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CERTIFIED PUBLIC ACCOUNTANTS

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PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

**Pickaway Metropolitan Housing Authority**

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*For the Year Ended December 31, 2024*

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Commissioners

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the Pickaway Metropolitan Housing Authority, Pickaway County, Ohio (Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Pickaway Metropolitan Housing Authority, Pickaway County, Ohio as of December 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the blended component units, Pickaway Terrace LLC and PHMA Eden Place LLC, which represent 32 percent, -11 percent, and 16 percent, respectively, of the assets, net position, and revenues of the business-type activities as of December 31, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the blended component units, Pickaway Terrace LLC and PHMA Eden Place LLC, is based solely on the reports of other auditors.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

***Supplementary information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*BHM CPA Group*

BHM CPA Group, Inc.  
Circleville, Ohio  
June 21, 2025

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**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(Unaudited)**

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

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

**FINANCIAL HIGHLIGHTS**

- Net position decreased by \$140,567 (or 3 percent) during 2024, and was \$4,094,521 and \$4,235,088 for 2024 and 2023, respectively.
- Revenue decreased by \$163,325 (or 2 percent) during 2024, and was \$6,706,637 and \$6,869,962 for 2024 and 2023, respectively.
- Total expenses increased by \$470,071 (or 7 percent) during 2024. Total expenses were \$6,847,204 and \$6,377,133 for 2024 and 2023, respectively.

**FINANCIAL STATEMENTS**

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

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format 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, net of liabilities, 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 net of depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: 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 Net Position: Consists of net position that does not meet the definition of “Net Investments in Capital Assets,” or “Restricted Net Position.”

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

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

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

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

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

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

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

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



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

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

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

FSS Escrow Forfeiture Account Program – within the Housing Choice Voucher program, the Family Self-Sufficiency program provides families opportunities for education, job training counseling and other support to help the families achieve self-sufficiency. As a participant's skills improve, earnings likely increase the participant's rent amount and under the program the increased rent amounts are placed into an escrow account for the family and upon graduation families withdraw funds from the escrow account. Escrows of participants failing to graduate or otherwise withdrawing from the program are forfeited to be used for the benefit of any FSS participant in good standing under the FSS Escrow Forfeiture Account program.

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**Statement of Net Position**

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

**Table 1 - Condensed Statement of Net Position**

	<b>2024</b>	<b>2023</b>
<b><u>Assets</u></b>		
Current Assets	\$ 2,560,577	\$ 2,437,643
Capital Assets, Net	7,672,852	8,113,541
OPEB Asset	35,939	0
Other Non-Current Assets	9,529	11,129
<b>Total Assets</b>	<b>10,278,897</b>	<b>10,562,313</b>
Deferred Outflow of Resources	377,646	629,021
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 10,656,543</b>	<b>\$ 11,191,334</b>
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 319,445	\$ 355,956
Non-Current Liabilities - Pension and OPEB	1,118,165	1,382,836
Non-Current Liabilities - Other	5,055,039	5,173,289
<b>Total Liabilities</b>	<b>6,492,649</b>	<b>6,912,081</b>
Deferred Inflow of Resources	69,373	44,165
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	2,605,804	2,941,072
Restricted	729,005	682,342
Unrestricted	759,712	611,674
<b>Total Net Position</b>	<b>4,094,521</b>	<b>4,235,088</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position</b>	<b>\$ 10,656,543</b>	<b>\$ 11,191,334</b>

Total assets decreased modestly, by \$283,416 (or 3%), but current assets increased \$122,934 (or 5%). And despite the increase in current assets, current liabilities decreased \$36,511. The corresponding change was the increase in unrestricted net position, an indication of the favorable results from operations in the period. Capital assets decreased \$440,689 compared to the prior year-end as depreciation on assets outpaced capital additions in the period. Otherwise, as has been the case in recent years, the other balances that changed by larger amounts, deferred outflows of resources, and noncurrent liabilities – pension & OPEB, were due to changes in balances reported in accordance with GASB 68 and GASB 75.

GASB 68 is an accounting standard that calls for Pickaway MHA to report what is determined to be its estimated share of the unfunded pension liability of the retirement system, the Ohio Public Employees Retirement System (OPERS). And GASB 75 is an accounting standard that calls for Pickaway MHA to report what is determined to be its estimated share of the unfunded OPEB (healthcare) liability (or OPEB funding surplus asset, at fiscal year-end 2024 the Authority reported a Net OPEB asset of \$31,845) of OPERS. Employees of Pickaway MHA are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to PERS for all of its employees. The net pension liability is unlike other liabilities the Authority has in that the liabilities do not represent invoices or debts to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future pension obligations.

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Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like Pickaway MHA. Some changes in the unfunded pension and OPEB liabilities of the retirement system are amortized over a five-year period, and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. That means the larger changes to these balances also do not represent changes in operations at Pickaway MHA but rather reflect changes in the funding of future obligations by the 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 resources and the net pension liability to the reported net position, and subtracting the related deferred outflows of resources. Reporting of these balances has the effect of lowering unrestricted net position at December 31, 2024 by \$809,892.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

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

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

	<b>2024</b>	<b>2023</b>
<b><u>Revenues</u></b>		
Tenant Revenue - Rents and Other	\$ 1,636,510	\$ 1,522,470
Operating Subsidies and Grants	4,847,634	4,546,439
Capital Grants	136,742	696,991
Investment Income/Other Revenues	85,751	104,062
<b>Total Revenues</b>	<b>6,706,637</b>	<b>6,869,962</b>
<b><u>Expenses</u></b>		
Administration	913,048	956,321
Tenant Services	51,515	26,660
Utilities	415,148	367,652
Maintenance	737,457	688,285
General/PILOT/Insurance	139,215	133,017
Bad Debt/Fraud Losses	43,135	34,617
Interest Expense	233,774	217,750
Housing Assistance Payment	3,675,349	3,338,927
Depreciation	638,563	613,904
<b>Total Expenses</b>	<b>6,847,204</b>	<b>6,377,133</b>
Changes in Net Position	(140,567)	492,829
Net Position - Beginning of Year	4,235,088	3,742,259
<b>Net Position - End of Year</b>	<b>\$ 4,094,521</b>	<b>\$ 4,235,088</b>

Total income decreased modestly, by \$163,325 (or 2%), with the largest change being to capital grants income. HUD provides Capital Fund Program (CFP) funding annually on a formula basis, and PHAs typically have 4 years to spend it to allow for time to plan and carry out improvement projects. The revenue is recognized when the funding is spent.

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Reported as capital grant revenue is the portion of CFP grant funding spent on capital improvements. CFP grant revenue decreased \$560,249 over fiscal year-end 2023, so this decrease in capital grant revenue indicates less of the grant was spent on capital improvements than in the prior fiscal period, but more was spent on work not considered to be capital improvements.

Expenses overall increased \$470,071 (or 7%), with the largest increase noted in Housing Assistance Payment (HAP) expense. HAP expense is recorded when the Authority makes rental assistance payments on behalf of families being assisted by the Housing Choice Voucher program. The amount of HAP paid is based on a formula provided by HUD that considers family income and composition, intended to make rents paid by families affordable. Program utilization was virtually unchanged from the prior fiscal period, and this increase instead reflects a trend of increasing rental rates in the area served by the Authority. As rental rates increase, more HAP is needed to make rents affordable for families helped by the program

### **CAPITAL ASSETS**

As of the current fiscal year-end, the Authority had \$7,672,852 invested in capital assets as reflected in the following schedule, which represents a net decrease (additions less depreciation) of \$440,689 from the end of last fiscal year. The majority of additions in the period were from capital expenditures of Capital Fund Program funds.

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

	<b>2024</b>	<b>2023</b>
Land and Land Rights	\$ 793,173	\$ 793,173
Buildings	20,000,710	19,870,682
Equipment	781,735	757,800
Accumulated Depreciation	(13,902,766)	(13,308,114)
<b>Total</b>	<u><u>\$ 7,672,852</u></u>	<u><u>\$ 8,113,541</u></u>

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

**Table 4 - Change in Capital Assets**

Beginning Balance	\$ 8,113,541
Additions	197,874
Depreciation	(638,563)
<b>Ending Balance</b>	<u><u>\$ 7,672,852</u></u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(Unaudited)**

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**DEBT OUTSTANDING**

**Debt Administration**

Changes in debt in the period is summarized as follows:

Outstanding Principal Balance as of December 31, 2023	\$ 5,172,469
Add:	
New Debt in period	0
Less:	
Principal Payments made during the Year	(105,421)
Outstanding Principal Balance as of December 31, 2024	<u>\$ 5,067,048</u>

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

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

**FINANCIAL CONTACT**

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**STATEMENT OF NET POSITION**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**Assets and Deferred Outflow of Resources**

**Assets**

**Current Assets**

Cash and Cash Equivalents - Unrestricted	\$ 1,601,227
Cash and Cash Equivalents - Restricted	802,683
Receivables, Net	51,884
Prepaid Expenses and Other Assets	104,783
<b>Total Current Assets</b>	<b>2,560,577</b>

**Noncurrent Assets**

**Capital Assets:**

Non-Depreciable Capital Assets	793,173
Depreciable Capital Assets, Net	6,879,679
<b>Total Capital Assets</b>	<b>7,672,852</b>
Notes Receivable	3,350
Net OPEB Asset	35,939
Other	6,179
<b>Total Noncurrent Assets</b>	<b>7,718,320</b>

**Total Assets**

**10,278,897**

**Deferred Outflows of Resources**

Pension	345,801
OPEB	31,845

**Total Deferred Outflows of Resources**

**377,646**

**Total Assets and Deferred Outflow of Resources**

**\$ 10,656,543**

**Liabilities, Deferred Inflow of Resources, and Net Position**

**Liabilities**

**Current Liabilities**

Accounts Payable	\$ 50,184
Accrued Liabilities	62,204
Accrued Interest	8,069
Intergovernmental Payables	17,711
Tenant Security Deposits	69,625
Bonds, Notes, and Loans Payable	111,652
<b>Total Current Liabilities</b>	<b>319,445</b>

**Noncurrent Liabilities**

Bonds, Notes, and Loans Payable - Net of Current Portion	4,955,396
FSS Escrow Liability	36,606
Accrued Compensated Absences Noncurrent	63,037
Net Pension Liability	1,118,165
<b>Total Noncurrent Liabilities</b>	<b>6,173,204</b>
<b>Total Liabilities</b>	<b>6,492,649</b>

**Deferred Inflow of Resources**

Pension	48,479
OPEB	20,894
<b>Total Deferred Inflow of Resources</b>	<b>69,373</b>

**Net Position**

Net Investment in Capital Assets	2,605,804
Restricted Net Position	729,005
Unrestricted Net Position	759,712
<b>Total Net Position</b>	<b>4,094,521</b>

**Total Liabilities, Deferred Inflow of Resources, and Net Position**

**\$ 10,656,543**

See the accompanying notes to the financial statements.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**Operating Revenues**

Tenant Revenue	\$ 1,636,510
Government Operating Grants	4,847,634
Other Revenue	23,379
<b>Total Operating Revenues</b>	<b><u>6,507,523</u></b>

**Operating Expenses**

Administrative	913,048
Tenant Services	51,515
Utilities	415,148
Maintenance	737,457
Insurance	108,397
PILOT	24,983
Other General Expenses	48,970
Housing Assistance Payments	3,675,349
Depreciation	638,563
<b>Total Operating Expenses</b>	<b><u>6,613,430</u></b>
<b>Operating Income (Loss)</b>	<b><u>(105,907)</u></b>

**Non-Operating Revenues (Expenses)**

Interest and Investment Revenue	3,993
Interest Subsidy	57,379
Interest Expense	(233,774)
Gain on Disposition	1,000
<b>Total Non-Operating Revenue (Expenses)</b>	<b><u>(171,402)</u></b>
Net Loss Before Capital Grants	(277,309)

Capital Grants - HUD	136,742
<b>Change in Net Position</b>	<b><u>(140,567)</u></b>

Total Net Position - Beginning of Year	<u>4,235,088</u>
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<b>Total Net Position - End of Year</b>	<b><u>\$ 4,094,521</u></b>
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See accompanying notes to the financial statements.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

**Cash Flows from Operating Activities**

Operating Grants Received	\$ 4,841,036
Tenant Revenue Received	1,645,718
Other Revenue Received	22,693
General and Administrative Expenses Paid	(2,389,018)
Housing Assistance Payments	(3,680,535)
<b>Net Cash Provided by Operating Activities</b>	<b><u>439,894</u></b>

**Cash Flows from Investing Activities**

Interest Earned Received	3,993
<b>Net Cash Provided by Investing Activities</b>	<b><u>3,993</u></b>

**Cash Flows from Capital and Related Activities**

Capital Grant Funds Received	136,742
Capital Assets Acquisition	(197,874)
Proceeds from Disposition of Capital Assets	1,000
Principal Payments	(105,421)
Interest Payments	(176,676)
<b>Net Cash (Used) by Capital and Related Activities</b>	<b><u>(342,229)</u></b>
Change in Cash and Cash Equivalents	101,658

Cash and Cash Equivalents - Beginning of Year	<u>2,302,252</u>
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<b>Cash and Cash Equivalents - End of Year</b>	<b><u><u>\$ 2,403,910</u></u></b>
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**Reconciliation of Operating Loss to Net Cash Provided by Operating Activities**

Net Operating Income (Loss)	\$ (105,907)
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	638,563
(Increases) Decreases in:	
Accounts Receivables, Net of Allowance	841
Prepaid Expenses and Other Assets	(20,463)
OPEB Asset	(35,993)
Deferred Outflow of Resources	251,375
Increases (Decreases) in:	
Accounts Payable	(33,955)
Accrued Liabilities	(9,371)
Tenant Security Deposits	1,083
Accrued Compensated Absence	450
Accrued Pension and OPEB Liabilities	(264,671)
Other Non-Current Liabilities	(7,266)
Deferred Inflows of Resources	25,208

<b>Net Cash Provided by Operating Activities</b>	<b><u><u>\$ 439,894</u></u></b>
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See accompanying notes to the financial statements.



**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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

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

**Reporting Entity**

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

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

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

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

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

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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

**Basis of Presentation**

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

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

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

**Measurement Focus**

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

**Fund Accounting**

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

**Enterprise Fund**

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

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

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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

Enterprise Fund (Continued)

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

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

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

FSS Escrow Forfeiture Account Program – within the Housing Choice Voucher program, the Family Self-Sufficiency program provides families opportunities for education, job training counseling and other support to help the families achieve self-sufficiency. As a participant's skills improve, earnings likely increase the participant's rent amount and under the program the increased rent amounts are placed into an escrow account for the family and upon graduation families withdraw funds from the escrow account. Escrows of participants failing to graduate or otherwise withdrawing from the program are forfeited to be used for the benefit of any FSS participant in good standing under the FSS Escrow Forfeiture Account program.

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

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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

Use of Estimates

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

Cash and Cash Equivalents

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

Tenant Receivables – Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for bad debts at December 31, 2024 is \$5,350.

Property and Equipment

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

Useful Lives

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

Depreciation is recorded on the straight-line method.

Investments

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

Net Position

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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

Compensated Absences

The Authority recognizes a liability for compensated absences for leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability is incurred in the proprietary fund financial statements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The Authority's policy permits employees to accumulate earned but unused benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick - The Authority's policy permits employees to accumulate earned but unused sick leave. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the Authority's termination policy. The Authority adopted the last-in first-out (LIFO) method for sick time used.

Deferred inflow/outflow of Resources

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

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLES**

*GASB Statement No. 101, Compensated Absences* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

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

- Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.
- Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

The carrying amount of the Authority's deposits was \$2,403,910, including \$525 petty cash and change fund, at December 31, 2024. The corresponding bank balances were \$2,437,216. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, as of December 31, 2024. \$918,527 was covered by federal depository insurance, while \$1,099,173 was collateralized with securities pledged in the name of the Authority, and \$419,516 was held in trust.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits that are collateralized are with eligible securities in amounts equal to at least 102 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve banks or at member banks of the Federal Reserve system, in the name of the respective depository banks and pledged as a pool of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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

**Restricted Cash**

The restricted cash balance of \$802,683 on the financial statements represents the following:

HAP Payable	\$ 3,386
Family Self-Sufficiency Escrows	36,606
Family Self-Sufficiency Forfeitures	12,928
Replacement Reserves of the Rural Housing Williamsport Terrace Project	94,404
Tenant Security Deposits	69,625
Replacement Reserves of the Eden Place Project	166,218
Replacement Reserve and Debt Related Escrows of the Pickaway Terrace Project	419,516
<b>Total Restricted Cash</b>	<b><u><u>\$ 802,683</u></u></b>

**Investments**

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

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

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

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

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

The Authority had no investments in 2024.



**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

**NOTE 4: CAPITAL ASSETS**

A summary of capital assets at December 31, 2024, is as follows:

	Balance 12/31/2023	Additions	Disposals	Balance 12/31/2024
<b><i>Capital Assets Not Being Depreciated</i></b>				
Land	\$ 793,173	\$ 0	\$ 0	\$ 793,173
Construction in Progress	0	0	0	0
<b><i>Total Capital Assets Not Being Depreciated</i></b>	<b><i>793,173</i></b>	<b><i>0</i></b>	<b><i>0</i></b>	<b><i>793,173</i></b>
<b><i>Capital Assets Being Depreciated</i></b>				
Buildings and Improvements	19,870,682	130,028	0	20,000,710
Furniture and Equipment	757,800	67,846	(43,911)	781,735
<b><i>Total Capital Assets Being Depreciated</i></b>	<b><i>20,628,482</i></b>	<b><i>197,874</i></b>	<b><i>(43,911)</i></b>	<b><i>20,782,445</i></b>
<b><i>Accumulated Depreciation</i></b>				
Buildings and Improvements	(12,552,006)	(626,674)	0	(13,178,680)
Furniture and Equipment	(756,108)	(11,889)	43,911	(724,086)
<b><i>Total Accumulated Depreciation</i></b>	<b><i>(13,308,114)</i></b>	<b><i>(638,563)</i></b>	<b><i>43,911</i></b>	<b><i>(13,902,766)</i></b>
<b><i>Net Depreciable Assets</i></b>	<b><i>7,320,368</i></b>	<b><i>(440,689)</i></b>	<b><i>0</i></b>	<b><i>6,879,679</i></b>
<b><i>Total Capital Assets, Net</i></b>	<b><i>\$ 8,113,541</i></b>	<b><i>\$ (440,689)</i></b>	<b><i>\$ 0</i></b>	<b><i>\$ 7,672,852</i></b>

**NOTE 5: COMPENSATED ABSENCES**

At December 31, 2024, \$63,037 was accrued by the Authority for unused vacation and sick time. The full liability is considered to be a noncurrent liability.

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

***Net Pension Liability***

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



**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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

***Net Pension Liability***(Continued)

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

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

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

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

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

Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33, which allows for the consideration of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan and the Combined 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 in the Traditional Pension Plan and the Combined Plan 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 Pension Plan and the Combined Plan as per the reduced benefits adopted by SB 343 (see OPERS' Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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

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

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

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

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

	State and Local		
	Traditional Pension Plan	Combined Plan	Member- Directed Plan
<b>2023-2024 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
<b>2023-2024 Actual Contribution Rates</b>			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	14.0 %	14.0 %	14.0 %
Employee	10.0 %	10.0 %	10.0 %

\* Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

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

For fiscal year ending December 31, 2024, the Authority's contractually required contributions used to fund pension benefits was \$101,832 for the Traditional Pension Plan.

***Pension Liabilities, 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, 2023, 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:

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

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.004590%
Current Measurement Date	0.004271%
Change in Proportionate Share	<u>-0.000319%</u>
Proportionate Share of the Net Pension Liability	\$ 1,118,165
Pension Expense	\$ 81,215

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 225,694
Differences between expected and actual experience	18,275
Authority contributions subsequent to the measurement date	<u>101,832</u>
Total Deferred Outflows of Resources	<u>\$ 345,801</u>
<b>Deferred Inflows of Resources</b>	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>\$ 48,479</u>
Total Deferred Inflows of Resources	<u>\$ 48,479</u>

\$101,832 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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

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

Year Ending December 31:	<u>OPERS Traditional Pension Plan</u>
2025	\$ 19,264
2026	64,340
2027	144,024
2028	<u>(32,138)</u>
Total	<u>\$ 195,490</u>

***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, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

	<u>Traditional Pension Plan</u>
Wage Inflation	
Current Measurement Date:	2.75 percent
Prior Measurement Date:	2.75 percent
Future Salary Increases, including inflation	
Current Measurement Date:	2.75 to 10.75 percent including wage inflation
Prior Measurement Date:	2.75 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:	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return	
Current Measurement Date:	6.9 percent
Prior Measurement Date:	6.9 percent
Actuarial Cost Method	Individual Entry Age

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

*Actuarial Assumptions – OPERS* (Continued)

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of the geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

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

*Actuarial Assumptions – OPERS* (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.85 %
Domestic Equities	21.00	4.27
Real Estate	13.00	44.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00 %	

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

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	\$ 1,760,293	\$ 1,118,165	\$ 584,102



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**NOTE 7: DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

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

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

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

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

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, the 115 Health Care Trust, which was established in 2014 to fund health care for the Traditional Pension, Combined, and Member-Directed plans.

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

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

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

Retirees and eligible dependents enrolled in Medicare Parts A and B, and non-Medicare retirees beginning in 2022, are able to participate in the OPERS Connector in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assist eligible retirees, spouses, and dependents in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

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

1. **Age 65 or older** – minimum of 20 years of qualified health care service credit.
2. **Age 60 to 64** – based on the following age-and-service criteria:
  - a. Group A – 30 years of total service with at least 20 years of qualified health care service credit;
  - b. Group B – 31 years of total service with at least 20 years of qualified health care service credit; or
  - c. Group C – 32 years of total service with at least 20 years of qualified health care service credit.
3. **Age 59 or younger** – based on the following age-and-service criteria:
  - a. Group A – 30 years of qualified health care service credit;
  - b. Group B - 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or
  - c. Group C – 32 years of qualified health care service credit and at least age 55.

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

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

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

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

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of covered payroll. In 2023 and 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023-2024, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023-2024 was 2.0 percent and 4.0 percent, respectively.

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

None of the Authority's contractually required contribution were allocated to health care for the year ending December 31, 2024.

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

***OPEB Liability, 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, 2022, rolled forward to the measurement date of December 31, 2023, 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:

	<u>OPERS</u>
Proportion of the Net OPEB Liability/Asset:	
Prior Measurement Date	0.004274%
Current Measurement Date	<u>0.003982%</u>
Change in Proportionate Share	<u>-0.000292%</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$ (35,939)
OPEB Expense	\$ (3,410)

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 21,583
Changes of assumptions	9,253
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>1,009</u>
Total Deferred Outflows of Resources	<u>\$ 31,845</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ 5,116
Changes of assumptions	15,449
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>329</u>
Total Deferred Inflows of Resources	<u>\$ 20,894</u>

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

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

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

Year Ending December 31:	<u>OPERS</u>
2025	\$ (592)
2026	2,028
2027	16,802
2028	<u>(7,287)</u>
Total	<u>\$ 10,951</u>

***Actuarial Assumptions - OPERS***

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial valuation used the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent, including wage inflation	2.75 to 10.75 percent, including wage inflation
Single Discount Rate	5.70 percent	5.22 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	3.77 percent	4.05 percent
Health Care Cost Trend Rate	5.50 percent initial, 3.50 percent ultimate in 2038	5.50 percent initial, 3.50 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

*Actuarial Assumptions – OPERS* (Continued)

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

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

During 2023, 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 14.0 percent for 2023.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

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

*Actuarial Assumptions – OPERS* (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00 %</u>	

**Discount Rate** A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 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 2070. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 19,751	\$ (35,939)	\$ (82,069)



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

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

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 2024 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.

		Current Health Care Cost Trend Rate	
	1% Decrease	Assumption	1% Increase
Authority's proportionate share of the net OPEB liability (asset)	\$ (37,431)	\$ (35,939)	\$ (34,245)

**NOTE 8: ECONOMIC DEPENDENCY**

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

**NOTE 9: RISK MANAGEMENT**

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

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

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



**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

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**NOTE 10: LONG-TERM DEBT – DIRECT BORROWINGS**

The Authority manages a multiple family housing project funded by the USDA under its Rural Rental Housing program. The first Promissory Note secured by the property is a 50 year note dated May 10, 1985 in the amount of \$538,620. The rate is 11.875% but is subsidized by the USDA in an amount of \$4244.53 monthly. The monthly installment on the note is \$1172.97. A second Promissory Note secured by the property is dated 4/19/2011 in the amount of \$300,000. The rate is 4.625 percent but is subsidized by the USDA in a monthly amount of \$649.01. The monthly installment on the note is \$637.30. Payments on the note are based on a repayment of 50 years but all indebtedness on the note shall be due and payable on April 19, 2041. Payments required for the USDA mortgages vary based on a calculation performed on a monthly basis using the standard loan payment amount, overages on tenant rental amounts, and the rental assistance requested. In the event of default, the government may declare all indebtedness to be immediately due and payable. The outstanding balances on the notes at December 31, 2024 are \$387,548 and \$271,368 respectively.

The Authority has a mortgage note dated July 27, 2021 in the amount of \$100,000 payable to The Savings Bank. The rate is 4 percent payable in monthly installments of \$477.60 per month for 30 years. The mortgage is secured by property at 341 E High St., in Circleville. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2024 is \$93,685.

The Authority has a mortgage note dated September 15, 2021 in the amount of \$140,000 payable to The Savings Bank. The rate is 4% payable in monthly installments of \$668.56 per month for 30 years. The mortgage is secured by property at 110 Park St., in Circleville. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2024 is \$131,603.

The Authority has a mortgage note dated March 10, 2022 in the amount of \$140,000 payable to The Savings Bank. The rate is 4% payable in monthly installments of \$668.68 per month for 30 years. The mortgage is secured by property at 357 Eva Drive, in Circleville. In the event of default, the rate on the note shall increase 2% and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2024 is \$132,987.

The Authority has a mortgage note dated July 29, 2022 in the amount of \$196,000 payable to The Savings Bank. The rate is 5% payable in monthly installments of \$1052.69 per month for 30 years. The mortgage is secured by property at 164 Fourth Avenue, in Circleville. In the event of default, the rate on the note shall increase 2% and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2024 is \$188,768.

PMHA Pickaway Terrace, LLC, a wholly owned subsidiary of the Authority, has a mortgage note dated June 1, 2019 in the amount of \$2,632,500 payable to Centennial Mortgage, Inc. The rate is 3.81 percent payable in monthly installments of \$11,337.94 for 35 years. The mortgage is secured by the Pickaway Terrace property in Circleville, Ohio.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

NOTE 10: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

PMHA Pickaway Terrace, LLC has the right to prepay this mortgage note in whole on the last day of any calendar month and concurrently pay to Centennial Mortgage, LLC, an initial prepayment premium of 10 percent, which decreases 1 percent each year until 2029, after which there is no prepayment premium. In the event of default continuing for 30 days, at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2024 is \$2,416,317.

PMHA Eden Place, LLC, a wholly owned subsidiary of the Authority, has a mortgage note dated September 30, 2020 in the amount of \$1,570,000 payable to The Savings Bank. The rate is 4 percent payable in monthly installments of \$7,497.11 per month for 30 years. The mortgage is secured by a 40-unit Eden Place apartment property in Circleville, Ohio. In the event of default, the rate on the note shall increase 2 percent and at the option of the lender all amounts of indebtedness shall become due and payable. The outstanding balance on the note at December 31, 2024 is \$1,444,772.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2024:

	Balance at 12/31/2023	Issued	Retired	Balance at 12/31/2024	Due Within One Year
<b><u>Long-Term Liabilities</u></b>					
USDA Note Payable	\$ 405,370	\$ 0	\$ (17,822)	\$ 387,548	\$ 20,057
USDA Note Payable	274,181	0	(2,813)	271,368	2,947
Note Payable - East High Street	95,626	0	(1,941)	93,685	2,020
Note Payable - Park Street	134,302	0	(2,699)	131,603	2,810
Note Payable - Eva Drive	135,634	0	(2,647)	132,987	2,754
Note Payable - Fourth Street	191,877	0	(3,109)	188,768	3,267
Note Payable - PMHA Pickaway Terrace, LLC	2,459,651	0	(43,334)	2,416,317	45,014
Note Payable - PMHA Eden Place, LLC	1,475,828	0	(31,056)	1,444,772	32,783
FSS Escrows	43,872	24,303	(31,569)	36,606	0
Accrued Compensated Absences	62,587	450		63,037	0
Net Pension Liability	1,355,888		(237,723)	1,118,165	0
Net OPEB Liability	26,948		(26,948)	0	0
	<u>\$ 6,661,764</u>	<u>\$ 24,753</u>	<u>\$ (401,661)</u>	<u>\$ 6,284,856</u>	<u>\$ 111,652</u>

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024  
(CONTINUED)**

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NOTE 10: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	111,652	229,463	341,115
2026	117,865	223,250	341,115
2027	124,540	216,575	341,115
2028	131,516	209,599	341,115
2029	139,473	201,642	341,115
2030-2034	837,438	868,145	1,705,583
2035-2039	763,635	643,878	1,407,513
2040-2044	1,075,820	481,427	1,557,247
2045-2049	1,055,912	247,441	1,303,353
2050-2054	709,197	57,079	766,276
Total	<u>\$ 5,067,048</u>	<u>\$ 3,378,499</u>	<u>\$ 8,445,547</u>

NOTE 11: **RESTRICTED NET POSITION**

Restricted net position of \$729,005 is composed of the following:

Unspent Family Self-Sufficiency Escrow Forfeitures	\$ 12,928
Restricted for Replacement Reserves and Debt Escrows	680,138
Restricted for the GASB 75 Net OPEB Asset	<u>35,939</u>
<b>Total Restricted Net Position</b>	<u><u>\$ 729,005</u></u>

**PICKAWAY METROPOLITAN HOUSING AUTHORITY**  
**PICKAWAY COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**  
**(CONTINUED)**

NOTE 12: **BLENDED COMBINING SCHEDULE**

	PMHA Eden Place LLC	PMHA Pickaway Terrace LLC	Total Blended Component Units
<b><u>ASSETS</u></b>			
Current Assets	\$ 242,864	\$ 639,434	\$ 882,298
Capital Assets	613,466	1,877,033	2,490,499
<b>Total Assets</b>	<b>856,330</b>	<b>2,516,467</b>	<b>3,372,797</b>
<b><u>LIABILITIES &amp; NET POSITION</u></b>			
Current Liabilities	56,451	87,998	144,449
Noncurrent Liabilities	1,411,989	2,371,303	3,783,292
<b>Total Liabilities</b>	<b>1,468,440</b>	<b>2,459,301</b>	<b>3,927,741</b>
Net Investment in Capital Assets	(831,306)	(539,284)	(1,370,590)
Restricted	166,218	419,516	585,734
Unrestricted	52,978	176,934	229,912
<b>Total Net Position</b>	<b>(612,110)</b>	<b>57,166</b>	<b>(554,944)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 856,330</b>	<b>\$ 2,516,467</b>	<b>\$ 3,372,797</b>
<b><u>STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION</u></b>			
Operating Revenue	\$ 386,401	\$ 705,407	\$ 1,091,808
Operating Expenses	(326,614)	(454,833)	(781,447)
Operating Income (Loss)	59,787	250,574	310,361
Nonoperating Revenues	104	948	1,052
Nonoperating Expenses	(58,908)	(92,691)	(151,599)
Income (Loss) Before Transfers	983	158,831	159,814
Beginning Net Position	(592,030)	(57,164)	(649,194)
Transfers	(21,063)	(44,501)	(65,564)
<b>End Net Position</b>	<b>\$ (612,110)</b>	<b>\$ 57,166</b>	<b>\$ (554,944)</b>
<b><u>CASH FLOWS</u></b>			
Net Cash Provided (Used) By			
Operating Activities	\$ 72,849	\$ 299,141	\$ 371,990
Investing Activities	(3,227)	(47,201)	(50,428)
Financing Activities	(52,119)	(180,796)	(232,915)
<b>Net Increase (Decrease) in Cash</b>	<b>17,503</b>	<b>71,144</b>	<b>88,647</b>
Cash and Cash Equivalents - Beginning of Year	42,979	82,608	125,587
Cash and Cash Equivalents - End of Year	<b>\$ 60,482</b>	<b>\$ 153,752</b>	<b>\$ 214,234</b>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's Proportion of the Net Pension Liability	0.004271%	0.004590%	0.004914%	0.004786%	0.004450%	0.004510%	0.004085%	0.005064%	0.005180%	0.004064%
Authority's Proportionate Share of the Net Pension Liability	\$ 1,118,165	\$ 1,355,888	\$ 427,538	\$ 708,702	\$ 879,573	\$ 1,235,199	\$ 640,857	\$ 1,149,948	\$ 897,242	\$ 498,921
Authority's Covered Payroll	\$ 702,914	\$ 711,514	\$ 713,129	\$ 674,043	\$ 626,150	\$ 609,236	\$ 558,692	\$ 561,020	\$ 552,569	\$ 591,258
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.08%	190.56%	59.95%	105.14%	140.47%	202.75%	114.71%	204.97%	162.38%	84.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

See accompanying notes to the required supplementary information.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 101,832	\$ 98,408	\$ 99,612	\$ 99,838	\$ 94,366	\$ 87,661	\$ 85,293	\$ 72,630	\$ 67,322	\$ 66,308
Contributions in Relation to the Contractually Required Contribution	<u>(101,832)</u>	<u>(98,408)</u>	<u>(99,612)</u>	<u>(99,838)</u>	<u>(94,366)</u>	<u>(87,661)</u>	<u>(85,293)</u>	<u>(72,630)</u>	<u>(67,322)</u>	<u>(66,308)</u>
Contribution Deficiency / (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Covered Payroll	\$ 727,371	\$ 702,914	\$ 711,514	\$ 713,129	\$ 674,043	\$ 626,150	\$ 609,236	\$ 558,692	\$ 561,020	\$ 552,569
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/Asset	0.003982%	0.004274%	0.004574%	0.004457%	0.004144%	0.004200%	0.003970%	0.004990%
Authority's Proportion Share of the Net OPEB Liability/(Asset)	\$ (35,939)	\$ 26,948	\$ (143,265)	\$ (79,405)	\$ 572,394	\$ 547,581	\$ 431,113	\$ 504,007
Authority's Covered Payroll	\$ 702,914	\$ 711,514	\$ 713,129	\$ 674,043	\$ 626,150	\$ 609,236	\$ 582,900	\$ 586,350
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%	91.41%	89.88%	73.96%	85.96%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,829	\$ 11,727	\$ 11,695
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,829)</u>	<u>(11,727)</u>	<u>(11,695)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority Covered Payroll	\$ 727,371	\$ 702,914	\$ 711,514	\$ 713,129	\$ 674,043	\$ 626,150	\$ 609,236	\$ 582,900	\$ 586,350	\$ 584,750
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%

See accompanying notes to the required supplementary information.



**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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***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 2014-2024.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2023. For 2024, 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 decreased from 3.00% simple through 2023 then 2.05% simple, to 2.30% simple through 2024 then 2.05% simple.

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*** (Continued)

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2024.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034. For 2023, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.05% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2034 to 5.50% initial and 3.50% ultimate in 2036. For 2024, the following changes in assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 5.22% to 5.70% (b) the municipal bond rate changed from 4.05% to 3.77% (c) the health care cost trend rate changed from 5.50% initial and 3.50% ultimate in 2036 to 5.50% initial and 3.50% ultimate in 2038.

Pickaway Metropolitan Housing Authority (OH059)  
Cricleville, OH  
Entity Wide Balance Sheet Summary  
Fiscal Year End 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.896 PIH Family Self- Sufficiency Program	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$278,831		\$219,456	\$200,379	\$921	\$901,640		\$1,601,227		\$1,601,227
113 Cash - Other Restricted		\$12,928	\$585,734		\$94,404	\$36,606		\$729,672		\$729,672
114 Cash - Tenant Security Deposits	\$14,168		\$37,601	\$9,747	\$8,109			\$69,625		\$69,625
115 Cash - Restricted for Payment of Current Liabilities						\$3,386		\$3,386		\$3,386
100 Total Cash	\$292,999	\$12,928	\$842,791	\$210,126	\$103,434	\$941,632	\$0	\$2,403,910	\$0	\$2,403,910
121 Accounts Receivable - PHA Projects						\$761		\$761		\$761
122 Accounts Receivable - HUD Other Projects						\$6,598	\$8,523	\$15,121		\$15,121
125 Accounts Receivable - Miscellaneous	\$4,660			\$3,000		\$1,943		\$9,603		\$9,603
126 Accounts Receivable - Tenants	\$8,079		\$4,147	\$4,304	\$2,633			\$19,163		\$19,163
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,500		\$0	\$0	\$0			-\$2,500		-\$2,500
126.2 Allowance for Doubtful Accounts - Other	-\$2,000			\$0		-\$850	\$0	-\$2,850		-\$2,850
127 Notes, Loans, & Mortgages Receivable - Current	\$8,986			\$3,600				\$12,586		\$12,586
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$17,225	\$0	\$4,147	\$10,904	\$2,633	\$8,452	\$8,523	\$51,884	\$0	\$51,884
142 Prepaid Expenses and Other Assets	\$52,828		\$35,360	\$4,930	\$3,864	\$7,801		\$104,783		\$104,783
144 Inter Program Due From						\$8,523		\$8,523	-\$8,523	\$0
150 Total Current Assets	\$363,052	\$12,928	\$882,298	\$225,960	\$109,931	\$966,408	\$8,523	\$2,569,100	-\$8,523	\$2,560,577
161 Land	\$449,081		\$223,944	\$105,148	\$15,000			\$793,173		\$793,173
162 Buildings	\$12,340,942		\$5,345,968	\$928,526	\$1,354,616	\$30,658		\$20,000,710		\$20,000,710
163 Furniture, Equipment & Machinery - Dwellings	\$173,265		\$94,444	\$13,944				\$281,653		\$281,653
164 Furniture, Equipment & Machinery - Administration	\$249,140		\$174,864	\$3,044	\$4,653	\$68,381		\$500,082		\$500,082
166 Accumulated Depreciation	-\$9,232,189		-\$3,348,721	-\$296,728	-\$963,516	-\$61,612		-\$13,902,766		-\$13,902,766
167 Construction in Progress										
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,980,239	\$0	\$2,490,499	\$753,934	\$410,753	\$37,427	\$0	\$7,672,852	\$0	\$7,672,852
171 Notes, Loans and Mortgages Receivable - Non-Current				\$3,350				\$3,350		\$3,350
174 Other Assets	\$14,375			\$16,961		\$10,782		\$42,118		\$42,118
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$3,994,614	\$0	\$2,490,499	\$774,245	\$410,753	\$48,209	\$0	\$7,718,320	\$0	\$7,718,320
200 Deferred Outflow of Resources	\$151,058			\$113,294		\$113,294		\$377,646		\$377,646

Pickaway Metropolitan Housing Authority (OH059)  
Cricleville, OH  
Entity Wide Balance Sheet Summary  
Fiscal Year End 12/31/2024

290 Total Assets and Deferred Outflow of Resources	\$4,508,724	\$12,928	\$3,372,797	\$1,113,499	\$520,684	\$1,127,911	\$8,523	\$10,665,066	-\$8,523	\$10,656,543
312 Accounts Payable <= 90 Days	\$24,059		\$20,208	\$2,416	\$2,627	\$874		\$50,184		\$50,184
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable	\$54,343		\$1,171	\$893	\$395	\$2,016		\$58,818		\$58,818
325 Accrued Interest Payable			\$7,672		\$397			\$8,069		\$8,069
333 Accounts Payable - Other Government	\$17,711							\$17,711		\$17,711
341 Tenant Security Deposits	\$14,168		\$37,601	\$9,747	\$8,109			\$69,625		\$69,625
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$77,797	\$10,851	\$23,004			\$111,652		\$111,652
345 Other Current Liabilities						\$3,386		\$3,386		\$3,386
347 Inter Program - Due To							\$8,523	\$8,523	-\$8,523	\$0
310 Total Current Liabilities	\$110,281	\$0	\$144,449	\$23,907	\$34,532	\$6,276	\$8,523	\$327,968	-\$8,523	\$319,445
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$3,783,292	\$536,192	\$635,912			\$4,955,396		\$4,955,396
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other						\$36,606		\$36,606		\$36,606
354 Accrued Compensated Absences - Non Current	\$22,931			\$19,068	\$2,672	\$18,366		\$63,037		\$63,037
357 Accrued Pension and OPEB Liabilities	\$447,265			\$335,450		\$335,450		\$1,118,165		\$1,118,165
350 Total Non-Current Liabilities	\$470,196	\$0	\$3,783,292	\$890,710	\$638,584	\$390,422	\$0	\$6,173,204	\$0	\$6,173,204
300 Total Liabilities	\$580,477	\$0	\$3,927,741	\$914,617	\$673,116	\$396,698	\$8,523	\$6,501,172	-\$8,523	\$6,492,649
400 Deferred Inflow of Resources	\$27,749			\$20,812		\$20,812		\$69,373		\$69,373
508.4 Net Investment in Capital Assets	\$3,980,239	\$0	-\$1,370,590	\$206,891	-\$248,163	\$37,427	\$0	\$2,605,804		\$2,605,804
511.4 Restricted Net Position	\$14,375	\$12,928	\$585,734	\$10,782	\$94,404	\$10,782	\$0	\$729,005		\$729,005
512.4 Unrestricted Net Position	-\$94,116	\$0	\$229,912	-\$39,603	\$1,327	\$662,192	\$0	\$759,712		\$759,712
513 Total Equity - Net Assets / Position	\$3,900,498	\$12,928	-\$554,944	\$178,070	-\$152,432	\$710,401	\$0	\$4,094,521	\$0	\$4,094,521
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,508,724	\$12,928	\$3,372,797	\$1,113,499	\$520,684	\$1,127,911	\$8,523	\$10,665,066	-\$8,523	\$10,656,543

Pickaway Metropolitan Housing Authority (OH059)  
Cricleville, OH  
Entity Wide Revenue and Expense Summary  
Fiscal Year End 12/31/2024

	Project Total	14.EFA FSS Escrow Forfeiture Account	6.2 Component Unit - Blended	1 Business Activities	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$365,984		\$1,078,095	\$107,308	\$49,991			\$1,601,378		\$1,601,378
70400 Tenant Revenue - Other	\$27,033		\$6,001	\$505	\$1,593			\$35,132		\$35,132
70500 Total Tenant Revenue	\$393,017	\$0	\$1,084,096	\$107,813	\$51,584	\$0	\$0	\$1,636,510	\$0	\$1,636,510
70600 HUD PHA Operating Grants	\$608,757					\$4,059,296	\$51,090	\$4,719,143		\$4,719,143
70610 Capital Grants	\$136,742							\$136,742		\$136,742
70700 Total Fee Revenue								\$0	\$0	\$0
70800 Other Government Grants					\$128,491			\$128,491		\$128,491
71100 Investment Income - Unrestricted	\$10		\$973	\$80	\$51	\$2,800		\$3,914		\$3,914
71400 Fraud Recovery						\$5,790		\$5,790		\$5,790
71500 Other Revenue	\$1,109	\$3,839	\$7,712	\$104,914	\$2,176	\$27,729		\$147,479	-\$72,511	\$74,968
71600 Gain or Loss on Sale of Capital Assets	\$750					\$250		\$1,000		\$1,000
72000 Investment Income - Restricted			\$79					\$79		\$79
70000 Total Revenue	\$1,140,385	\$3,839	\$1,092,860	\$212,807	\$182,302	\$4,095,865	\$51,090	\$6,779,148	-\$72,511	\$6,706,637
91100 Administrative Salaries	\$201,755		\$59,609	\$60,921	\$25,592	\$182,302		\$530,179		\$530,179
91200 Auditing Fees	\$1,391		\$13,600	\$2,088		\$8,119		\$25,198		\$25,198
91300 Management Fee			\$61,723		\$10,788			\$72,511	-\$72,511	\$0
91400 Advertising and Marketing	\$2,124		\$2,470	\$480	\$233	\$6,020		\$11,327		\$11,327
91500 Employee Benefit contributions - Administrative	\$49,371		\$23,063	\$12,849	\$7,572	\$41,426		\$134,281		\$134,281
91600 Office Expenses	\$28,770		\$39,211	\$16,804	\$2,373	\$87,771		\$174,929		\$174,929
91700 Legal Expense	\$5,805		\$325	\$1,129	\$750			\$8,009		\$8,009
91800 Travel	\$2,742		\$1,363	\$166	\$138	\$3,149		\$7,558		\$7,558
91900 Other	\$9,609		\$648	\$642	\$106	\$10,562		\$21,567		\$21,567
91000 Total Operating - Administrative	\$301,567	\$0	\$202,012	\$95,079	\$47,552	\$339,349	\$0	\$985,559	-\$72,511	\$913,048
92100 Tenant Services - Salaries							\$36,667	\$36,667		\$36,667
92300 Employee Benefit Contributions - Tenant Services							\$14,423	\$14,423		\$14,423
92400 Tenant Services - Other	\$425							\$425		\$425
92500 Total Tenant Services	\$425	\$0	\$0	\$0	\$0	\$0	\$51,090	\$51,515	\$0	\$51,515
93100 Water	\$160,674		\$37,549	\$7,516	\$3,570	\$435		\$209,744		\$209,744
93200 Electricity	\$16,128		\$132,684	\$138	\$1,864	\$432		\$151,246		\$151,246
93300 Gas	\$12,291		\$3,010	\$319	\$990			\$16,610		\$16,610
93600 Sewer			\$37,548					\$37,548		\$37,548
93000 Total Utilities	\$189,093	\$0	\$210,791	\$7,973	\$6,424	\$867	\$0	\$415,148	\$0	\$415,148
94100 Ordinary Maintenance and Operations - Labor	\$56,099		\$45,007	\$19,930	\$9,703			\$130,739		\$130,739
94200 Ordinary Maintenance and Operations - Materials and Other	\$85,076		\$28,691	\$18,389	\$11,984			\$144,140		\$144,140
94300 Ordinary Maintenance and Operations Contracts	\$257,402		\$106,783	\$21,628	\$21,200	\$5,472		\$412,485		\$412,485
94500 Employee Benefit Contributions - Ordinary Maintenance	\$13,728		\$10,516	\$4,203	\$1,890			\$30,337		\$30,337
94000 Total Maintenance	\$412,305	\$0	\$190,997	\$64,150	\$44,777	\$5,472	\$0	\$717,701	\$0	\$717,701

Pickaway Metropolitan Housing Authority (OH059)  
Cricleville, OH  
Entity Wide Revenue and Expense Summary  
Fiscal Year End 12/31/2024

96110 Property Insurance	\$40,532		\$36,912	\$4,488	\$3,495			\$85,427		\$85,427
96120 Liability Insurance	\$4,521					\$3,221		\$7,742		\$7,742
96140 All Other Insurance	\$7,234		\$1,695	\$483		\$5,816		\$15,228		\$15,228
96100 Total Insurance Premiums	\$52,287	\$0	\$38,607	\$4,971	\$3,495	\$9,037	\$0	\$108,397	\$0	\$108,397
96200 Other General Expenses		\$2,003	\$39		\$1,343	\$1,177		\$4,562		\$4,562
96210 Compensated Absences	\$1,212				\$61			\$1,273		\$1,273
96300 Payments in Lieu of Taxes	\$17,711			\$7,272				\$24,983		\$24,983
96400 Bad debt - Tenant Rents	\$39,889		\$338		\$2,908			\$43,135		\$43,135
96000 Total Other General Expenses	\$58,812	\$2,003	\$377	\$7,272	\$4,312	\$1,177	\$0	\$73,953	\$0	\$73,953
96710 Interest of Mortgage (or Bonds) Payable			\$151,599	\$24,015	\$58,160			\$233,774		\$233,774
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$151,599	\$24,015	\$58,160	\$0	\$0	\$233,774	\$0	\$233,774
96900 Total Operating Expenses	\$1,014,489	\$2,003	\$794,383	\$203,460	\$164,720	\$355,902	\$51,090	\$2,586,047	-\$72,511	\$2,513,536
97000 Excess of Operating Revenue over Operating Expenses	\$125,896	\$1,836	\$298,477	\$9,347	\$17,582	\$3,739,963	\$0	\$4,193,101	\$0	\$4,193,101
97100 Extraordinary Maintenance	\$19,756							\$19,756		\$19,756
97300 Housing Assistance Payments						\$3,650,164		\$3,650,164		\$3,650,164
97350 HAP Portability-In						\$25,185		\$25,185		\$25,185
97400 Depreciation Expense	\$417,731		\$138,663	\$34,505	\$44,124	\$3,540		\$638,563		\$638,563
90000 Total Expenses	\$1,451,976	\$2,003	\$933,046	\$237,965	\$208,844	\$4,034,791	\$51,090	\$6,919,715	-\$72,511	\$6,847,204
10010 Operating Transfer In	\$53,250							\$53,250	-\$53,250	\$0
10020 Operating transfer Out	-\$53,250							-\$53,250	\$53,250	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$311,591	\$1,836	\$159,814	-\$25,158	-\$26,542	\$61,074	\$0	-\$140,567	\$0	-\$140,567
11020 Required Annual Debt Principal Payments	\$0	\$0	\$74,673	\$10,330	\$20,636	\$0	\$0	\$105,639		\$105,639
11030 Beginning Equity	\$4,212,089	\$11,092	-\$649,194	\$137,664	-\$125,890	\$649,327	\$0	\$4,235,088		\$4,235,088
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		-\$65,564	\$65,564	\$0			\$0		\$0
11170 Administrative Fee Equity						\$710,401		\$710,401		\$710,401
11180 Housing Assistance Payments Equity						\$0		\$0		\$0
11190 Unit Months Available	1296		1200	120	192	7932		10740		10740
11210 Number of Unit Months Leased	1275		1180	118	192	5914		8679		8679
11270 Excess Cash	\$116,452							\$116,452		\$116,452
11620 Building Purchases	\$106,742							\$106,742		\$106,742
11640 Furniture & Equipment - Administrative Purchases	\$30,000							\$30,000		\$30,000

PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR/ Pass Through Grantor Program/Title	Assistance Listing Number	Total Federal Expenditures	Loan Balance
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Direct Programs:</i>			
Public Housing Operating Fund	14.850	\$ 523,165	\$ 0
Public Housing Capital Fund	14.872	222,334	0
Housing Choice Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	4,059,703	0
Total Housing Choice Voucher Cluster		4,059,703	0
Resident Opportunity and Supportive Services - Service Coordinator	14.870	51,090	0
<b>Total U.S. Department of Housing and Urban Development</b>		4,856,292	0
<b><u>U.S. Department of Agriculture</u></b>			
<i>Direct Programs:</i>			
Rural Rental Housing Loans	10.415	128,491	679,551
<b>Total U.S. Department of Agriculture</b>		128,491	679,551
<b>Total Expenditures of Federal Awards</b>		<b>\$ 4,984,783</b>	<b>\$ 679,551</b>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**PICKAWAY METROPOLITAN HOUSING AUTHORITY  
PICKAWAY COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of Expenditures of federal awards (the Schedule) includes the federal award activity of the Pickaway Metropolitan Housing Authority under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pickaway Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pickaway Metropolitan Housing Authority.

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

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

**NOTE 3: INDIRECT COST RATE**

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





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

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

To the Board of Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Pickaway Metropolitan Housing Authority, Pickaway County, Ohio (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 21, 2025. Our report includes a reference to other auditors who audited the financial statements of the blended component units, as described in our report on the Authority's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Report on Internal Control Over Financial Reporting***

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

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

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

***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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.  
Circleville, Ohio  
June 21, 2025



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

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

To the Board of Commissioners:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Pickaway Metropolitan Housing Authority's, Pickaway, (Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Pickaway Metropolitan Housing Authority's major federal program for the year ended December 31, 2024. Pickaway Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Pickaway Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

***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.

Pickaway Metropolitan Housing Authority

Pickaway County

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

Page 3

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.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized, with the "B" and "H" being particularly large and connected.

BHM CPA Group, Inc.

Circleville, Ohio

June 21, 2025

**Pickaway Metropolitan Housing Authority**

Pickaway County

*Schedule of Findings*

2 CFR § 200.515

*December 31, 2024*

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**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):	Housing Voucher Cluster, ALN 14.871
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None