OHIO AUDITOR OF STATE

KEITH FABER

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
DECEMBER 31, 2022

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OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Financial Data Schedules (FDS) required by the Department of Housing and Urban Development are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2023

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ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

As management of the Ashtabula Metropolitan Housing Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following statements are included.

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

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

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

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

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

The Authority's financial statements include a Statement of Revenue, Expenses, and Change in Net Position, similar to an Income Statement. This Statement includes Operating Revenues, such as rental income, operating grants, and other revenues; Operating Expense, such as administrative, utilities, maintenance, general, insurance, housing assistance payments, and depreciation; and Non-Operating Revenues, such as capital grant revenue, investment/interest income, and gain on disposition of capital assets.

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

Statement of Cash Flows
Presents information on the effects changes in assets and liabilities have on cash during the course of the Fiscal Year.

Notes to the Financial Statements
Provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

The following is a brief description of the programs of the Authority which are consolidated into a single Enterprise Fund.

Housing Authority Programs

Low Income Public Housing (LIPH)

The Authority has 555 units in its Public Housing inventory. The Authority is responsible for the management and maintenance costs for all units. The units must be maintained in accordance with the U.S. Department of Housing and Urban Development (HUD) established housing quality standards. An annual inspection of each unit must be performed by the Authority to ensure that they meet these standards.

Each Authority Public Housing building, and the units that comprise those buildings, are subject to random third-party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has a Project Expense Level (PEL). The PEL reflects estimated allowable operating expenditures and is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD.

HUD funds the difference between these allowable costs incurred for all units leased units and the actual tenant revenue generated. Tenant rent is based on 30 percent of their adjusted household income. Actual funding received from HUD is made by the results of this formula calculation, subject to pro-ration in accordance with total funds actually appropriated by Congress. Actual funding is made by HUD, by formula, in accordance with total funds appropriated by Congress.

Section 8 Housing Voucher Cluster

Under the Housing Choice Voucher and Mainstream Voucher programs, independent landlords rent units to eligible low-income families and the Authority provides a Housing Assistance Payment to the landlord to make the tenant rent affordable.

The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted income.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the units and properties associated with this Program, however, they are responsible for annually inspecting the units to ensure that they meet or exceed HUD established housing quality standards.

South Ridge Village

The Authority owns a 40-unit apartment complex providing housing for eligible low-income persons. Tenant rents are based on family income and composition to make them affordable. A loan issued by the U.S. Department of Agriculture (USDA) provided funding to develop the property and HUD provides rental assistance to the Authority through a project-based multi-family funding program in an amount equal to the difference between the affordable rent of the tenant family and the contract rent of the dwelling unit. The USDA provides an interest subsidy on the debt paid by the Authority.

Business Activities

This Authority assists the local mental health group in administering the Housing Assistance Payments (HAP) for their Shelter Plus Care Program. This Program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immune deficiency syndrome (AIDS), and related diseases. Rental assistance must be matched by an equal value in cash or in-kind provided by the grantee from federal or private sources to be used for supportive services.

Capital Fund Program

Tenant revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day to day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non- routine maintenance.

The purpose of the Capital Fund Program grants is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority.

This grant program is awarded by HUD, by formula allocation, on an annual basis. The Authority generally has two years to obligate the funds from these capital fund grants, and four years to fully expend them. As formal contracts are awarded from this Program, funds are requisitioned from HUD to pay periodic requests from the contractors.

Condensed Comparative Financial Statements

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

	2022	2021
Assets and Deferred Outflows of Resources		
Assets		
Cash and Cash Equivalents	$ 3,562,653	$ 3,107,855
Receivables	207,658	213,680
Other Current Assets	291,126	332,164
Capital Assets	7,418,468	8,050,976
Other Non-Current Assets	290,820	164,351
Total Assets	11,770,725	11,869,026
Deferred Outflows of Resources	339,863	283,192
Total Assets and Deferred Outflows of Resources	12,110,588	12,152,218
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilites	323,496	517,926
Non-Current Liabilities	974,760	1,652,900
Total Liabilities	1,298,256	2,170,826
Deferred Inflows of Resources	1,351,807	1,179,646
Net Position		
Net Investment in Capital Assets	7,394,268	8,024,295
Restricted Net Position	122,615	102,738
Unrestricted Net Position	1,943,642	674,713
Total Net Position	9,460,525	8,801,746
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 12,110,588	$ 12,152,218

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

Cash and cash equivalents increased $454,798 (a 15% increase). It is notable that cash increased as much as it did given that current liabilities decreased $194,430 (or 38%). The offsetting change for both of these is found in the increase in unrestricted net position and the favorable fiscal results of this period. The other balances that changed by larger amounts were balances reported in accordance with GASB 68 and GASB 75, other noncurrent assets and deferred outflows of resources on the asset side of the statement, and noncurrent liabilities and deferred inflows of resources on the liability and net position side of the statement.

The balances reported in accordance with accounting standards GASB 68 and 75 are net OPEB asset (a noncurrent asset), deferred outflows of resources, net pension liability (a noncurrent liability), and deferred inflows of resources. The standards require the Authority to report on its financial statements what is determined to be its share of the unfunded pension liability, its estimated share of any surplus funding of the OPEB (healthcare) plan, and related balances of the Ohio Public Employees Retirement System (OPERS). The net pension liability is unlike other liabilities the Authority has in that there is no invoice in that amount to be paid. Similarly there is no way for the Authority to access the net OPEB asset from the surplus funding for the future healthcare commitments the retirement system has. And the deferred outflow of resources and deferred inflow of resources are the result of the standards calling for some of the changes from year to year in the pension liability and the OPEB asset to be amortized over 5 year periods. The concept behind the standards is for OPERS to resolve the unfunded pension liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of the Authority are participants in OPERS and that the Authority makes retirement contributions to OPERS on behalf of all of its employees.

Changes in these balances reported in accordance with GASB 68 & GASB 75 do not reflect an operating issue at the Authority, but rather reflect changes at the Ohio Public Employees Retirement System. Many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows of resources and the net pension liability to the reported net position, and subtracting the related deferred outflows of resources and the net OPEB asset. Reporting of these balances has the effect of lowering unrestricted net position at December 31, 2022 by $1,548,968.

Table 2 - Change in Condensed Statement of Net Position Compared to Prior Year

	2022	2021
Revenue		
Total Tenant Revenue	$ 1,663,016	$ 1,628,368
HUD Operating Grants	6,235,280	6,361,268
HUD Capital Grants	375,119	382,611
Investment Income	1,431	1,994
Other Revenue	376,100	396,526
Total Revenue	8,650,946	8,770,767
Expenses		
Administrative	1,452,441	585,679
Tenant Services	4,325	323,088
Utilities	726,687	797,336
Maintenance	1,291,566	2,097,898
Protective Services	186,563	60,024
General Expense	320,203	382,333
Housing Assistance Payments	3,002,755	2,876,057
Depreciation Expense	1,007,627	1,141,025
Total Expenses	7,992,167	8,263,440
Change in Net Position	658,779	507,327
Beginning Net Position, 2021 Restated	8,801,746	8,294,419
Ending Net Position	$ 9,460,525	$ 8,801,746

Total income was virtually unchanged from 2021, decreasing only $119,821 (or 1.4 percent). Expenses overall also decreased modestly, by $271,273 (or 3.3 percent) but when adjusted for the change in Pension/OPEB expense of $623,242, the reduction in expenses was $894,515. Pension/OPEB expense is the expense incurred when the Authority records changes in balances reported in accordance with GASB 68 and GASB 75 addressed in the section following Table 1 in this MD&A. This expense then is a non-cash expense unrelated to operations of the Authority, and instead related to changes in the funding levels to pay future retirement and healthcare commitments of the retirement system held by the retirement system.

The large increase in administrative expense is primarily due to the increase in pension expense. Pension/OPEB expense is reported as a benefit expense and benefits expense is allocated to administrative and maintenance based on the allocation of staffing costs between those functions. The reduction in maintenance expense is largely due to a drop in staffing costs and contracting costs, with the drop in maintenance contracting cost being somewhat a return to more normal spending levels from the elevated spending levels in 2021.

ANALYSIS OF CAPITAL ASSET ACTIVITY

The table below illustrates the changes in capital assets experienced from January 1, 2022 through December 31, 2022.

Table 3 - Changes in Capital Assets

	2022	2021
Land	$ 1,132,718	$ 1,132,718
Buildings	37,023,781	36,374,230
Furniture, Equipment, and Machinery -		
Dwelling	705,218	705,218
Administrative	1,089,818	1,089,818
Construction in Progress	117,103	391,535
Total Capital Assets	40,068,638	39,693,519
Accumulated Depreciation	(32,650,170)	(31,642,543)
Net Capital Assets	$ 7,418,468	$ 8,050,976

Increases in the various capital asset accounts, in the amount of $375,119, have been offset by the net change to accumulated depreciation, in the amount of $1,007,627. This reflects a net decrease in capital assets in the amount of $632,508, or by 7.9 percent.

Debt

The Authority had one loan payable to the Rural Economic and Community Development Services. The total balance due on the loan at December 31, 2021 was $26,681, and the balance at December 31, 2022 was $24,200. Additional information is available in Note 9 to the financial statements.

Special Conditions and Economic Factors

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

Contacting the Authority

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to T. Sean Adams, Interim Executive Director of the Ashtabula Metropolitan Housing Authority.

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

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 3,363,775
Cash and Cash Equivalents - Restricted	198,878
Accounts Receivables, Net	207,658
Inventory, Net	259,368
Prepaid Expenses	31,758
Total Current Assets	4,061,437
Noncurrent Assets	
Capital Assets:	
Non-Depreciable Capital Assets	1,249,821
Depreciable Capital Assets, Net	6,168,647
Net Capital Assets	7,418,468
Net OPEB Asset	290,820
Total Noncurrent Assets	7,709,288
Total Assets	11,770,725
Deferred Outflows of Resources	
Pension	335,143
OPEB	4,720
Total Deferred Outflows of Resources	339,863
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 12,110,588
LIABLIITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	74,356
Accrued Wages and Payroll Taxes	52,747
Accrued Compensated Absences, Current	15,602
Interest Payable	120
Accounts Payable - Other Governments	71,337
Tenant Security Deposits	76,263
Unearned Revenues	30,384
Current Portion of Long-Term Debt	2,687
Total Current Liabilities	323,496
Non-Current Liabilities	
Accrued Compensated Absences, Net of Current Portion	125,403
Long-Term Debt, Net of Current	21,513
Net Pension Liability	827,844
Total Non-Current Liabilities	974,760
Total Liabilities	1,298,256
Deferred Inflows of Resources	
Pension	1,051,332
OPEB	300,475
Total Deferred Inflows of Resources	1,351,807
Net Position	
Net Investment in Capital Assets	7,394,268
Restricted Net Position	122,615
Unrestricted Net Position	1,943,642
Total Net Position	9,460,525
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 12,110,588

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

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

OPERATING REVENUES	
Governmental Grants	$ 6,235,280
Tenant Revenue	1,663,016
Other Revenue	376,100
Total Operating Revenues	8,274,396
OPERATING EXPENSES	
Administrative	1,452,441
Tenant Services	4,325
Utilities	726,687
Maintenance	1,291,566
Protective Services	186,563
Insurance and General	318,690
Housing Assistance Payments	3,002,755
Depreciation	1,007,627
Total Operating Expenses	7,990,654
Operating Income	283,742
NON-OPERATING REVENUES	
Interest and Investment Revenue	1,431
Interest Expense	(1,513)
Total Non-Operating Revenue	(82)
Change in Net Position before Capital Grants and Contributions	283,660
Capital Grants	375,119
Change in Net Position	658,779
Total Net Position - Beginning	8,801,746
Total Net Position - Ending	$ 9,460,525

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

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

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from HUD	$ 6,366,112
Cash Received from Tenants	1,598,605
Cash Received from Other Sources	335,688
Cash Payment for Housing Assistance	(3,002,755)
Cash Payment for Administrative and Operating Expenses	(4,840,257)
Net Cash Provided (Used) by Operating Activities	457,393
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Received for Interest Income	1,431
Net Cash Provided (Used) by Investing Activities	1,431
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES	
Capital Grant Funding Received from HUD	375,119
Property and Equipment Purchased	(375,119)
Payments of Related Debt	(2,481)
Payments for Interest on Debt	(1,545)
Net Cash Provided (Used) by Capital and Related Activities	(4,026)
Net Increase (Decrease) in Cash and Cash Equivalents	454,798
Cash and Cash Equivalents - Beginning of Year	3,107,855
Cash and Cash Equivalents - End of Year	$ 3,562,653
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income	$ 283,742
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating	
Depreciation	1,007,627
(Increase) Decreases in	
Receivables	6,022
Inventories	(8,762)
Prepaid Expenses and Other Assets	49,800
OPEB Asset	(126,469)
Deferred Outflows	(56,671)
(Decreases) Increease in	
Accounts Payable	(143,046)
Accrued Liabilities	(69,149)
Intergovernmental Payables	15,140
Tenant Security Deposits	1,869
Unearned Revenue	2,978
Accrued Compensated Absences	(38,978)
Pension Liability	(638,871)
Deferred Inflows	172,161
Net Cash Provided (Used) by Operating Activities	$ 457,393

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

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Ashtabula Metropolitan Housing Authority (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 nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

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

The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board. The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

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

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

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 and all liabilities associated with the operation of the Authority are included on the statement of net position. The Statement of Revenues, Expenses, and 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 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 non-operating 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 non-operating revenues and expenses.

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 years
Land Improvements	15 years
Furniture, Machinery and Equipment	5-7 years
Autos	5 years
Computers	3 years

Investments
Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

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

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: **(1)** the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee; 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.

Pensions / Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

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

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

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

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing, used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use leased assets, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

At December 31, 2022, the carrying amount of the Authority's cash deposits was $3,562,653 and its bank balance was $3,697,075. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2022, deposits totaling $341,073 were covered by Federal Depository Insurance and deposits totaling $3,356,002 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 ensure public deposits must maintain collateral in excess of 110 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 in the name of the Authority.

Investments

The Authority complies with HUD regulations that provide a list of financial instruments in which PHAs are permitted to invest. Investments are valued at market value. At December 31, 2022, the Authority had no investments.

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

Interest Rate Risk
As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk
The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk
The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

Restricted Cash
The restricted cash balance of $198,878 on the financial statements represents the following:

South Ridge Village Reserve for Repalcements	$ 91,073
South Ridge Village Escrows	6,000
Unspent Funding Provided for Payment of Section 8 Housing Assistance Payments - Housing Choice Voucher and Mainstream Vouchers	25,542
Tenant Security Deposits	76,263
Total Restricted Cash	$ 198,878

NOTE 4: **ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2022 consisted of the following:

HUD	$ 29,432
Tenants, net of allowance of $68,882	103,643
Accounts Receivable - Other Government	26,963
Other	47,620
Total Accounts Receivable, Net	$ 207,658

NOTE 5: CAPITAL ASSETS

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

	Balance 1/1/2022	Reclasses	Additions	Deletions	Balance 12/31/2022
Capital Assets Not Being Depreciated					
Land	$ 1,132,718	$ 0	$ 0	$ 0	$ 1,132,718
Construction in Progress	391,535	(387,044)	112,612		117,103
Total Capital Assets Not Being Depreciated	1,524,253	(387,044)	112,612	0	1,249,821
Capital Assets Being Depreciated					
Buildings and Improvements	36,374,230	387,044	262,507	0	37,023,781
Furniture, Machinery, and Equipment -					
Dwelling	705,218	0	0		705,218
Administrative	1,089,818	0	0	0	1,089,818
Total Capital Assets Being Depreciated	38,169,266	387,044	262,507	0	38,818,817
Accumulated Depreciation					
Buildings	(29,969,194)	0	(954,373)	0	(30,923,567)
Furniture, Machinery, and Equipment	(1,673,349)	0	(53,254)	0	(1,726,603)
Total Accumulated Depreciation	(31,642,543)	0	(1,007,627)	0	(32,650,170)
Capital Assets Being Depreciated, Net	6,526,723	387,044	(745,120)	0	6,168,647
Total Capital Assets, Net	$ 8,050,976	$ 0	$ (632,508)	$ 0	$ 7,418,468

NOTE 6: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

Net Pension Liability (Continued)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Authority's contractually required contributions used to fund pension benefits was $187,789 for fiscal year ending December 31, 2022.

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

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.009905%
Proportion of the Net Pension Liability:	
Current Measurement Date	0.009515%
Change in Proportionate Share	-0.000390%
Proportionate Share of the Net Pension Liability	$ 827,844
Pension Expense	$ (197,102)

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

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 42,202
Changes of assumptions	103,521
Changes in proportion and differences between Authority contributions and proportionte share of contributions	1,631
Authority contributions subsequent to the measurement date	187,789
Total Deferred Outflows of Resources	$ 335,143
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 984,690
Differences between expected and actual experience	18,156
Changes in proportion and differences between Authority contributions and proportiontae share of contributions	48,486
Total Deferred Inflows of Resources	$ 1,051,332

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

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

$187,789 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS Traditional Pension Plan
Year Ending December 31:		
2023	$	(163,185)
2024		(352,610)
2025		(231,541)
2026		(156,642)
Total	$	(903,978)

Actuarial Assumptions - OPERS

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	$ 2,182,646	$ 827,844	$ 299,532

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.
The Authority’s contractually required contribution allocated to health care was $2,929 for the fiscal year ending December 31, 2022.

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

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

	OPERS
Proportion of the Net OPEB Asset:	
Prior Measurement Date	0.009225%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.009285%
Change in Proportionate Share	0.000060%
Proportionate Share of the Net OPEB Asset	$ 290,820
OPEB Expense	$ (262,030)

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

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

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

		OPERS
Deferred Outflows of Resources		
Changes in proportion and differences between Authority contributions and proportionate share of contributions	$	1,791
Authority contributions subsequent to the measurement date		2,929
Total Deferred Outflows of Resources	$	4,720
Deferred Inflows of Resources		
Net difference between projected and actual earnings on OPEB plan investments	$	138,643
Differences between expected and actual experience		44,112
Changes of assumptions		117,720
Total Deferred Inflows of Resources	$	300,475

$2,929 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		OPERS
Year Ending December 31:		
2023	$	(184,443)
2024		(64,035)
2025		(30,294)
2026		(19,912)
Total	$	(298,684)

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.

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

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.

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$ 171,030	$ 290,820	$ 390,249

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 293,963	$ 290,820	$ 287,092

NOTE 8: **COMPENSATED ABSENCES**

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

All permanent employees will earn 4.64 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated up to 960 hours. Upon separation employees are not paid for sick leave not taken, except for one-fourth (1/4) accumulated sick leave upon retirement. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation. Upon separation, no payment for unused vacation is made to employees.

NOTE 8: **COMPENSATED ABSENCES** (Continued)

At December 31, 2022, based on the vesting method, $141,005 was accrued by the Authority for unused vacation and sick time. The current portion is $15,602 and the long-term portion is $125,403.

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

Changes in the Authority's long-term liabilities during fiscal year 2022 are as follows:

	Balance at 1/1/2022	Additions	Deletions	Balance at 12/31/2022	Due Within One Year
Loan Payable - Rural Economic and Community Development - 8% Interest - $37,926 dated January 1, 2016	$ 26,681	$ 0	$ (2,481)	$ 24,200	$ 2,687
Compensated Absences	179,983	0	(38,978)	141,005	15,602
Net Pension Liabliity	1,466,715	0	(638,871)	827,844	0
Total Long-Term Liabilities	$ 1,673,379	$ 0	$ (680,330)	$ 993,049	$ 18,289

Long-term debt consists of one term loan payable issued by Rural Housing Service. The debt was most recently re-amortized January 1, 2016 in the amount of $37,926. The rate of the note is 8 percent, but the interest is subsidized in an amount of $42 per month. The note is payable over a period of 15 years. Monthly payments made by the Authority are $335. In the event of default, the government may declare all indebtedness to be immediately due and payable. The balance due at December 31, 2022 is $24,200.

The following is a summary of the Authority's future debt service requirements for mortgages payable as of December 31, 2022:

For the Year Ended December 31	Principal	Interest	Total Payments
2023	$ 2,687	$ 1,339	$ 4,026
2024	2,910	1,116	4,026
2025	3,152	874	4,026
2026	3,414	612	4,026
2027	3,697	329	4,026
2028-2029	8,340	52	8,392
Total	$ 24,200	$ 4,322	$ 28,522

NOTE 10: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ending December 31, 2022, the Authority maintained comprehensive insurance coverage with private carriers for real estate property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

NOTE 10: **RISK MANAGEMENT** (Continued)

The Authority is a member of HARGG, which is a risk retention group operated as a joint venture by its more than 1,000 public housing authority members. Through HARGG, the Authority carries general liability coverage, public officials' liability coverage, and commercial auto coverage.

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its more than 1,000 public housing authority members. Through HAPI, the Authority carries commercial property and fidelity coverage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

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

NOTE 11: **RESTRICTED NET POSITION**

The Authority's restricted net assets are as follows:

Cash Held for South Ridge Village Reserve for Replacement	$ 91,073
Cash Held for South Ridge Village Escrows	6,000
Unspent Funding Provided by HUD to pay Section 8 Housing Choice Voucher and Mainstream Voucher Housing Assistance Payments	25,542
Total Restricted Net Position	$ 122,615

NOTE 12: **CONTINGENCIES**

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 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: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority has no material construction commitments at December 31, 2022.

NOTE 14: **COVID-19**

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.009515%	0.009905%	0.009868%	0.010449%	0.010874%	0.011725%	0.011141%	0.010781%	0.010781%
Authority's Proportionate Share of the Net Pension Liability	$ 827,844	$ 1,466,715	$ 1,950,477	$ 2,861,770	$ 1,705,920	$ 2,662,546	$ 1,929,761	$ 1,300,309	$ 1,270,939
Authority's Covered Payroll	$ 1,380,871	$ 1,395,085	$ 1,470,509	$ 1,411,329	$ 1,436,984	$ 1,517,886	$ 1,386,591	$ 1,322,926	$ 1,297,373
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.13%	132.64%	202.77%	118.72%	175.41%	139.17%	98.29%	97.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

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

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

See accompanying notes to the required supplementary information.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions	$ 187,789	$ 193,322	$ 195,312	$ 205,871	$ 197,586	$ 186,808	$ 182,147	$ 166,391	$ 158,495	$ 168,658
Contributions in Relation to the Contractually Required Contribution	$ (187,789)	$ (193,322)	$ (195,312)	$ (205,871)	$ (197,586)	$ (186,808)	$ (182,147)	$ (166,391)	$ (158,495)	$ (168,658)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll	$ 1,341,350	$ 1,380,871	$ 1,395,085	$ 1,470,509	$ 1,411,329	$ 1,436,984	$ 1,517,886	$ 1,386,591	$ 1,322,926	$ 1,297,373
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	11.98%	13.00%

See accompanying notes to the required supplementary information

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

	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.009285%	0.009225%	0.009190%	0.009730%	0.010140%	0.010970%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ (290,820)	$ (164,351)	$ 1,269,378	$ 1,268,560	$ 1,101,129	$ 1,108,007
Authority's Covered Payroll	$ 1,447,891	$ 1,395,085	$ 1,470,509	$ 1,411,329	$ 1,436,984	$ 1,517,886
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-20.09%	-11.78%	86.32%	89.88%	76.63%	73.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 2,929	$ 2,681	$ -	$ -	$ -	$ 14,370	$ 30,358	$ 27,732	$ 26,723	$ 12,974
Contributions in Relation to the Contractually Required Contribution	(2,929)	(2,681)	-	-	-	(14,370)	(30,358)	(27,732)	(26,723)	(12,974)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll	$ 1,414,573	$ 1,447,891	$ 1,395,085	$ 1,470,509	$ 1,411,329	$ 1,436,984	$ 1,517,886	$ 1,386,591	$ 1,322,926	$ 1,297,373
Contributions as a Percentage of Covered Payroll	0.21%	0.19%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.02%	1.00%

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

Net OPEB Liability

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

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**	**Loan Balance**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Public and Indian Housing	14.850	2022	**$2,668,028**	$0
Public Housing Capital Fund	14.872	2022	**615,390**	0
Section 8 Project Based Cluster:				
Section 8 Housing Assistance Payments Program	*14.195	2022	179,519	0
Sub-Total Section 8 Project Based Cluster			**179,519**	**0**
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	2022	2,856,953	0
Mainstream Vouchers	14.879	2022	290,511	0
Sub-Total Housing Voucher Cluster			**3,147,464**	**0**
Total U.S. Department of Housing and Urban Development			**6,610,401**	**0**
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Rural Rental Housing Loans	10.415	2022	**0**	**26,681**
Total U.S Department of Agriculture			**0**	**26,681**
Total Expenditures of Federal Awards			**$6,610,401**	**$26,681**

* Represents rental assistance to South Ridge Village Housing USDA Project #41-004-341031866

The accompanying notes to this schedule are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FISCAL YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Ashtabula Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – LOAN/LOAN GURANTEE OUTSTANDING BALANCES

Rural Rental Housing Loans (AL# 10.415) – Balances outstanding for the year ending December 31, 2022 was $26,681.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2022

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$2,492,218	$308,169	$60,910	$191,160		$311,318	$3,363,775		$3,363,775
113 Cash - Other Restricted		$97,073	$1,455	$24,087			$122,615		$122,615
114 Cash - Tenant Security Deposits	$66,565	$8,848				$850	$76,263		$76,263
100 Total Cash	$2,558,783	$414,090	$62,365	$215,247	$0	$312,168	$3,562,653	$0	$3,562,653
122 Accounts Receivable - HUD Other Projects		$29,432					$29,432		$29,432
124 Accounts Receivable - Other Government					$26,963		$26,963		$26,963
125 Accounts Receivable - Miscellaneous						$47,620	$47,620		$47,620
126 Accounts Receivable - Tenants	$145,415	$10,523					$155,938		$155,938
126.1 Allowance for Doubtful Accounts -Tenants	-$58,292	-$4,000					-$62,292		-$62,292
126.2 Allowance for Doubtful Accounts - Other	-$2,880						-$2,880		-$2,880
127 Notes, Loans, & Mortgages Receivable - Current	$7,201						$7,201		$7,201
128 Fraud Recovery	$9,386						$9,386		$9,386
128.1 Allowance for Doubtful Accounts - Fraud	-$3,710						-$3,710		-$3,710
120 Total Receivables, Net of Allowances for Doubtful Accounts	$97,120	$35,955	$0	$0	$26,963	$47,620	$207,658	$0	$207,658
142 Prepaid Expenses and Other Assets				$3,611		$28,147	$31,758		$31,758
143 Inventories	$177,541					$95,027	$272,568		$272,568
143.1 Allowance for Obsolete Inventories	-$5,300					-$7,900	-$13,200		-$13,200
144 Inter Program Due From				$26,963			$26,963	-$26,963	$0
150 Total Current Assets	$2,828,144	$450,045	$62,365	$245,821	$26,963	$475,062	$4,088,400	-$26,963	$4,061,437
161 Land	$872,035	$128,500		$10,243		$121,940	$1,132,718		$1,132,718
162 Buildings	$32,647,413	$1,290,507				$3,085,861	$37,023,781		$37,023,781
163 Furniture, Equipment & Machinery - Dwellings	$481,036	$155,482				$68,700	$705,218		$705,218
164 Furniture, Equipment & Machinery - Administration	$872,183	$22,804		$55,769		$139,062	$1,089,818		$1,089,818
166 Accumulated Depreciation	-$28,396,805	-$1,423,933		-$49,024		-$2,780,408	-$32,650,170		-$32,650,170
167 Construction in Progress	$117,103						$117,103		$117,103
160 Total Capital Assets, Net of Accumulated Depreciation	$6,592,965	$173,360	$0	$16,988	$0	$635,155	$7,418,468	$0	$7,418,468
174 Other Assets	$170,711	$15,995		$36,062		$68,052	$290,820		$290,820
180 Total Non-Current Assets	$6,763,676	$189,355	$0	$53,050	$0	$703,207	$7,709,288	$0	$7,709,288
200 Deferred Outflow of Resources	$199,500	$18,693		$42,143		$79,527	$339,863		$339,863
290 Total Assets and Deferred Outflow of Resources	$9,791,320	$658,093	$62,365	$341,014	$26,963	$1,257,796	$12,137,551	-$26,963	$12,110,588

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2022

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days		$2,155				$72,201	$74,356		$74,356
321 Accrued Wage/Payroll Taxes Payable	$20,346	$2,105		$3,828		$26,468	$52,747		$52,747
322 Accrued Compensated Absences - Current Portion	$7,706	$2,554		$1,265		$4,077	$15,602		$15,602
325 Accrued Interest Payable		$120					$120		$120
333 Accounts Payable - Other Government	$71,337						$71,337		$71,337
341 Tenant Security Deposits	$66,565	$8,848				$850	$76,263		$76,263
342 Unearned Revenue	$28,417	$1,967					$30,384		$30,384
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$2,687					$2,687		$2,687
347 Inter Program - Due To					$26,963		$26,963	-$26,963	$0
310 Total Current Liabilities	$194,371	$20,436	$0	$5,093	$26,963	$103,596	$350,459	-$26,963	$323,496
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$21,513					$21,513		$21,513
354 Accrued Compensated Absences - Non Current	$69,360	$7,967		$11,386		$36,690	$125,403		$125,403
357 Accrued Pension and OPEB Liabilities	$485,944	$45,531		$102,653		$193,716	$827,844		$827,844
350 Total Non-Current Liabilities	$555,304	$75,011	$0	$114,039	$0	$230,406	$974,760	$0	$974,760
300 Total Liabilities	$749,675	$95,447	$0	$119,132	$26,963	$334,002	$1,325,219	-$26,963	$1,298,256
400 Deferred Inflow of Resources	$793,511	$74,349		$167,624		$316,323	$1,351,807		$1,351,807
508.4 Net Investment in Capital Assets	$6,592,965	$149,160	$0	$16,988	$0	$635,155	$7,394,268	$0	$7,394,265
511.4 Restricted Net Position	$0	$97,073	$1,455	$24,087	$0	$0	$122,615	$0	$122,615
512.4 Unrestricted Net Position	$1,655,169	$242,064	$60,910	$13,183	$0	-$27,684	$1,943,642	$0	$1,943,642
513 Total Equity - Net Assets / Position	$8,248,134	$488,297	$62,365	$54,258	$0	$607,471	$9,460,525	$0	$9,460,525
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$9,791,320	$658,093	$62,365	$341,014	$26,963	$1,257,796	$12,137,551	-$26,963	$12,110,588

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$1,369,832	$136,717				$7,537	$1,514,086		$1,514,086
70400 Tenant Revenue - Other	$136,900	$12,030					$148,930		$148,930
70500 Total Tenant Revenue	$1,506,732	$148,747	$0	$0	$0	$7,537	$1,663,016	$0	$1,663,016
70600 HUD PHA Operating Grants	$2,908,297	$179,519	$290,511	$2,856,953			$6,235,280		$6,235,280
70610 Capital Grants	$375,119						$375,119		$375,119
70710 Management Fee						$515,439	$515,439	-$515,439	$0
70720 Asset Management Fee						$66,600	$66,600	-$66,600	$0
70730 Book Keeping Fee						$98,063	$98,063	-$98,063	$0
70700 Total Fee Revenue						$680,102	$680,102	-$680,102	$0
70800 Other Government Grants					$303,583		$303,583		$303,583
71100 Investment Income - Unrestricted						$1,431	$1,431		$1,431
71400 Fraud Recovery				$6,982			$6,982		$6,982
71500 Other Revenue	$7,744	$3,747				$54,044	$65,535		$65,535
70000 Total Revenue	$4,797,892	$332,013	$290,511	$2,863,935	$303,583	$743,114	$9,331,048	-$680,102	$8,650,946
91100 Administrative Salaries	$313,050	$41,236	$19,369	$155,684	$9,141	$348,583	$887,063		$887,063
91200 Auditing Fees	$7,182	$599		$1,796		$2,394	$11,971		$11,971
91300 Management Fee	$434,439		$8,556	$64,656	$7,788		$515,439	-$515,439	$0
91310 Book-keeping Fee	$47,438		$5,347	$40,410	$4,868		$98,063	-$98,063	$0
91400 Advertising and Marketing	$3,800						$3,800		$3,800
91500 Employee Benefit contributions - Administrative	-$94,513	-$44,345	$6,931	-$107,120	$3,271	$237,612	$1,836		$1,836
91600 Office Expenses	$58,114	$5,624	$2,755	$20,818		$72,632	$159,943		$159,943
91700 Legal Expense	$25,422					$247,191	$272,613		$272,613
91800 Travel	$5,659	$294		$2,738		$10,601	$19,292		$19,292
91900 Other	$22,157		$564	$4,258		$68,944	$95,923		$95,923
91000 Total Operating - Administrative	$822,748	$3,408	$43,522	$183,240	$25,068	$987,957	$2,065,943	-$613,502	$1,452,441
92000 Asset Management Fee	$66,600						$66,600	-$66,600	$0
92400 Tenant Services - Other	$4,325						$4,325		$4,325
92500 Total Tenant Services	$4,325	$0	$0	$0	$0	$0	$4,325	$0	$4,325
93100 Water	$281,718	$7,083				$1,251	$290,052		$290,052
93200 Electricity	$191,753	$16,688				$4,316	$212,757		$212,757
93300 Gas	$52,028	$13,249				$2,022	$67,299		$67,299
93600 Sewer	$131,480	$24,910				$189	$156,579		$156,579
93000 Total Utilities	$656,979	$61,930	$0	$0	$0	$7,778	$726,687	$0	$726,687
94100 Ordinary Maintenance and Operations - Labor	$559,568	$40,314					$599,882		$599,882

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
94200 Ordinary Maintenance and Operations - Materials and Other	$263,965	$13,482	$99	$745		$22,249	$300,540		$300,540
94300 Ordinary Maintenance and Operations Contracts	$537,646	$35,922	$210	$1,590		$13,405	$588,773		$588,773
94500 Employee Benefit Contributions - Ordinary Maintenance	-$167,190	-$43,354					-$210,544		-$210,544
94000 Total Maintenance	$1,193,989	$46,364	$309	$2,335	$0	$35,654	$1,278,651	$0	$1,278,651
95200 Protective Services - Other Contract Costs	$148,405	$3,052		$2,362		$32,744	$186,563		$186,563
95000 Total Protective Services	$148,405	$3,052	$0	$2,362	$0	$32,744	$186,563	$0	$186,563
96110 Property Insurance	$174,625	$12,140				$4,666	$191,431		$191,431
96120 Liability Insurance				$8,509			$8,509		$8,509
96100 Total insurance Premiums	$174,625	$12,140	$0	$8,509	$0	$4,666	$199,940	$0	$199,940
96200 Other General Expenses	$3,870	$111		$397		$20,073	$24,451		$24,451
96210 Compensated Absences						$22,962	$22,962		$22,962
96300 Payments in Lieu of Taxes	$71,337						$71,337		$71,337
96000 Total Other General Expenses	$75,207	$111	$0	$397	$0	$43,035	$118,750	$0	$118,750
96710 Interest of Mortgage (or Bonds) Payable		$1,513					$1,513		$1,513
96700 Total Interest Expense and Amortization Cost	$0	$1,513	$0	$0	$0	$0	$1,513	$0	$1,513
96900 Total Operating Expenses	$3,142,878	$128,518	$43,831	$196,843	$25,068	$1,111,834	$4,648,972	-$680,102	$3,968,870
97000 Excess of Operating Revenue over Operating Expenses	$1,655,014	$203,495	$246,680	$2,667,092	$278,515	-$368,720	$4,682,076	$0	$4,682,076
97200 Casualty Losses - Non-capitalized	$12,915						$12,915		$12,915
97300 Housing Assistance Payments			$241,602	$2,482,638	$278,515		$3,002,755		$3,002,755
97400 Depreciation Expense	$935,094	$33,193		$4,998		$34,342	$1,007,627		$1,007,627
90000 Total Expenses	$4,090,887	$161,711	$285,433	$2,684,479	$303,583	$1,146,176	$8,672,269	-$680,102	$7,992,167
10010 Operating Transfer In	$150,358						$150,358	-$150,358	$0
10020 Operating transfer Out	-$150,358						-$150,358	$150,358	$0
10091 Inter Project Excess Cash Transfer In	$300,000						$300,000		$300,000
10092 Inter Project Excess Cash Transfer Out	-$300,000						-$300,000		-$300,000
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$693,991	$170,302	$5,078	$179,456	$0	-$403,062	$658,779	$0	$658,779
11020 Required Annual Debt Principal Payments		$2,481					$2,481		$2,481
11030 Beginning Equity	$7,541,129	$317,995	$57,287	-$125,198	$0	$1,010,533	$8,801,746		$8,801,746
11170 Administrative Fee Equity				$26,680			$26,680		$26,680

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE REVENUE AND EXPENSE SUMMARY

FOR THE YEAR ENDED DECEMBER 31, 2022

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	COCC	Subtotal	ELIM	Total
11180 Housing Assistance Payments Equity				$27,578			$27,578		$27,578
11190 Unit Months Available	$6,660	$480	$720	$5,688	$649	$12	$14,209		$14,209
11210 Number of Unit Months Leased	$6,325	$450	$713	$5,388	$649	$8	$13,533		$13,533
11270 Excess Cash	$2,207,119						$2,207,119		$2,207,119
11620 Building Purchases	$375,119						$375,119		$375,119

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

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Ashtabula Metropolitan Housing Authority, Ashtabula County, (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2023

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ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	➢ AL# 14.850 – Public Housing Programs: Public and Indian Housing
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

ASHTABULA METROPOLITAN HOUSING AUTHORITY

ASHTABULA 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 9/28/2023

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