PIKE METROPOLITAN HOUSING AUTHORITY PIKE COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Pike County Metropolitan Housing Authority
2626 Shyville Road
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We have reviewed the *Independent Auditor's Report* of the Pike County Metropolitan Housing Authority, Pike County, prepared by Whited, Seigneur, Sams & Rahe CPAs, LLP, for the audit period January 1, 2021 through December 31, 2021. 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 Pike County Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 29, 2022

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PIKE COUNTY METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
DECEMBER 31, 2021

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PIKE COUNTY, OHIO
DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

July 28, 2022

Members of the Board of Commissioners
Pike Metropolitan Housing Authority
Waverly, Ohio

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Pike Metropolitan Housing Authority, Ohio, (the Authority) and its subsidiary, as of and for the year ended December 31, 2021, 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, based on our audit and the report of the other auditors, the financial statements present fairly, in all material respects, the financial position of the business-type activities of the Authority and its subsidiary as of December 31, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Beverly Senior Housing L.P., a component unit, which represents 20%, (17%) and 0%, respectively, of the total assets, net position, and revenues of the Authority. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Beverly Senior Housing L.P., is based solely on the report 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 (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.

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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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.

Emphasis of Matter

As discussed in Note 15 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent period of the Authority. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, 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 taken as a whole. The Financial Data Schedules are presented for purposes of additional analysis as required by *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 this 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated July 28, 2022 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 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 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.

Respectfully submitted,

Whited Seigneur Sams & Rahe

WHITED SEIGNEUR SAMS & RAHE, CPAs, LLP

PIKE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Unaudited)

This Management's Discussion and Analysis (MD&A) for the Pike Metropolitan Housing Authority (the Authority) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in the Authority's financial position. It is designed to focus on the financial activity for the fiscal year ended December 31, 2021, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Financial Highlights

- The Authority's total assets and deferred outflows of resources were $8,846,786 and $7,312,502 for 2021 and 2020, respectively. The Authority-wide statements reflect an increase in total assets of $1,534,284 for 2021.

- Revenues decreased by $259,788 during 2021 and were $4,245,858 and $4,505,646 for 2021 and 2020, respectively.

- The total expenses of all Authority programs decreased by $362,007. Total expenses were $3,772,853 and $4,134,860 for 2021 and 2020, respectively.

- On December 31, 2021, the Authority purchased the majority ownership of Beverly Senior Housing L.P.

Overview of the Authority's Financial Statements

The Basic Financial Statements included elsewhere in this report are:

the Statement of Net Position,
the Statement of Revenues, Expenses and Changes in Net Position, and
the Statement of Cash Flows.

The ***Statement of Net Position*** is very similar to, and what most people would think of as, a balance sheet. In the first half it reports the value of assets and deferred outflows of resources the Authority holds at December 31, 2021, that is, the cash the Authority has, the amounts that are owed the Authority from others, the value of the equipment it owns and deferred outflows of resources. The other half of the report shows the liabilities the Authority has, that is what it owes others at December 31, 2021; the deferred inflows of resources, and what net position (or what is commonly referred to as equity) the Authority has at December 31, 2021. The two parts of the report are in balance, thus why many might refer to this type of report as a balance sheet, in that the total of the assets and deferred outflows of resources part equals the total of the liabilities, plus deferred inflows of resources plus net position (or equity) part.

In the statement, the net position part is broken out into three broad categories:

Net Investment in Capital Assets
Restricted Net Position, and
Unrestricted Net Position.

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

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

The balance in Unrestricted Net Position is what is left over of net position after what is classified in the two previously mentioned components of net position. It reflects the value of assets available to the Authority to use to further its purposes.

The ***Statement of Revenues, Expenses, and Changes in Net Position*** is very similar to and may commonly be referred to an income statement. It is in essence a report showing what the Authority earned, that is what its revenues or incomes were, versus what expenses the Authority had over the same period. It shows how the net position (or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if the Authority had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the net position (or equity). The bottom line of the report, the ending total net position, is what is referred to in the above discussion of the statement of net position.

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

Authority's Programs

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

Significant programs include the following:

Under the ***Section 8 Housing Choice Voucher program***, the Authority subsidizes the rents of low to moderate-income families through Housing Assistance Payments contracts when those families rent from private landlords. This is called a tenant-based program because when the tenant family moves, the rental assistance goes with the family to the new rental unit.

Under the ***Mainstream Voucher program***, the Authority assists non-elderly persons with disabilities. Aside from serving a special population, mainstream vouchers are administered using the same rules as other housing choice vouchers.

Under the ***Business Activities program***, the Authority owns several rental properties. These properties are not related to the HUD funded activities, and that is why it is reported as a business activity.

Component Unit- Beverly Senior Housing L.P. owns and operates 32-units of low-income housing tax credit apartments at Beverly Senior Apartments in Waverly, Ohio. The component unit has a year-end of December 31, 2021.

Condensed Financial Statements

Statement of Net Position

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

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

	2021	2020
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 2,032,003	$ 1,692,466
Capital Assets	6,656,814	5,419,821
Total Assets	8,688,817	7,112,287
Deferred Outflows of Resources	157,969	200,215
Total Assets and Deferred Outflows of Resources	$ 8,846,786	$ 7,312,502
Liabilities		
Current Liabilities	$ 414,154	$ 449,703
Long-Term Liabilities	5,790,315	4,530,548
Total Liabilities	6,204,469	4,980,251
Deferred Inflows of Resources	482,610	281,542
Net Position		
Net Investment in Capital Assets	2,169,071	1,912,792
Restricted	667,556	286,807
Unrestricted	(676,920)	(148,890)
Total Net Position	2,159,707	2,050,709
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 8,846,786	$ 7,312,502

Major Factors Affecting the Statement of Net Position

The biggest changes on this statement were to capital assets, long-term debt and accrued interest payable due to purchasing the majority share of ownership in Beverly Senior Housing L.P. Other than long-term debt and the related accrued interest payable, net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. An asset reported in fiscal year 2021, but a liability reported in fiscal year 2020 is due to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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Statement of Revenues, Expenses and Changes in Net Position

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

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

	2021	2020
Revenues		
Tenant Revenues- Rent and Others	$ 459,756	$ 423,691
Operating Subsidies and Grants	2,727,725	2,918,776
Investment Income	9,397	9,606
Other Revenues	1,048,980	1,153,573
Total Revenues	4,245,858	4,505,646
Expenses		
Administrative	558,351	708,259
Utilities	76,614	76,592
Maintenance	331,168	425,139
General	72,074	78,019
Housing Assistance Payments	2,308,896	2,398,097
Depreciation	425,750	448,754
Total Expenses	3,772,853	4,134,860
Net Increase (Decrease) in Net Position	$ 473,005	$ 370,786

Major Factors Affecting the Statement of Revenue, Expenses and Changes In Net Position

Government operating grants decreased by $191,051 from 2020 to 2021 due to decreased government subsidy of rents. Other revenue decreased $104,593 from 2020 to 2021 primarily due to a decrease in contract service fees, management fees and developer fees collected. Administrative expenses decreased $149,908 from 2020. Utilities expense remained consistent from 2020 to 2021. Maintenance expenses decreased $93,971 from 2020 to 2021. Housing assistance payments decreased $89,201 from 2020 due to decreased subsidies.

Capital Assets

The following is a condensed Statement of Changes in Capital Assets summarizing the change in Capital Assets, which is presented in detail in Note 5 of the notes to the basic financial statements.

Table 3- Condensed Statement of Changes in Capital Assets

	2021	2020
Land and Land Rights	$ 1,536,124	$ 1,226,150
Land Improvements	296,421	-
Buildings and Improvements	14,589,628	11,715,416
Equipment	469,313	304,511
Accumulated Depreciation	(10,234,672)	(7,826,256)
Total	$ 6,656,814	$ 5,419,821

Excluding the change in accumulated depreciation, capital assets increased by $3,645,409. The increase was due to adding the real property of the Beverly Senior Housing project in 2021.

Debt

The following is a summary of the changes in long-term debt throughout the year ending December 31, 2021.

Table 4- Condensed Statement of Changes in Debt Outstanding

Beginning Balance, January 1, 2021	$ 3,507,029
New debt	1,242,665
Principal payments	(101,285)
Debt forgiveness	(160,666)
Ending Balance, December 31, 2021	$ 4,487,743

Net debt balances increased $980,714 during 2021. More detailed information is presented in Note 10 of the notes to the financial statements.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance.
- Inflationary pressure on utility rates, supplies and other costs.
- Market rates for rental housing

Financial Contact

Questions concerning this report or requests for additional information should be directed to Pam Smith, Executive Director of the Pike Metropolitan Housing Authority, 2626 Shyville Road, Piketon, Ohio 45661.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 677,845
Restricted Cash and Cash Equivalents	709,312
Accounts Receivable, net	13,070
Lease Receivable	198,668
Notes Receivable, current	6,187
Interest Receivable, current	1,013
Prepaid Expenses & Other Assets	41,589
Total Current Assets	1,647,684
Noncurrent Assets:	
Notes Receivable	289,941
Interest Receivable	30,811
Net OPEB Asset	63,567
Capital Assets:	
Non-depreciable Capital Assets	1,536,124
Depreciable Capital Assets, net	5,120,690
Total Capital Assets	6,656,814
Total Assets	8,688,817
Deferred Outflows of Resources	
Pension	104,971
OPEB	52,998
	157,969
Total Assets and Deferred Outflows of Resources	$ 8,846,786

See the accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2021

Liabilities	
Current Liabilities:	
Accounts Payable	$ 39,177
Tenant Security Deposits	41,988
Accrued Wages and Payroll Taxes	11,928
Accrued Compensated Absences- Current	44,406
Current Portion of Long-Term Debt	267,874
Unearned Revenue	8,781
Total Current Liabilities	414,154
Noncurrent Liabilities:	
Accrued Compensated Absences	39,681
Long-Term Debt- Net of Current Portion	4,219,869
Operating Deficit Loans	7,281
Accrued Interest Payable	956,196
Net Pension Liability	567,288
Net OPEB Liability	-
Total Noncurrent Liabilities	5,790,315
Total Liabilities	6,204,469
Deferred Inflows of Resources	
Pension	272,239
OPEB	210,371
Total Deferred Inflows of Resources	482,610
Net Position:	
Net Investment in Capital Assets	2,169,071
Restricted Net Position	667,556
Unrestricted Net Position	(676,920)
Total Net Position	2,159,707
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 8,846,786

See the accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

Operating Revenues	
Government Grants	$ 2,727,725
Tenant Revenue	459,756
Other Revenue	1,048,980
Total Operating Revenues	4,236,461
Operating Expenses	
Administrative	558,351
Utilities	76,614
Maintenance	331,168
General	24,330
Housing Assistance Payments	2,308,896
Depreciation	425,750
Total Operating Expenses	3,725,109
Operating Income (Loss)	511,352
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	9,397
Interest Expense	(47,744)
Gain(Loss) on Disposition	-
Total Non-Operating Revenues (Expenses)	(38,347)
Change in Net Position	473,005
Acquisition of Equity in Component Unit	(364,007)
Total Net Position, Beginning of Year	2,050,709
Net Position, End of Year	$ 2,159,707

See the accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities	
Cash received from government grants	$ 2,727,725
Cash received from tenants	372,339
Other income received	838,135
Cash paid for housing assistance	(2,308,896)
Cash paid to employees and for benefits	(814,204)
Cash paid to vendors	(639,287)
Net cash provided (used) by operating activities	175,812
Cash Flow from Capital and Related Financing Activities	
Acquisition of capital assets	(131,511)
Principal paid on debt	(101,285)
Interest paid on debt	(82,299)
Debt proceeds	121,371
Net cash provided (used) by capital and related activities	(193,724)
Cash Flows from Investing Activities	
Interest income	2,999
Net cash provided by investing activities	2,999
Net increase (decrease) in cash and cash equivalents	(14,913)
Cash and cash equivalents, beginning	1,402,070
Cash and cash equivalents, ending	$ 1,387,157
Reconciliations of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ 511,352
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Debt Forgiveness	(160,666)
Depreciation	425,750
(Increase) Decrease in:	
Accounts Receivable- Tenant	(169)
Prepaid Expenses	(10,050)
Other Receivables	(50,179)
Net OPEB Asset	(63,567)
Deferred Outflows of Resources	42,246
Increase (Decrease) in:	
Accounts Payable	22,105
Accrued Compensated Absences	(14,782)
Tenants' Security Deposits	15,344
Accrued Wages and Payroll Taxes	2,189
Unearned Revenue	(102,592)
Net Pension/OPEB Liability	(642,237)
Deferred Inflows of Resources	201,068
Net Cash Used by Operating Activities	$ 175,812

See the accompanying notes to the basic financial statements.

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

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

Reporting Entity

The Authority was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The accompanying financial statements comply with the provision of GASB Statement 14, the Financial Reporting Entity, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34" and GASB 90, "Majority Equity Interests", 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 is 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 (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

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

Blended component units are separate legal entities that meet the component unit criteria above and whose governing body is the same or substantially the same as the Board of Commissioners of the Authority or the component unit provides services entirely to the Authority. The component unit is blended into those of the Authority by appropriate activity type to compose the primary government presentation.

These financial statements present the Authority and its blended component unit, an entity for which the Authority is considered to be financially accountable and which serve as the Authority's instruments to enhance its purpose to build and maintain affordable housing to low- and moderate-income families. All inter-entity balances and transactions are eliminated in the blending of financial statements.

Basis of Presentation
The Authority's financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

Fund Accounting
The Authority maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific revenues and expenses. The Authority uses a single enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the Authority is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

Basis of Accounting
Enterprise fund transactions are recorded on the accrual basis of accounting; revenues are recognized when earned and measurable and expenses are recognized as incurred.

Measurement Focus and Basis of Accounting
The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows and inflows of resources and all liabilities associated with the operation of the Authority are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Use of Estimates
The preparation of financial statements in accordance with generally accepted accounting principles 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.

Cash and Cash Equivalents
The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Capital Assets
Capital assets are 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. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15-27.5 years
Land Improvements	15 years
Equipment	7 years
Autos	5 years
Computers	5 years

Accounts Receivable
Accounts receivable consist of amounts due from tenants for rent and miscellaneous receivables which includes utilities owed to the Authority. An allowance for doubtful accounts has been recognized.

Note and Interest Receivable
The Authority has a note receivable of $274,654 due from Vansant Commons, L.P. The note was issued on November 28, 2017, accrues interest at 2.6% per annum. The note shall mature on the earlier of (a) November 28, 2067, or (b) the date on which the principal amount of this Note has been declared or automatically has become due and payable.

The Authority has a lease agreement with Vansant Commons, L.P. for land located at 633 Market Street and 2626 Shyville Road. Terms of the lease are for 75 years with annual payments of $49,667. At the end of the lease, Vansant Commons, L.P. shall become the owner. As of December 31, 2021, the lease receivable was $198,668.

The Authority also has a land contract which was recorded as a note receivable due from individuals which was entered into during fiscal year 2019. The original note was $43,200 at a zero percent (0%) annual rate with equal monthly installments of $600. The final installment is due on June 10, 2025. The balance outstanding on this note as of December 31, 2021 is $23,600. The financial statements reflect a present value for the note of $21,474 and deferred interest receivable of $2,126 based on a 5% imputed interest rate.

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

Capitalization of Interest
The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Revenue Recognition
Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which they relate, and all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis. Tenant rental revenues are recognized during the period of occupancy. Other receipts are recognized when the related expenses are incurred.

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

Revenues and Expenses
The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tax Liability
The Authority is by law exempt from all federal, state, and local taxes and assessments.

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

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

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Pensions/OPEB

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the defined benefit retirement plans discussed in Notes 6 and 7 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of financial 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 as an inflow or resources (revenue) until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the Statement of Net Position.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At December 31, 2021, the Authority had undeposited cash on hand (petty cash) of $150 which is included on the financial statements as part of cash and cash equivalents.

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

Deposits

At December 31, 2021, the carrying amount of the Authority's cash deposits was $1,387,157 and the bank balance was $1,437,483. Based on criteria described in GASB Statement No. 40*, Deposits and Investments Risk Disclosures*, as of December 31, 2021, deposits totaling $733,808 were covered by Federal Depository Insurance and deposits totaling $703,675 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $709,312 on the financial statements represents the following:

Tenant Security Deposits	$ 41,756
Vansant Pledged Reserves	245,354
Operating Reserve	76,392
Housing Choice Vouchers Equity	27,938
Insurance and Tax Escrows	25,503
Reserves for Replacement	292,369
	$ 709,312

NOTE 4: **RESTRICTED NET POSITION**

The Authority's restricted net position is as follows:

Housing Choice Voucher Program	$ 27,938
Vansant Pledged Reserves	245,354
Operating Reserve	76,392
Reserves for Replacement	292,369
Insurance and Tax Escrows	25,503
	$ 667,556

NOTE 5: CAPITAL ASSETS

A summary of capital assets at December 31, 2021 by class is as follows:

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021
Capital Assets Not Being Depreciated				
Land	$ 1,226,150	309,974	-	$ 1,536,124
Total Capital Assets Not Being Depreciated	1,226,150	309,974	-	1,536,124
Capital Assets Being Depreciated				
Land Improvements	-	296,421	-	296,421
Buildings and Improvements	11,715,416	2,901,453	(27,241)	14,589,628
Furniture, Equipment and Machinery	304,511	164,802	-	469,313
Subtotal Capital Assets Being Depreciated	12,019,927	3,362,676	(27,241)	15,355,362
Accumulated Depreciation	(7,826,256)	(2,408,416)	-	(10,234,672)
Net Depreciable Assets	4,193,671	954,260	(27,241)	5,120,690
Total Capital Assets, net	$ 5,419,821	$ 1,264,234	$ (27,241)	$ 6,656,814

NOTE 6: DEFINED BENEFIT PENSION PLAN

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

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

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

Ohio Revised Code limits the Authority’s obligation for these liabilities 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 and OPEB.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees).

The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or long-term net pension/OPEB liability on the accrual basis in the accompanying financial statements. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included as an intergovernmental payable on the accrual basis of accounting.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group.

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

Plan Description - Ohio Public Employees Retirement System (OPERS) (continued)

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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 initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

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

Plan Description - Ohio Public Employees Retirement System (OPERS) (continued)

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option 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:

2021 Statutory Maximum Contribution Rates	State and Local
Employer	14.0%
Employee *	10.0%
2021 Actual Contribution Rates	
Employer :	
Pension **	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

* Member contributions within the 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 the remainder going to pension.

The Authority's contractually required contribution to OPERS was $73,816 for fiscal year 2021 of which the entire amount was paid during 2021. Of this amount, $1,596 was reported as a payroll liability for 2021.

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

The net pension liability reported as of December 31, 2021 was measured as of December 31, 2020 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 projected contributions of all participating entities.

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

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

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

	OPERS Traditional Pension Plan
Proportionate Share of the Net Pension Liability/Asset - Prior Measurement Date	0.0037070%
Proportionate Share of the Net Pension Liability - Current Measurement Date	0.0038310%
Change in Proportionate Share	0.0001240%
Proportion Share of the Net Pension Liability/Asset	$ 567,288
Pension Expense	$ 629

At December 31, 2021, 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:	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	$ 31,155
Authority contributions subsequent to the measurement date	73,816
Total Deferred Outflows of Resources	$ 104,971
Deferred Inflows of Resources:	
Differences between expected and actual economic experience	$ 23,730
Differences between expected and actual investment earnings	221,112
Changes of assumptions	27,397
Total Deferred Inflows of Resources	$ 272,239

$73,046 reported as deferred outflows of resources related to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021.

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31st:		
2022	$	(95,331)
2023		(25,462)
2024		(90,134)
2025		(30,157)
Thereafter		-
	$	(241,084)

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 was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented below for the OPERS Traditional Plan:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation at 3.25
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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

Actuarial Assumptions – OPERS (Continued)

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

The most recent experience study was completed for the five-year period ended December 31, 2015.

OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

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

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

Actuarial Assumptions – OPERS (Continued)

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00 %	5.64 %
Real Estate	10.00 %	5.39 %
Private Equity	12.00 %	10.42 %
International Equities	23.00 %	7.36 %
Other investments	9.00 %	4.75 %
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan and the Combined Plan for the year ended December 31, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 tables presents the Authority's proportionate share of the net pension liability calculated as of the measurement dates of December 31, 2020 and 2019 using the current period discount rate assumption of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Authority's proportionate share of the net pension liability/(asset)	$ 1,082,104	$ 567,288	$ 139,219

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

NOTE 7: **DEFINED BENEFIT OPEB PLAN**

See Note 6 for a description of the net OPEB liability.

Ohio Public Employees Retirement System

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS 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, 2020, measurement date health care valuation.

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

Ohio Public Employees Retirement System (continued)

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. 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, health care was no longer being funded.

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

Net OPEB Liabilities/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. 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 2021 was 4.0 percent. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $0 for 2021.

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

Net OPEB Liabilities/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability (asset) was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportionate Share of the Net OPEB Liability/(Asset) - Prior Measurement Date	0.0034520%
Proportionate Share of the Net OPEB Liability/(Asset) - Current Measurement Date	0.0035680%
Change in Proportionate Share	0.0001160%
Proportion Share of the Net Pension Liability/(Asset)	$ (63,567)
Pension Expense (Gain)	$ (389,303)

At December 31, 2021, 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 of assumptions	$ 31,250
Changes in proportion	21,748
	$ 52,998
Deferred Inflows of Resources:	
Net difference between projected and actual economic experience	$ 57,369
Net difference between projected and actual investment earnings	33,856
Changes of assumptions	102,997
Changes in proportion	16,148
	$ 210,370

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

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

Net OPEB Liabilities/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

Year Ending December 31st:		
2022	$	(83,380)
2023		(55,288)
2024		(14,713)
2025		(3,991)
	$	(157,372)

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 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, 2019, rolled forward to the measurement dates of December 31, 2020.

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

Wage Inflation	3.25 percent
Projected Salary Increase, Including inflation	3.25 to 10.75 percent including inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	
Current measurement date	2.00 percent
Prior measurement date	2.75 percent
Health Care Cost Trend Rate	
Current measurement date	8.5 percent, initial

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (continued)

Actuarial Assumptions – OPERS (continued)

Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five-year period ended December 31, 2015.

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

For each major asset class that is included in the Authority's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00 %	5.64 %
Real Estate Investment	7.00 %	6.48 %
International Equities	25.00 %	7.36 %
Other investments	9.00 %	4.02 %
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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).

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (continued)

Actuarial Assumptions – OPERS (continued)

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 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index") for the year ended December 31, 2020. This single discount rate was based on an expected rate of return on the health care investment portfolio of 3.16 percent and a municipal bond rate of 2.75 percent for the year ended December 31, 2019. 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 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rates The following table presents the Authority's proportionate share of the net OPEB liability (asset) calculated as of the measurement date December 31, 2020, using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) 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 liability/(asset)	$ (15,806)	$ (63,567)	$ (102,830)

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

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 2021 is 8.50 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 that 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 liability/(asset)	$ (65,116)	$ (63,567)	$ (61,833)

NOTE 8: **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 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to sixty (60) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2021, based on the vesting method, $84,087 was accrued by the Authority for unused vacation and sick time. The current portion is $44,406 and the long-term portion is $39,681.

NOTE 9: **INSURANCE**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP. Premiums are paid monthly. The Authority also pays unemployment claims to the State of Ohio as incurred. The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from coverage in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

NOTE 10: **LONG-TERM DEBT**

Change in long-term liabilities:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021		Amount Due In One Year
Compensated Absences	$ 98,869	4,507	(19,289)	$ 84,087		$ 44,406
Long-Term Debt	3,507,029	1,242,665	(261,951)	4,487,743		267,874
Net Pension Liability	732,714	-	(165,426)	567,288		-
Net OPEB Liability	476,811	-	(476,811)	-	*	-
Total	$ 4,815,423	$ 1,247,172	$ (923,477)	$ 5,139,118		$ 312,280

* - The Authority had a net OPEB asset in the amount of $63,567 as of December 31, 2021, so no liability is reported above.

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

The long-term debt is detailed below:

	Original Loan Amount	Range of Maturity	Interest Rate	Life of Loan	Balance 12/31/2021	Current Portion
Repayable Debt						
Lancaster Pollard Mortgage Company (LPMC)						
-401 Beverly Ave., Waverly	$ 660,000	2047	4.33%	40	$ 560,096	$ 12,162
Buckeye Community Hope Foundation						
-401 Beverly Ave., Waverly	$ 550,000	2040	6.75%	40	$ 550,000	$ -
Ohio Valley Bank:						
-412 Market St.	$ 41,140	2005-2024	6.25%	20 Yrs.	$ 9,328	$ 3,140
-236 St. Mary's	$ 55,009	2005-2025	7.25%	20 Yrs.	$ 15,412	$ 3,914
-83 Circleview	$ 50,000	2010-2025	5.75%	15 Yrs.	$ 16,165	$ 4,178
-228 St. Mary's	$ 46,206	2012-2027	5.63%	15 Yrs.	$ 20,226	$ 3,630
-421 Market, Maint. Building, 102 Sunrise	$ 530,000	2014-2024	5.00%	10 Yrs.	$ 158,182	$ 61,054
-Hilltop	$ 35,610	2014-2030	4.38%	15 Yrs.	$ 79,262	$ 1,544
-Dean St.	$ 56,000	2018-2032	4.75%	15 Yrs.	$ 44,506	$ 3,213
-393 Circleview	$ 25,000	2018-2033	4.75%	15 Yrs.	$ 18,935	$ 1,481
-507 Rose Drive	$ 60,000	2018-2033	5.25%	15 Yrs.	$ 49,421	$ 3,356
				Total Repayable Debt:	$ 1,521,533	$ 97,672
Forgivable Debt						
U.S. Department of Agriculture						
-Emmitt Station	$ 1,146,858	2005-2036	5.375%	30 Yrs.	$ 1,030,002	$ 10,700
-Emmitt Station	$ 350,000	2006-2036	5.375%	30 Yrs.	$ 319,133	$ 3,200
DODD Community Capital Asssistance Program:						
-77 Circleview Drive	$ 38,200	2018-2032	0%	15 Yrs.	$ 25,679	$ 2,547
- 83 Circleview	$ 118,889	2010-2025	0%	15 Yrs.	$ 29,062	$ 7,926
- 83 Circleview	$ 14,997	2010-2025	0%	15 Yrs.	$ 3,666	$ 1,000
-102 Sunrise	$ 3,961	2009-2024	0%	15 Yrs.	$ 660	$ 264
-102 Sunrise	$ 20,832	2009-2024	0%	15 Yrs.	$ 3,703	$ 1,389
-102 Sunrise	$ 5,000	2018-2032	0%	15 Yrs.	$ 3,473	$ 333
-107 Commercial	$ 34,727	2012-2027	0%	15 Yrs.	$ 13,505	$ 2,333
-210 St. Ann's Lane	$ 31,303	2019-2034	0%	15 Yrs.	$ 26,955	$ 2,087
-221 St. Ann's Lane	$ 8,911	2009-2024	0%	15 Yrs.	$ 1,535	$ 594
-221 St. Ann's Lane	$ 33,000	2021-2036	0%	15 Yrs.	$ 30,983	$ 2,199
-228 St. Mary's	$ 9,918	2012-2027	0%	15 Yrs.	$ 3,802	$ 661
-228 St. Mary's	$ 22,441	2018-2032	0%	15 Yrs.	$ 16,956	$ 1,496
-337 Arlington	$ 27,300	2013-2028	0%	15 Yrs.	$ 11,527	$ 1,820
-337 Arlington	$ 49,640	2018-2032	0%	15 Yrs.	$ 38,885	$ 3,309
-393 Circleview Drive	$ 95,000	2018-2032	0%	15 Yrs.	$ 63,860	$ 6,333
-412 Market	$ 32,600	2018-2032	0%	15 Yrs.	$ 22,639	$ 2,173
-419 Dean Street	$ 106,000	2018-2032	0%	15 Yrs.	$ 75,966	$ 7,067
-421 Market	$ 96,400	2013-2028	0%	15 Yrs.	$ 38,024	$ 6,427
-507 Rose Dr	$ 29,000	2018-2032	0%	15 Yrs.	$ 22,878	$ 1,933
-507 Rose Dr	$ 114,000	2018-2032	0%	15 Yrs.	$ 83,600	$ 7,600
-510 Rose Drive	$ 91,612	2008-2023	0%	15 Yrs.	$ 7,126	$ 6,107
-510 Rose Drive	$ 20,950	2013-2028	0%	15 Yrs.	$ 8,380	$ 1,397
-513 Rose Drive	$ 90,100	2019-2034	0%	15 Yrs.	$ 76,083	$ 6,007

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

Forgivable Debt (continued)	Original Loan Amount	Range of Maturity	Interest Rate	Life of Loan	Balance 12/31/2021	Current Portion
-513 Rose Drive	$ 33,200	2020-2035	0%	15 Yrs.	$ 29,696	$ 2,213
-514 Carroll	$ 72,750	2012-2027	0%	15 Yrs.	$ 27,079	$ 4,850
-514 Carroll	$ 25,950	2013-2028	0%	15 Yrs.	$ 10,957	$ 1,730
-514 Carroll	$ 25,450	2013-2028	0%	15 Yrs.	$ 10,746	$ 1,697
-514 Carroll	$ 10,000	2015-2030	0%	15 Yrs.	$ 5,611	$ 667
-514 Carroll	$ 20,000	2015-2030	0%	15 Yrs.	$ 11,223	$ 1,333
-519 Carroll	$ 94,500	2019-2034	0%	15 Yrs.	$ 79,275	$ 6,300
-1171 St. Rt 552	$ 45,900	2019-2034	0%	15 Yrs.	$ 36,975	$ 3,060
-2612 Shyville	$ 117,000	2019-2034	0%	15 Yrs.	$ 96,850	$ 7,800
-2612 Shyville	$ 6,800	2019-2034	0%	15 Yrs.	$ 5,780	$ 453
-2612 Shyville	$ 6,700	2020-2035	0%	15 Yrs.	$ 5,880	$ 447
-2612 Shyville	$ 18,849	2021-2036	0%	15 Yrs.	$ 18,430	$ 1,257
-2622 Shyville	$ 104,580	2019-2034	0%	15 Yrs.	$ 88,892	$ 6,972
-428 Linden Ave	$ 95,400	2020-2035	0%	15 Yrs.	$ 83,210	$ 6,360
-428 Linden Ave	$ 33,200	2020-2035	0%	15 Yrs.	$ 29,696	$ 2,213
-330 Arlington Ave	$ 33,200	2021-2036	0%	15 Yrs.	$ 30,987	$ 2,208
-2622 Shyville	$ 36,322	2021-2036	0%	15 Yrs.	$ 33,901	$ 2,421
County NSP:						
-214 Grandview	$ 204,751	2010-2029	0%	20 Yrs.	$ 92,138	$ 10,238
-146 Valleyview	$ 103,270	2012-2027	0%	20 Yrs.	$ 51,635	$ 5,164
Gallia-Meigs NSP:						
-603 Church	$ 185,000	2011-2030	0%	20 Yrs.	$ 92,500	$ 9,250
Mental Health- Hilltop	$ 200,000	2016-2046	0%	30 Yrs.	$ 166,667	$ 6,667
				Total Forgivable Debt:	$ 2,966,210	$ 170,202
				Total Debt:	$ 4,487,743	$ 267,874

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2021:

For the Year Ended December 31st:	Principal Repayment	Interest Repayment	Total Payments	Debt Forgiveness
2022	$ 97,672	$ 48,035	$ 145,707	$ 170,202
2023	102,695	38,768	141,463	165,114
2024	72,615	33,636	106,251	163,252
2025	35,100	30,043	65,143	158,872
2026	30,484	28,417	58,901	152,922
2027-2031	199,112	124,710	323,822	666,065
2032-2036	84,765	94,561	179,326	1,423,118
2037-2041	622,290	-	622,290	33,334
2042-2046	72,290	-	72,290	33,331
Thereafter	204,510	-	204,510	-
	$ 1,521,533	$ 398,170	$ 1,919,703	$ 2,966,210

NOTE 11: **CONDUIT DEBT**

In February 2016, the Authority entered into a Housing Development Assistance Program (HDAP) Funding Agreement with the Ohio Housing Finance Agency (OHFA) and Waverly Manor Apartments, LLC (the owner). Under the agreement OHFA agreed to make a HDAP loan from the Low-and Moderate-Income Housing Trust Fund to Pike MHA in the amount of $350,000 to facilitate the acquisition and rehabilitation of Waverly Manor (the project), a 33-unit family rental development in the Village of Waverly, Pike County, in conjunction with an award of Low-Income Housing Tax Credits to the project. Pursuant to the HDAP loan agreement, Pike MHA entered into a Cognovit Promissory Note with the owner in the same amount to convey the funding to facilitate the development of the project. Repayment of any amounts by the owner are subject to cash flows realized by the project, and any such payments are to be made directly to OHFA. Pike MHA is only obligated to repay the HDAP loan to the extent that the project is obligated to make payments on its Cognovit Promissory Note with the Authority. Accordingly, the debt is not reported as a liability and the note receivable is not reported as an asset in the accompanying financial statements.

In May 2019, the Authority entered into a Housing Development Assistance Program (HDAP) Funding Agreement with the Ohio Housing Finance Agency (OHFA) and Quinn Court, LLC (the owner). Under the agreement OHFA agreed to make a HDAP loan from the Low-and Moderate-Income Housing Trust Fund to Pike MHA in the amount of $300,000 to facilitate the acquisition and rehabilitation of Quinn Court (the project), a 32-unit senior rental development in the Authority of Chillicothe, Ross County, in conjunction with an award of Low-Income Housing Tax Credits to the project. Pursuant to the HDAP loan agreement, Pike MHA entered into a Cognovit Promissory Note with the owner in the same amount to convey the funding to facilitate the development of the project. Repayment of any amounts by the owner are subject to cash flows realized by the project, and any such payments are to be made directly to OHFA. Pike MHA is only obligated to repay the HDAP loan to the extent that the project is obligated to make payments on its Cognovit Promissory Note with the Authority. Accordingly, the debt is not reported as a liability and the note receivable is not reported as an asset in the accompanying financial statements.

In November 2017, the Authority entered into a Housing Development Assistance Program (HDAP) Funding Agreement with the Ohio Housing Finance Agency (OHFA) and Vansant Commons L.P. Apartments (the owner). Under the agreement OHFA agreed to make a HDAP loan from the Low-and Moderate-Income Housing Trust Fund to Pike MHA in the amount of $1,267,800 to facilitate the acquisition and rehabilitation of Vansant Commons L.P. (the project), a 97-unit affordable housing community in the Village of Piketon, Pike County, in conjunction with an award of Low-Income Housing Tax Credits to the project. Pursuant to the HDAP loan agreement, Pike MHA entered into a Cognovit Promissory Note with the owner in the same amount to convey the funding to facilitate the development of the project. Repayment of any amounts by the owner are subject to cash flows realized by the project, and any such payments are to be made directly to OHFA. Pike MHA is only obligated to repay the HDAP loan to the extent that the project is obligated to make payments on its Cognovit Promissory Note with the Authority. Accordingly, the debt is not reported as a liability and the note receivable is not reported as an asset in the accompanying financial statements.

NOTE 12: **CONTINGENT LIABILITIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 13: **RELATED PARTY TRANSACTIONS**

The Authority provides management services for Vansant Commons, Limited Partnership and Shyville Senior Limited Partnership. These entities are considered affiliates of the Authority; however, the Authority owns an insignificant part of these affiliates (less than 1%). The revenues received from Vansant Commons, Limited Partnership and Shyville Senior Limited Partnership amounted to $253,354 and $137,480, respectively, during fiscal year 2021.

On December 31, 2021, the Authority purchased the limited partner interest in Beverly Senior Housing, L.P. and incurred a $57,339 disposition fee. The authority has recorded a receivable for the disposition fee. Subsequent to year-end, the Authority will provide management services for the project.

The Authority loaned Beverly Senior Housing L.P. $57,339 in 2021 to enable the payment of the disposition fee to Ohio Capital Corporation for Housing. This balance was eliminated in preparation of these financial statements.

NOTE 14: **BLENDED COMPONENT UNITS**

The Authority's financial statements include Beverly Senior Housing L.P. as a blended component unit. Description of the blended component is as follows:

Beverly Senior Housing L.P.

Beverly Senior Housing L.P. (the Partnership) was formed March 2, 2004 by Pike Housing Partners, Inc. (General Partner, Buckeye Community Hope Foundation (Original Limited Partner), and Pike Metropolitan Housing Authority (Special Limited Partner). The Partnership Agreement was amended and restated on November 23, 2005 to evidence the withdrawal of the Original Limited Partner and to admit Ohio Equity Fund for Housing Limited Partnership XV (OEF XV), an Ohio limited partnership, as the Limited Partner, and to more fully set out the rights and obligations of the Partners. The Partnership Agreement was amended on July 2, 2008 to provide for a General Partner capital contribution of $85,700 and to decrease the capital contribution of OEF XV by $12,214. The Partnership Agreement was amended on May 8, 2009 to decrease the capital contribution of OEF XV by $1,265. The Partnership Agreement was amended again on November 18, 2014 to increase the capital contribution of OEF XV by $198,544. Pursuant to the Partnership Interest Purchase Agreement, effective December 31, 2021, OEF XV sold their entire limited partnership interests to Pike Metropolitan Housing Authority.

NOTE 14: **BLENDED COMPONENT UNITS** (continued)

The Partnership was formed to construct, own, and operate a 32-unit affordable housing project for the elderly located in Waverly, Ohio known as the Beverly Senior Apartments (Project). The Partnership began leasing housing units in December 2006. Lease terms are typically one year or less.

The Partnership receives federal assistance by the provision of credit enhancement and an interest credit subsidy from the U.S. Department of Agriculture Rural Housing Service (RHS) Guaranteed Rural Rental Housing Program (GRRHP) as enabled in Section 538 of the National Housing Act of 1949, as amended. RHS has provided Lancaster Pollard Mortgage Company (LPMC) with a 90% guarantee of the Partnership's $660,000 permanent mortgage and an annual interest credit subsidy of 2.5% payable in arrears to the Partnership.

The Partnership Agreement provides that the Partnership shall continue in existence until January 1, 2048, unless it is earlier dissolved and terminated by provisions of the Agreement.

NOTE 15: **COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The impact on the Authority's future operating costs, revenues, and recovery from emergency funding (if any), either federal or state, cannot be estimated.

Required Supplementary Information

PIKE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1) (2)

	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.003831%	0.003707%	0.003990%	0.003889%	0.003943%	0.003823%	0.003634%	0.003634%
Authority's proportionate share of the net pension liability	$ 567,288	$ 732,714	$ 1,092,780	$ 610,109	$ 895,388	$ 662,191	$ 438,300	$ 428,401
Authority's covered payroll	$ 521,757	$ 518,836	$ 594,923	$ 513,971	$ 509,675	$ 475,792	$ 445,575	$ 434,326
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	108.73%	141.22%	183.68%	118.70%	175.68%	139.18%	94.60%	80.50%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.10%	86.50%	86.40%

(1)- Information prior to 2013 is not available. Schedule is intended to show ten years of information and additional years will be displayed as the information becomes available.
(2)- Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year-end.

See notes to accompanying required supplementary information.

PIKE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 73,816	$ 73,046	$ 72,637	$ 77,340	$ 61,677	$ 61,161	$ 57,095	$ 53,469	$ 56,465
Contributions in relation to the contractually required contribution	(73,816)	(73,046)	(72,637)	(77,340)	(61,677)	(61,161)	(57,095)	(53,469)	(56,465)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Authority's covered payroll	$ 527,257	$ 521,757	$ 518,836	$ 594,923	$ 513,971	$ 509,675	$ 475,792	$ 445,575	$ 434,346
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	12.00%	13.00%

(1)- Information prior to 2013 is not available. Schedule is intended to show ten years of information and additional years will be displayed as the information becomes available.

See notes to accompanying required supplementary information.

PIKE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS (1) (2)

	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability (asset)	0.003568000%	0.003452000%	0.003716000%	0.003630000%	0.003690000%
Authority's proportionate share of the net OPEB liability (asset)	$ (63,567)	$ 476,811	$ 484,479	$ 394,191	$ 372,703
Authority's covered-employee payroll	$ 521,757	$ 518,836	$ 594,923	$ 513,971	$ 509,675
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	-12.18%	91.90%	81.44%	76.70%	73.13%
Plan fiduciary net position as a percentage of the total OPEB liability	115.57%	47.80%	46.33%	54.14%	54.05%

(1)- Information prior to 2016 is not available. Schedule is intended to show ten years of information and aditional years will be displayed as the information becomes available.

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

See notes to accompanying required supplementary information

PIKE METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX FISCAL YEARS (1)

	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ -	$ -	$ -	$ -	$ 10,193	$ 9,568
Contributions in relation to the contractually required contribution	-	-	-	-	(10,193)	(9,568)
Contribution deficiency/(excess)	-	-	-	-	-	-
Authority's covered-employee payroll	$ 527,257	$ 521,757	$ 518,836	$ 594,923	$ 513,971	$ 509,675
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	1.08%	1.08%

(1) Information prior to 2016 is not available. Schedule is intended to show ten years of information and additional years will be displayed as the information becomes available.

See notes to accompanying required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms for 2015 through 2017. For 2018, COLAs provided up to December 31, 2018 will be based upon a simple, 3 percent COLA. COLAs provided after December 31, 2018 continue to be simple, but will be based upon the annual percentage change in the Consumer Price Index (CPI), and not greater than 3 percent. There were no significant changes in benefit terms for 2019 or 2020. For 2021, in October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

Changes in assumptions: There were no significant changes in assumptions for 2015 through 2018. For 2018, the employer contribution rate allocated to pensions increased from 13.00 percent to 14.00 percent. For 2019, the investment rate of return decreased from 7.5 percent to 7.2 percent. There were no significant changes in assumptions for 2020 or 2021.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020.

Changes in assumptions: Changes in assumptions for 2018 were as follows:

- The single discount rate decreased from 4.23 percent to 3.85 percent.
- The employer contribution rate allocated to health care decreased from 1.00 percent to 0.00 percent.

For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85 percent to 3.96 percent.
- The investment rate of return decreased from 6.5 percent to 6 percent.
- The municipal bond rate increased from 3.31 percent to 3.71 percent.
- The initial health care cost trend rate increased from 7.5 percent to 10 percent.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96 percent to 3.16 percent.
- The municipal bond rate decreased from 3.71 percent to 2.75 percent.

For 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16 percent to 6.00 percent.
- The municipal bond rate decreased from 2.75 percent to 2.00 percent.
- The initial health care cost trend rate decreased from 10.50 percent to 8.50 percent.

PIKE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2021

	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
111 Cash - Unrestricted	$537,577	$11,052	$121,002	$8,214	$677,845		$677,845
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	$432,591		$27,938	$207,027	$667,556		$667,556
114 Cash - Tenant Security Deposits	$26,512			$15,244	$41,756		$41,756
100 Total Cash	$996,680	$11,052	$148,940	$230,485	$1,387,157		$1,387,157
124 Accounts Receivable - Other Government	$198,668				$198,668		$198,668
125 Accounts Receivable - Miscellaneous	$57,339				$57,339	-$57,339	$0
126 Accounts Receivable - Tenants	$5,029			$1,567	$6,596		$6,596
126.1 Allowance for Doubtful Accounts -Tenants	-$75				-$75		-$75
128 Fraud Recovery			$6,549		$6,549		$6,549
129 Accrued Interest Receivable	$1,013				$1,013		$1,013
120 Total Receivables, Net of Allowances for Doubtful Accounts	$261,974		$6,549	$1,567	$270,090	-$57,339	$212,751
142 Prepaid Expenses and Other Assets	$19,664			$21,925	$41,589		$41,589
150 Total Current Assets	$1,278,318	$11,052	$155,489	$253,977	$1,698,836	-$57,339	$1,641,497
161 Land	$1,226,150			$606,395	$1,832,545		$1,832,545
162 Buildings	$10,156,421			$2,800,993	$12,957,414		$12,957,414
163 Furniture, Equipment & Machinery - Dwellings	$66,987			$127,312	$194,299		$194,299
164 Furniture, Equipment & Machinery - Administration	$234,787		$40,227		$275,014		$275,014
165 Leasehold Improvements	$1,632,214				$1,632,214		$1,632,214
166 Accumulated Depreciation	-$8,228,758		-$23,247	-$1,982,667	-$10,234,672		-$10,234,672
160 Total Capital Assets, Net of Accumulated Depreciation	$5,087,801		$16,980	$1,552,033	$6,656,814		$6,656,814
171 Notes, Loans and Mortgages Receivable - Non-Current	$296,128				$296,128		$296,128
174 Other Assets	$73,229		$21,149		$94,378		$94,378
180 Total Non-Current Assets	$5,457,158		$38,129	$1,552,033	$7,047,320		$7,047,320
200 Deferred Outflow of Resources	$71,705		$86,264		$157,969		$157,969
290 Total Assets and Deferred Outflow of Resources	$6,807,181	$11,052	$279,882	$1,806,010	$8,904,125	-$57,339	$8,846,786

PIKE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2021

	1 Business Activities	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	$14,685		$694	$23,798	$39,177		$39,177
321 Accrued Wage/Payroll Taxes Payable	$8,002		$3,926		$11,928		$11,928
322 Accrued Compensated Absences - Current Portion	$23,169		$21,237		$44,406		$44,406
341 Tenant Security Deposits	$26,787			$15,201	$41,988		$41,988
342 Unearned Revenue	$2,126		$6,549	$106	$8,781		$8,781
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$255,712			$12,162	$267,874		$267,874
310 Total Current Liabilities	$330,481		$32,406	$51,267	$414,154		$414,154
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$3,121,935			$1,097,934	$4,219,869		$4,219,869
353 Non-current Liabilities - Other				$1,020,816	$1,020,816	-$57,339	$963,477
354 Accrued Compensated Absences - Non Current	$39,318		$363		$39,681		$39,681
357 Accrued Pension and OPEB Liabilities	$378,548		$188,740		$567,288		$567,288
350 Total Non-Current Liabilities	$3,539,801		$189,103	$2,118,750	$5,847,654	-$57,339	$5,790,315
300 Total Liabilities	$3,870,282		$221,509	$2,170,017	$6,261,808	-$57,339	$6,204,469
400 Deferred Inflow of Resources	$324,847		$157,763		$482,610		$482,610
508.4 Net Investment in Capital Assets	$1,709,300		$16,979	$441,937	$2,168,216		$2,168,216
511.4 Restricted Net Position	$432,591		$27,938	$207,027	$667,556		$667,556
512.4 Unrestricted Net Position	$470,161	$11,052	-$144,307	-$1,012,971	-$676,065		-$676,065
513 Total Equity - Net Assets / Position	$2,612,052	$11,052	-$99,390	-$364,007	$2,159,707		$2,159,707
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$6,807,181	$11,052	$279,882	$1,806,010	$8,904,125	-$57,339	$8,846,786

PIKE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2021

	14.MSC Mainstream CARES Act Funding	1 Business Activities	8 Other Federal Program 1	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	6.2 Component Unit - Blended	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		$439,017							$439,017		$439,017
70400 Tenant Revenue - Other		$20,739							$20,739		$20,739
70500 Total Tenant Revenue		$459,756							$459,756		$459,756
70600 HUD PHA Operating Grants	$861			$68,536	$2,486,781	$96,047			$2,652,225		$2,652,225
70800 Other Government Grants			$75,500						$75,500		$75,500
71100 Investment Income - Unrestricted		$9,234			$163				$9,397		$9,397
71400 Fraud Recovery					$7,849				$7,849		$7,849
71500 Other Revenue		$1,041,131							$1,041,131		$1,041,131
70000 Total Revenue	$861	$1,510,121	$75,500	$68,536	$2,494,793	$96,047			$4,245,858		$4,245,858
91100 Administrative Salaries		$187,608			$189,094				$376,702		$376,702
91200 Auditing Fees		$6,360			$3,000				$9,360		$9,360
91500 Employee Benefit contributions - Administrative		-$117,894			-$41,525				-$159,419		-$159,419
91600 Office Expenses		$51,791			$36,848				$88,639		$88,639
91900 Other		$146,161			$ -				$146,161		$146,161
91000 Total Operating - Administrative		$274,026			$187,417				$461,443		$461,443
92400 Tenant Services - Other	$861					$96,047			$96,908		$96,908
92500 Total Tenant Services	$861					$96,047			$96,908		$96,908
93100 Water		$48,406							$48,406		$48,406
93200 Electricity		$25,482							$25,482		$25,482
93300 Gas		$2,726							$2,726		$2,726
93000 Total Utilities		$76,614							$76,614		$76,614
94100 Ordinary Maintenance and Operations - Labor		$189,756							$189,756		$189,756
94200 Ordinary Maintenance and Operations - Materials and Other		$69,748							$69,748		$69,748
94300 Ordinary Maintenance and Operations Contracts		$139,582							$139,582		$139,582
94500 Employee Benefit Contributions - Ordinary Maintenance		-$67,918							-$67,918		-$67,918
94000 Total Maintenance		$331,168							$331,168		$331,168

PIKE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2021

	14.MSC Mainstream CARES Act Funding	1 Business Activities	8 Other Federal Program 1	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	6.2 Component Unit - Blended	Subtotal	ELIM	Total
96110 Property Insurance		$19,010							$19,010		$19,010
96100 Total insurance Premiums		$19,010							$19,010		$19,010
96300 Payments in Lieu of Taxes		$2,512							$2,512		$2,512
96400 Bad debt - Tenant Rents		$2,808							$2,808		$2,808
96000 Total Other General Expenses		$5,320							$5,320		$5,320
96710 Interest of Mortgage (or Bonds) Payable		$47,744							$47,744		$47,744
96700 Total Interest Expense and Amortization Cost		$47,744							$47,744		$47,744
96900 Total Operating Expenses	$861	$753,882			$187,417	$96,047			$1,038,207		$1,038,207
97000 Excess of Operating Revenue over Operating Expenses		$756,239	$75,500	$68,536	$2,307,376				$3,207,651		$3,207,651
97300 Housing Assistance Payments				$66,150	$2,242,746				$2,308,896		$2,308,896
97400 Depreciation Expense		$420,291			$5,459				$425,750		$425,750
90000 Total Expenses	$861	$1,174,173		$66,150	$2,435,622	$96,047			$3,772,853		$3,772,853
10010 Operating Transfer In		$75,500							$75,500		$75,500
10020 Operating transfer Out			-$75,500						-$75,500		-$75,500
10100 Total Other financing Sources (Uses)		$75,500	-$75,500								
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses		$411,448		$2,386	$59,171				$473,005		$473,005
11030 Beginning Equity		$2,092,977		$8,666	-$158,561		$107,627		$2,050,709		$2,050,709
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		$107,627					-$107,627	-$364,007	-$364,007		-$364,007
11170 Administrative Fee Equity					-$127,328				-$127,328		-$127,328
11180 Housing Assistance Payments Equity					$27,938				$27,938		$27,938
11190 Unit Months Available		1080		240	6360				7680		7680
11210 Number of Unit Months Leased		1061		231	5917				7209		7209

PIKE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor / Pass Through Grantor / Program Title	Assistance Listing Number	Total Federal Expenditures
US Department of Housing and Urban Development		
Direct Programs:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	$ 2,486,781
Section 8 Housing Choice Vouchers - CARES Act	14.HCC	96,047
Mainstream Vouchers	14.879	68,536
Mainstream Vouchers - CARES Act	14.MSC	861
Total Direct US Department of Housing and Urban Development		2,652,225
US Department of Agriculture		
Direct Programs:		
Rural Rental Assistance	10.427	75,500
Total Federal Expenditures		$ 2,727,725

PIKE METROPOLITAN HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Note 1. Basis of Presentation
The accompanying schedule of expenditures of federal awards includes the federal award activity of Pike Metropolitan Housing Authority under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Pike Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the organization.

Note 2. Summary of Significant Accounting Policies
Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate
Pike Metropolitan Housing Authority has elected not to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 4. Outstanding Loan Balances
The outstanding balance of loan and loan guarantee programs at December 31, 2021 with continuing compliance requirements was $1,349,135.

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

July 28, 2022

Members of the Board of Commissioners
Pike Metropolitan Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Pike Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon date July 28, 2022 wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. Our report refers to other auditors who audited the financial statements of Beverly Senior Housing L.P., as described in our report on the Authority's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of Beverly Senior Housing L.P. were not audited in accordance with *Government Auditing Standards*.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Authority's Response to Finding

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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WSSR

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

July 28, 2022

Members of the Board of Commissioners
Pike Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pike Metropolitan Housing Authority's, (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal program for the year ended December 31, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, 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 in accordance with generally accepted auditing standards, *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 judgement made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgement 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 the 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Whited Seigneur Sams & Rahe

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

PIKE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Type auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major Program(s):	Housing Voucher Cluster ALN's #14.871 & #14.879
Dollar Threshold: Type A/B Programs	$750,000
Low Risk Auditee?	Yes

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

FINDING 2021-001 MATERIAL WEAKNESS IN FINANCIAL REPORTING

Criteria: The financial statements filed with the Auditor of State via the Hinkle Annual Financial Data Reporting System should accurately reflect the financial position and activities of the Authority without the need for material adjustment as the result of the annual audit.

Condition: The unaudited financial statements did not reflect the addition of a component unit at year-end.

Effect: Material adjustments were necessary for the financial statements to be fairly stated.

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

Cause: Management did not fully realize the effect on financial reporting of the transaction which occurred on December 31, 2021.

Recommendation: Management should ensure that the unaudited financial statements fully represent all component units that should be incorporated into their financial reporting.

Management Response: Refer to the Correction Action Plan.

3. FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

PIKE METROPOLITAN HOUSING AUTHORITY

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CORRECTIVE ACTION PLAN
2 CRF 200.511(C)
FOR YEAR ENDING DECEMBER 31, 2021

Finding Number:	2021-001
Criteria:	The financial statements filed with the auditor of state via Hinkle Annual Financial Data Reporting System should accurately reflect the financial position and activities of the Authority without the need for material adjustment as the result of the annual audit.
Condition:	The unaudited financial statements did not reflect the addition of a component unit at year-end.
Management's Response:	Pike Metropolitan Housing Authority obtained 99.90% ownership of Beverly Senior Housing, LP from Ohio Equity Fund Limited Partnership effective December 31, 2021. It was an oversight on Pike Metropolitan Housing Authority's part not to include entity on the unaudited report as a component unit. This error has been corrected in Pike Metropolitan Housing Authority's books. If additional information is needed, please contact me at via email at pikemha@frontier.com.

Contact person responsible for corrective action: Pam Smith, Executive Director

Anticipated completion date: July 27, 2022

OHIO AUDITOR OF STATE
KEITH FABER

PIKE COUNTY METROPOLITAN HOUSING AUTHORITY

PIKE 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 9/8/2022

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