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

Actuarial Assumptions – OPERS (Continued)

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$ 84,253	$ 143,265	$ 192,245

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

NOTE 7: **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 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 144,813	$ 143,265	$ 141,428

NOTE 8: **ECONOMIC DEPENDENCY**

The Authority is economically dependent on receiving operating subsidies from HUD.

NOTE 9: **RISK MANAGEMENT**

The Authority is exposed to various risk of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public official's liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHRP). SHARP is an insurance pool comprised of forty (40) housing authorities in Ohio, of which the Authority is a member.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year. Health, dental, vision, and life insurance is offered to Authority employees through a commercial insurance company.

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

NOTE 10: LONG-TERM DEBT – DIRECT BORROWINGS

The Authority manages a multiple family housing project funded by the USDA under its Rural Rental Housing program. The first Promissory Note secured by the property is a 50 year note dated May 10, 1985 in the amount of $538,620. The rate is 11.875% but is subsidized by the USDA in an amount of $4244.53 monthly. The monthly installment on the note is $1172.97. A second Promissory Note secured by the property is dated 4/19/2011 in the amount of $300,000. The rate is 4.625 percent but is subsidized by the USDA in a monthly amount of $649.01. The monthly installment on the note is $637.30. Payments on the note are based on a repayment of 50 years but all indebtedness on the note shall be due and payable on April 19, 2041. Payments required for the USDA mortgages vary based on a calculation performed on a monthly basis using the standard loan payment amount, overages on tenant rental amounts, and the rental assistance requested. In the event of default, the government may declare all indebtedness to be immediately due and payable. The outstanding balances on the notes at December 31, 2022 are $421,205 and $276,868 respectively.

The Authority has a mortgage note dated July 27, 2021 in the amount of $100,000 payable to The Savings Bank. The rate is 4 percent payable in monthly installments of $477.60 per month for 30 years. The mortgage is secured by property at 341 E High St., in Circleville. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2022 is $97,492.

The Authority has a mortgage note dated September 15, 2021 in the amount of $140,000 payable to The Savings Bank. The rate is 4% payable in monthly installments of $668.56 per month for 30 years. The mortgage is secured by property at 110 Park St., in Circleville. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2022 is $136,896.

The Authority has a mortgage note dated March 10, 2022 in the amount of $140,000 payable to The Savings Bank. The rate is 4% payable in monthly installments of $668.68 per month for 30 years. The mortgage is secured by property at 357 Eva Drive, in Circleville. In the event of default, the rate on the note shall increase 2% and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2022 is $138,177.

The Authority has a mortgage note dated July 29, 2022 in the amount of $196,000 payable to The Savings Bank. The rate is 5% payable in monthly installments of $1052.69 per month for 30 years. The mortgage is secured by property at 164 Fourth Avenue, in Circleville. In the event of default, the rate on the note shall increase 2% and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2022 is $194,835.

NOTE 10: **LONG-TERM DEBT** (Continued)

PMHA Pickaway Terrace, LLC, a wholly owned subsidiary of the Authority, has a mortgage note dated June 1, 2019 in the amount of $2,632,500 payable to Centennial Mortgage, Inc. The rate is 3.81 percent payable in monthly installments of $11,337.94 for 35 years. The mortgage is secured by the Pickaway Terrace property in Circleville, Ohio. PMHA Pickaway Terrace, LLC has the right to prepay this mortgage note in whole on the last day of any calendar month and concurrently pay to Centennial Mortgage, LLC, an initial prepayment premium of 10 percent, which decreases 1 percent each year until 2029, after which there is no prepayment premium. In the event of default continuing for 30 days, at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2022 is $2,501,368.

PMHA Eden Place, LLC, a wholly owned subsidiary of the Authority, has a mortgage note dated September 30, 2020 in the amount of $1,570,000 payable to The Savings Bank. The rate is 4 percent payable in monthly installments of $7,497.11 per month for 30 years. The mortgage is secured by a 40-unit Eden Place apartment property in Circleville, Ohio. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2022 is $1,506,103.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022:

	Balance at 12/31/2021	Issued	Retired	Balance at 12/31/2022	Due Within One Year
Long-Term Liabilities					
USDA Note Payable	$ 435,275	$ 0	$ (14,070)	$ 421,205	$ 15,835
USDA Note Payable	279,434	0	(2,566)	276,868	2,687
Note Payable - East High Street	99,284	0	(1,792)	97,492	1,866
Note Payable - Park Street	139,389	0	(2,493)	136,896	2,594
Note Payable - Eva Drive	0	140,000	(1,823)	138,177	2,544
Note Payable - Fourth Street	0	196,000	(1,165)	194,835	2,958
Note Payable - PMHA Pickaway Terrace, LLC	2,541,528	0	(40,160)	2,501,368	41,717
Note Payable - PMHA Eden Place, LLC	1,535,193	0	(29,090)	1,506,103	30,273
FSS Escrows	21,780	24,805	(7,023)	39,562	0
Accrued Compensated Absences	81,579	66,003	(72,913)	74,669	0
Net Pension Liability	708,702	0	(281,164)	427,538	0
	$ 5,842,164	$ 426,808	$ (454,259)	$ 5,814,713	$ 100,474

NOTE 10: **LONG-TERM DEBT** (Continued)

Long-term debt principal and interest for the years ending December 31 are as follows:

Year	Principal	Interest	Total
2023	$ 100,474	$ 240,641	$ 341,115
2024	105,639	235,476	341,115
2025	111,652	229,463	341,115
2026	117,865	223,250	341,115
2027	124,540	216,575	341,115
2028-2032	742,228	963,354	1,705,582
2033-2037	817,154	720,376	1,537,530
2038-2042	1,021,177	559,477	1,580,654
2043-2047	975,749	327,604	1,303,353
2048-2052	947,365	124,469	1,071,834
2053-2054	209,101	6,699	215,800
Total	$ 5,272,944	$ 3,847,384	$ 9,120,328

NOTE 11: **ACCRUED LIABILITIES**

The following is the detail of accrued liabilities at December 31, 2022:

Accrued Payroll and Payroll Taxes	$ 77,811
Other Accrued Liabilities (Utilities)	22,850
Total Accrued Liabilities	$ 100,661

NOTE 12: **COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of the Authority. The investments of the pension and other postemployment benefit plans in which the Authority participates fluctuates with market conditions and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact of the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE YEARS (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.004914%	0.004786%	0.004450%	0.004510%	0.004085%	0.005064%	0.005180%	0.004064%	0.004064%
Authority's Proportionate Share of the Net Pension Liability	$ 427,538	$ 708,702	$ 879,573	$ 1,235,199	$ 640,857	$ 1,149,948	$ 897,242	$ 498,921	$ 490,164
Authority's Covered Payroll	$ 713,129	$ 674,043	$ 626,150	$ 609,236	$ 558,692	$ 561,020	$ 552,569	$ 591,258	$ 601,615
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.14%	140.47%	202.75%	114.71%	204.97%	162.38%	84.38%	81.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(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.

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

See accompanying notes to the required supplementary information.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions	$ 99,612	$ 99,838	$ 94,366	$ 87,661	$ 85,293	$ 72,630	$ 67,322	$ 66,308	$ 70,951	$ 78,210
Contributions in Relation to the Contractually Required Contribution	(99,612)	(99,838)	(94,366)	(87,661)	(85,293)	(72,630)	(67,322)	(66,308)	(70,951)	(78,210)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll	$ 711,514	$ 713,129	$ 674,043	$ 626,150	$ 609,236	$ 558,692	$ 561,020	$ 552,569	$ 591,258	$ 601,615
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

See accompanying notes to the required supplementary information.

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

	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.004574%	0.004457%	0.004144%	0.004200%	0.003970%	0.004990%
Authority's Proportion Share of the Net OPEB Liability/(Asset)	$ (143,265)	$ (79,405)	$ 572,394	$ 547,581	$ 431,113	$ 504,007
Authority's Covered Payroll	$ 713,129	$ 674,043	$ 626,150	$ 609,236	$ 582,900	$ 586,350
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	20.09%	11.78%	91.41%	89.88%	73.96%	85.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,829	$ 11,727	$ 11,695
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	(5,829)	(11,727)	(11,695)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 711,514	$ 713,129	$ 674,043	$ 626,150	$ 609,236	$ 582,900	$ 586,350	$ 584,750
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%

(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.

See accompanying notes to the required supplementary information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

Net OPEB Liability

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

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

Pickaway Metropolitan Housing Authority (OH059)
CIRCLEVILLE, OH
Entity Wide Balance Sheet Summary

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

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	$302,744	$42,989		$131,798	$15,783	$732,634	$1,225,948		$1,225,948
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted		$508,627			$83,487	$46,432	$638,546		$638,546
114 Cash - Tenant Security Deposits	$14,168	$33,422		$8,967	$7,296		$63,853		$63,853
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	$316,912	$585,038	$0	$140,765	$106,566	$779,066	$1,928,347	$0	$1,928,347
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects			$2,449				$2,449		$2,449
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous	$9,103					$2,199	$11,302		$11,302
126 Accounts Receivable - Tenants	$10,941	$3,226		$374	$3,801		$18,342		$18,342
126.1 Allowance for Doubtful Accounts -Tenants	-$4,000	$0		$0	$0		-$4,000		-$4,000
126.2 Allowance for Doubtful Accounts - Other	-$500		$0		$0	-$1,100	-$1,600		-$1,600
127 Notes, Loans, & Mortgages Receivable - Current	$5,971			$3,600	$100		$9,671		$9,671
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable									
120 Total Receivables, Net of Allowances for Doubtful Accounts	$21,515	$3,226	$2,449	$3,974	$3,901	$1,099	$36,164	$0	$36,164
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets	$42,373	$23,764		$3,231	$2,441	$22,173	$93,982		$93,982
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From						$2,449	$2,449	-$2,449	$0
145 Assets Held for Sale									
150 Total Current Assets	$380,800	$612,028	$2,449	$147,970	$112,908	$804,787	$2,060,942	-$2,449	$2,058,493
161 Land	$449,081	$223,944		$105,148	$15,000		$793,173		$793,173
162 Buildings	$11,504,055	$4,925,707		$928,526	$1,354,616		$18,712,904		$18,712,904
163 Furniture, Equipment & Machinery - Dwellings	$173,265	$242,376		$13,944			$429,585		$429,585
164 Furniture, Equipment & Machinery - Administration	$234,707	$26,932			$4,653	$61,923	$328,215		$328,215
165 Leasehold Improvements						$30,658	$30,658		$30,658
166 Accumulated Depreciation	-$8,451,626	-$3,074,759		-$228,022	-$875,269	-$64,534	-$12,694,210		-$12,694,210
167 Construction in Progress		$396,975					$396,975		$396,975
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	$3,909,482	$2,741,175	$0	$819,596	$499,000	$28,047	$7,997,300	$0	$7,997,300

Pickaway Metropolitan Housing Authority (OH059)
CIRCLEVILLE, OH
Entity Wide Balance Sheet Summary

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

171 Notes, Loans and Mortgages Receivable - Non-Current				$5,750			$5,750		$5,750
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets	$57,305			$49,159		$42,980	$149,444		$149,444
176 Investments in Joint Ventures									
180 Total Non-Current Assets	$3,966,787	$2,741,175	$0	$874,505	$499,000	$71,027	$8,152,494	$0	$8,152,494
200 Deferred Outflow of Resources	$86,948			$65,210		$65,210	$217,368		$217,368
290 Total Assets and Deferred Outflow of Resources	$4,434,535	$3,353,203	$2,449	$1,087,685	$611,908	$941,024	$10,430,804	-$2,449	$10,428,355
311 Bank Overdraft									
312 Accounts Payable <= 90 Days	$5,063	$9,571		$447	$936	$399	$16,416		$16,416
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable	$56,673	$7,216		$3,381	$1,299	$9,242	$77,811		$77,811
322 Accrued Compensated Absences - Current Portion									
324 Accrued Contingency Liability									
325 Accrued Interest Payable		$7,942			$418		$8,360		$8,360
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects									
333 Accounts Payable - Other Government	$16,156						$16,156		$16,156
341 Tenant Security Deposits	$14,168	$33,422		$8,967	$7,296		$63,853		$63,853
342 Unearned Revenue									
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$71,990		$9,962	$18,522		$100,474		$100,474
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities									
346 Accrued Liabilities - Other	$12,020	$10,830					$22,850		$22,850
347 Inter Program - Due To			$2,449				$2,449	-$2,449	$0
348 Loan Liability - Current									
310 Total Current Liabilities	$104,080	$140,971	$2,449	$22,757	$28,471	$9,641	$308,369	-$2,449	$305,920
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$3,935,481		$557,438	$679,551		$5,172,470		$5,172,470
352 Long-term Debt, Net of Current - Operating Borrowings									
353 Non-current Liabilities - Other						$39,562	$39,562		$39,562
354 Accrued Compensated Absences - Non Current	$22,104			$29,826	$3,382	$19,357	$74,669		$74,669
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities	$171,016			$128,261		$128,261	$427,538		$427,538
350 Total Non-Current Liabilities	$193,120	$3,935,481	$0	$715,525	$682,933	$187,180	$5,714,239	$0	$5,714,239
300 Total Liabilities	$297,200	$4,076,452	$2,449	$738,282	$711,404	$196,821	$6,022,608	-$2,449	$6,020,159

Pickaway Metropolitan Housing Authority (OH059)
CIRCLEVILLE, OH
Entity Wide Balance Sheet Summary

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

400 Deferred Inflow of Resources	$266,375			$199,781		$199,781	$665,937		$665,937
508.4 Net Investment in Capital Assets	$3,909,482	-$1,266,296	$0	$252,196	-$199,073	$28,047	$2,724,356		$2,724,356
511.4 Restricted Net Position	$0	$508,627	$0		$83,487	$6,870	$598,984		$598,984
512.4 Unrestricted Net Position	-$38,522	$34,420	$0	-$102,574	$16,090	$509,505	$418,919		$418,919
513 Total Equity - Net Assets / Position	$3,870,960	-$723,249	$0	$149,622	-$99,496	$544,422	$3,742,259	$0	$3,742,259
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$4,434,535	$3,353,203	$2,449	$1,087,685	$611,908	$941,024	$10,430,804	-$2,449	$10,428,355

Pickaway Metropolitan Housing Authority (OH059)
CIRCLEVILLE, OH
Entity Wide Revenue and Expense Summary

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

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$320,172	$920,571		$80,544	$45,085		$1,366,372		$1,366,372
70400 Tenant Revenue - Other	$9,746	$382			$2,203		$12,331		$12,331
70500 Total Tenant Revenue	$329,918	$920,953	$0	$80,544	$47,288	$0	$1,378,703	$0	$1,378,703
70600 HUD PHA Operating Grants	$456,681		$29,300			$3,626,512	$4,112,493		$4,112,493
70610 Capital Grants	$102,200						$102,200		$102,200
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					$126,252		$126,252		$126,252
71100 Investment Income - Unrestricted	$12	$29		$70	$47	$203	$361		$361
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery						$21,174	$21,174		$21,174
71500 Other Revenue	$9,555	$16,191		$98,721	$861	$48,682	$174,010	-$65,070	$108,940
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted		$293					$293		$293
70000 Total Revenue	$898,366	$937,466	$29,300	$179,335	$174,448	$3,696,571	$5,915,486	-$65,070	$5,850,416
91100 Administrative Salaries	$133,180	$58,756		$142,585	$12,706	$183,189	$530,416		$530,416
91200 Auditing Fees	$1,134	$15,666		$1,701		$6,614	$25,115		$25,115
91300 Management Fee		$55,278			$9,792		$65,070	-$65,070	$0
91310 Book-keeping Fee									
91400 Advertising and Marketing	$910	$1,111		$317	$182	$4,475	$6,995		$6,995
91500 Employee Benefit contributions - Administrative	-$22,687	$21,329		-$28,881	$4,758	-$26,613	-$52,094		-$52,094
91600 Office Expenses	$20,282	$31,145		$23,853	$2,177	$93,630	$171,087		$171,087
91700 Legal Expense	$3,490	$475		$355	$1,216	$641	$6,177		$6,177
91800 Travel	$3,291	$513		$273	$104	$7,570	$11,751		$11,751
91810 Allocated Overhead									
91900 Other	$655			$489		$3,721	$4,865		$4,865
91000 Total Operating - Administrative	$140,255	$184,273	$0	$140,692	$30,935	$273,227	$769,382	-$65,070	$704,312
92000 Asset Management Fee									
92100 Tenant Services - Salaries			$22,365				$22,365		$22,365

Pickaway Metropolitan Housing Authority (OH059)
CIRCLEVILLE, OH
Entity Wide Revenue and Expense Summary

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

92200 Relocation Costs		$3,738					$3,738		$3,738
92300 Employee Benefit Contributions - Tenant Services			$6,935				$6,935		$6,935
92400 Tenant Services - Other	$948						$948		$948
92500 Total Tenant Services	$948	$3,738	$29,300	$0	$0	$0	$33,986	$0	$33,986
93100 Water	$63,914	$41,033		$1,596	$4,498		$111,041		$111,041
93200 Electricity	$15,861	$113,072		$1,124	$1,899		$131,956		$131,956
93300 Gas	$12,802	$4,450		$496	$403		$18,151		$18,151
93400 Fuel									
93500 Labor									
93600 Sewer	$63,913	$41,033		$1,595	$4,498		$111,039		$111,039
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	$156,490	$199,588	$0	$4,811	$11,298	$0	$372,187	$0	$372,187
94100 Ordinary Maintenance and Operations - Labor	$84,186	$51,528		$10,338	$10,127		$156,179		$156,179
94200 Ordinary Maintenance and Operations - Materials and Other	$58,383	$60,233		$2,317	$8,493		$129,426		$129,426
94300 Ordinary Maintenance and Operations Contracts	$185,046	$153,497		$14,219	$26,088	$8,809	$387,659		$387,659
94500 Employee Benefit Contributions - Ordinary Maintenance	-$15,942	$11,644		-$2,826	$1,747		-$5,377		-$5,377
94000 Total Maintenance	$311,673	$276,902	$0	$24,048	$46,455	$8,809	$667,887	$0	$667,887
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	$0
96110 Property Insurance	$29,219	$36,085		$2,427	$2,835		$70,566		$70,566
96120 Liability Insurance	$4,215					$2,527	$6,742		$6,742
96130 Workmen's Compensation									
96140 All Other Insurance	$3,944	$700		$32	$115	$7,566	$12,357		$12,357
96100 Total insurance Premiums	$37,378	$36,785	$0	$2,459	$2,950	$10,093	$89,665	$0	$89,665
96200 Other General Expenses	$6,899	$6,240		$3,180		$539	$16,858		$16,858
96210 Compensated Absences				$5,233	$798		$6,031		$6,031
96300 Payments in Lieu of Taxes	$16,368						$16,368		$16,368
96400 Bad debt - Tenant Rents	$17,647	$384			$2,462		$20,493		$20,493
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	$40,914	$6,624	$0	$8,413	$3,260	$539	$59,750	$0	$59,750

Pickaway Metropolitan Housing Authority (OH059)
CIRCLEVILLE, OH

Entity Wide Revenue and Expense Summary

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

96710 Interest of Mortgage (or Bonds) Payable		$156,846		$17,762	$62,565		$237,173		$237,173
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	$0	$156,846	$0	$17,762	$62,565	$0	$237,173	$0	$237,173
96900 Total Operating Expenses	$687,658	$864,756	$29,300	$198,185	$157,463	$292,668	$2,230,030	-$65,070	$2,164,960
97000 Excess of Operating Revenue over Operating Expenses	$210,708	$72,710	$0	-$18,850	$16,985	$3,403,903	$3,685,456	$0	$3,685,456
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments						$3,273,557	$3,273,557		$3,273,557
97350 HAP Portability-In						$43,606	$43,606		$43,606
97400 Depreciation Expense	$387,407	$122,415		$28,091	$44,124	$1,135	$583,172		$583,172
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	$1,075,065	$987,171	$29,300	$226,276	$201,587	$3,610,966	$6,130,365	-$65,070	$6,065,295
10010 Operating Transfer In									
10020 Operating transfer Out									
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In									
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In									
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$176,699	-$49,705	$0	-$46,941	-$27,139	$85,605	-$214,879	$0	-$214,879
11020 Required Annual Debt Principal Payments	$0	$74,700	$0	$7,273	$16,636	$0	$98,609		$98,609
11030 Beginning Equity	$4,047,659	-$588,962	$0	$111,981	-$72,357	$458,817	$3,957,138		$3,957,138
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	-$84,582		$84,582			$0		$0
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									

Entity Wide Revenue and Expense Summary

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

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						$537,552	$537,552		$537,552
11180 Housing Assistance Payments Equity						$6,870	$6,870		$6,870
11190 Unit Months Available	1296	1200		85	192	7932	10705		10705
11210 Number of Unit Months Leased	1285	1149		85	189	6364	9072		9072
11270 Excess Cash	$178,389						$178,389		$178,389
11610 Land Purchases	$0						$0		$0
11620 Building Purchases	$102,200						$102,200		$102,200
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

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Federal Grantor/ *Pass-Through Grantor/* Program Title	**Assistance Listing Number**	**Expenditures**	**Loan Balance**
U.S. Department of Housing and Urban Development			
Direct Awards:			
Public and Indian Housing	14.850	$ 440,525	$ 0
Public Housing Capital Fund	14.872	118,356	0
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	3,626,512	0
Total Housing Voucher Cluster		3,626,512	0
Family Self-Sufficiency Program	14.896	29,300	0
Total U.S. Department of Housing and Urban Development		4,214,693	0
U.S. Department of Agriculture			
Direct Award:			
Rural Rental Housing Loans	10.415	126,252	714,709
Total U.S. Department of Agriculture		126,252	714,709
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 4,340,945	$ 714,709

See the accompanying notes to the Schedule of Expenditures of Federal Awards

PICKAWAY METROPOLITAN HOUSING AUTHORITY
PICKAWAY COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

NOTE 1: **BASIS OF PRESENTATION**

The accompanying schedule of Expenditures of federal awards (the Schedule) includes the federal award activity of the Pickaway Metropolitan Housing Authority under programs of the federal government for the year ended December 31, 2022. 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 Pickaway Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pickaway Metropolitan Housing Authority.

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

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

NOTE 3: **INDIRECT COST RATE**

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

bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

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

Pickaway Metropolitan Housing Authority
Pickaway County
176 Rustic Drive
Circleville, Ohio 43113

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 Pickaway Metropolitan Housing Authority, Pickaway County, (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 29, 2023. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority.

Report on Internal Control Over Financial Reporting

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

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

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

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

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
June 29, 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

Pickaway Metropolitan Housing Authority
Pickaway County
176 Rustic Drive
Circleville, Ohio 43113

To the Board of Commissioners

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Pickaway Metropolitan Housing Authority's, Pickaway County, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Pickaway Metropolitan Housing Authority's major federal program for the year ended December 31, 2022. Pickaway 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, Pickaway Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

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

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

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
June 29, 2023

Pickaway Metropolitan Housing Authority
Pickaway County
Schedule of Findings
2 CFR § 200.515
December 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	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 Choice 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?	No

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.

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2021-001	Significant Deficiency – Restatement of Prior Period Net Position	Yes	Fully Corrected for the Fiscal Year Ending December 31, 2021 and Not Applicable to the Fiscal Year Ending December 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

PICKAWAY COUNTY METROPOLITAN HOUSING AUTHORITY

PICKAWAY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 9/19/2023

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