



bhm cpa group, inc.

CERTIFIED PUBLIC ACCOUNTANTS

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024



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Columbus, Ohio 43215
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800-282-0370

Board of Commissioners
Pike Metropolitan Housing Authority
2626 Shyville Road
Piketon, Ohio 45661

We have reviewed the *Independent Auditor's Report* of the Pike Metropolitan Housing Authority, Pike County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 11, 2025

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Pike County
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INDEPENDENT AUDITOR'S REPORT

Pike Metropolitan Housing Authority
Pike County
2626 Shyville
Piketon, Ohio 45661

To the Director and Board of Commissioners

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Pike Metropolitan Housing Authority, Pike 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 report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the of the Pike Metropolitan Housing Authority, Pike 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 unit, Beverly Senior Housing LP, which represents 18 percent, -24 percent, and 5 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 report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the blended component unit, Beverly Senior Housing LP, is based solely on the report 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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PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

This Management's Discussion and Analysis (MD&A) for the Pike Metropolitan Housing Authority (the Authority) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in the Authority's financial position. It is designed to focus on the financial activity for the fiscal year ended December 31, 2024, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Financial Highlights

- The Authority's total assets and deferred outflows of resources were \$8,660,764 and \$9,052,501 for 2024 and 2023, respectively. The Authority-wide statements reflect a decrease in total assets of \$231,554 in 2024.
- Revenues increased by \$260,647 over 2023 and were \$4,679,777 and \$4,419,130 for 2024 and 2023, respectively.
- The total expenses of all Authority programs increased by \$267,374. Total expenses were \$4,799,636 and \$4,532,262 for 2024 and 2023, respectively.

Overview of the Authority's Financial Statements

The Basic Financial Statements included elsewhere in this report are:

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

The ***Statement of Net Position*** is very similar to, and what most people would think of as, a balance sheet. In the first half it reports the value of assets and deferred outflows of resources the Authority holds at December 31, 2024, that is, the cash the Authority has, the amounts that are owed the Authority from others, the value of the equipment it owns and deferred outflows of resources. The other half of the report shows the liabilities the Authority has, that is what it owes others at December 31, 2024; the deferred inflows of resources, and what net position (or what is commonly referred to as equity) the Authority has at December 31, 2024. The two parts of the report are in balance, thus why many might refer to this type of report as a balance sheet, in that the total of the assets and deferred outflows of resources part equals the total of the liabilities, plus deferred inflows of resources plus net position (or equity) part.

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

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

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

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

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

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

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

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

Authority's Programs

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

The Authority's programs include the following:

Housing Choice Voucher Program
Business Activities, and
Mainstream Vouchers.

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

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

Mainstream Vouchers assist non-elderly persons with disabilities. Aside from serving a special population, mainstream vouchers are administered using the same rules as other housing choice vouchers.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Condensed Financial Statements

Statement of Net Position

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

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

	2024	2023
<u>Assets and Deferred Outflows of Resources</u>		
<u>Assets</u>		
Current and Other Assets	\$ 2,240,084	\$ 2,123,490
Capital Assets	6,086,565	6,434,713
Total Assets	<u>8,326,649</u>	<u>8,558,203</u>
Deferred Outflows of Resources	334,115	494,298
Total Assets and Deferred Outflows of Resources	<u>\$ 8,660,764</u>	<u>\$ 9,052,501</u>
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
<u>Liabilities</u>		
Current Liabilities	\$ 353,850	\$ 403,235
Long-Term Liabilities	6,284,269	6,481,830
Total Liabilities	<u>6,638,119</u>	<u>6,885,065</u>
Deferred Inflows of Resources	33,568	58,500
<u>Net Position</u>		
Net Investment in Capital Assets	1,835,452	1,939,496
Restricted	350,614	387,156
Unrestricted	(196,989)	(217,716)
Total Net Position	<u>1,989,077</u>	<u>2,108,936</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 8,660,764</u>	<u>\$ 9,052,501</u>

Major Factors Affecting the Statement of Net Position

Current and other assets increased modestly (by \$116,594 or 5%) while current liabilities decreased by \$49,385 (or 12%), a reflection of the favorable results from operations in the period. Capital assets decreased \$348,148 (or 5%) as depreciation on assets exceeded capital additions in the period of \$123,504. Long-term liabilities decreased \$197,561 compared to the previous fiscal year-end as reductions in the net pension and net OPEB liabilities, and routine debt retirements exceeded the increase in noncurrent interest accruing on debt held by the component unit which increased \$107,594. The other notable change on the statement was the increase in deferred outflows of resources which decreased by \$160,183. The change to the deferred outflows of resources and the reduction in the net pension and net OPEB liabilities are due to changes in balances reported in accordance with GASB 68 and GASB 75.

GASB 68 is an accounting standard that calls for Pike 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 Pike MHA to report what is determined to be its estimated share of the funding surplus (asset) or unfunded OPEB (healthcare) liability of OPERS.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

This year actuaries estimated OPERS had a funding surplus of its future OPEB commitment, so no net OPEB liability is reported but instead a net OPEB asset is reported as part of other assets on this statement. Employees of Pike MHA are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to OPERS for all of its employees. The net pension liability reported as long-term liability is unlike other liabilities the Authority has in that the liability does 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. 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 Pike MHA. Likewise there is no way for an employer like Pike MHA to access an OPEB funding surplus. And some changes in the unfunded pension liability and net OPEB asset (or liability when there is one) 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 change to these balances do not represent changes in operations at Pike MHA but rather reflect changes in the funding of future obligations by the retirement system.

Statement of Revenues, Expenses, and Change in Net Position

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

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

	2024	2023
Revenues		
Tenant Revenues - Rent and Others	\$ 685,526	\$ 694,798
Operating Subsidies and Grants	3,330,856	3,058,990
Investment Income	28,354	9,863
Other Revenues	635,041	655,479
Total Revenues	<u>4,679,777</u>	<u>4,419,130</u>
Expenses		
Administrative	616,771	626,453
Utilities	121,121	115,179
Maintenance	510,785	526,040
General and Protective Services	88,603	57,647
Housing Assistance Payments	2,826,986	2,571,058
Interest Expenses	163,718	160,546
Depreciation	471,652	475,339
Total Expenses	<u>4,799,636</u>	<u>4,532,262</u>
Net Increase (Decrease) in Net Position	(119,859)	(113,132)
Beginning Net Position (2022 as Restated)	<u>2,108,936</u>	<u>2,222,068</u>
Ending Net Position	<u><u>\$ 1,989,077</u></u>	<u><u>\$ 2,108,936</u></u>

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Major Factors Affecting the Statement of Revenues, Expenses, and Changes in Net Position

Overall revenues and expenses similarly increased by 6% over last year. The increase in revenues was primarily in operating subsidies and grants. The increase in operating subsidies was due to the increase in revenue of the Housing Choice Voucher (HCV) program. Funding for the HCV program is provided in two components. A portion of the funding HUD provides for the HCV program is restricted for use by the Authority to be used for making rental assistance payments (Housing Assistance Payments or HAP payments) on behalf of clients of the program. Then HUD also provides a separate stream of HCV program funding that pays the Authority to administer the program. HUD generally provides the HAP funding based on what the Authority reports it spends for this purpose. The largest increase in funding for the HCV program was in the stream provided for the Authority to use to make HAP payments. HAP expense is incurred when the Authority makes the rental assistance payments, so as expected HAP expense is where the largest increase in expenses was. HAP is paid to make the rent burden affordable for families being assisted by the Voucher programs. As rental rates in the area increase, that often means more rental assistance is needed by families on the program, and rental rates in Pike County continued to tick upward resulting in Pike MHA experiencing the increase in HAP expense.

Capital Assets

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

Table 3 - Condensed Statement of Changes in Capital Assets

	2024	2023
Land and Land Rights	\$ 1,515,947	\$ 1,515,947
Buildings and Improvements	15,745,059	15,621,555
Equipment	494,396	494,396
Accumulated Depreciation	(11,668,837)	(11,197,185)
Total	\$ 6,086,565	\$ 6,434,713

Capital assets decreased to \$348,148 as depreciation of \$471,652 exceeded capital additions of \$123,504.

Debt

The following is a summary of the changes in long-term debt throughout the year ending December 31, 2024.

Table 4 - Condensed Statement of Changes in Debt Outstanding

Beginning Balances - January 1, 2024	\$ 4,505,977
New Debt	24,500
Principal Payments	(92,423)
Debt Forgiveness	(186,941)
Ending Balances - December 31, 2024	\$ 4,251,113

Net debt balances decreased during 2024. More detailed information is presented in Note 10 to the notes to the financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Unaudited)

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Financial Contact

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

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets

Current Assets

Cash and Cash Equivalents Unrestricted	\$ 1,065,112
Cash and Cash Equivalents - Restricted	362,331
Accounts Receivables, Net of Allowance	31,371
Notes Receivable - Current	1,948
Interest Receivable - Current	3,440
Prepaid Expenses	58,378
Total Current Assets	1,522,580

Non-Current Assets

Capital Assets	
Non-Depreciable Capital Assets	1,515,947
Depreciable Capital Assets, Net	4,570,618
Total Capital Assets	6,086,565

Other Non-Current Assets	
Notes Receivable	328,714
Other Non-Current Assets	357,978
Net OPEB Asset	30,812
Total Other Non-Current Assets	717,504
Total Non-Current Assets	6,804,069
Total Assets	8,326,649

Deferred Outflows of Resources

Pension	307,679
OPEB	26,436
Total Deferred Outflows of Resources	334,115

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 8,660,764

See accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024
(CONTINUED)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities

Current Liabilities

Accounts Payable	\$ 54,930
Tenant Security Deposits	42,528
Accrued Wages and Payroll Taxes	20,124
Current Portion of Long-Term Debt	233,353
Unearned Revenue	989
Interest Payable	1,926
Total Current Liabilities	<u>353,850</u>

Non-Current Liabilities

Accrued Compensated Absences	38,702
Long-Term Debt, Net of Current Portion	4,017,760
Accrued Interest Payable, Net of Current Portion	1,269,080
Net Pension Liability	958,727
Total Non-Current Liabilities	<u>6,284,269</u>
Total Liabilities	<u>6,638,119</u>

Deferred Inflows of Resources

Pension	14,506
OPEB	19,062
Total Deferred Inflows of Resources	<u>33,568</u>

Net Position

Net Investment in Capital Assets	1,835,452
Restricted Net Position	350,614
Unrestricted Net Position	(196,989)
Total Net Position	<u>1,989,077</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

\$ 8,660,764

See accompanying notes to the basic financial statements.

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

Operating Revenues

Government Grants	\$ 3,330,856
Tenant Revenue	685,526
Other Revenue	635,041
Total Operating Revenues	4,651,423

Operating Expenses

Administrative	616,771
Utilities	121,121
Maintenance	510,785
General	88,603
Housing Assistance Payments	2,826,986
Depreciation	471,652
Total Operating Expenses	4,635,918
Operating Income	<u>15,505</u>

Non-Operating Revenues (Expenses)

Interest and Investment Revenue	28,354
Interest Expense	(163,718)
Total Non-Operating Revenues	(135,364)
Change in Net Position	<u>(119,859)</u>
 Total Net Position - Beginning of the Year	 <u>2,108,936</u>
 Total Net Position - End of the Year	 <u>\$ 1,989,077</u>

See accompanying notes to the basic financial statements.

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

Cash Flows from Operating Activities

Cash Received from Government Grants	\$ 3,317,814
Cash Received from Tenants	690,576
Other Income Received	447,152
Cash Paid for Housing Assistance	(2,826,986)
Cash Paid for Operations and Administration	(1,278,040)
Net Cash Provided (Used) by Operating Activities	350,516

Cash Flows from Capital and Related Financing Activities

Acquisition of Capital Assets	(123,504)
Principal Paid on Debt	(92,423)
Interest Paid on Debt	(163,765)
Debt Proceeds	24,500
Net Cash Used in Capital and Related Financing Activities	(355,192)

Cash Flows from Investing Activities

Interest Income	25,330
Total Cash Flows from Investing Income	25,330
Net Increase (Decrease) in Cash and Cash Equivalents	20,654
 Cash and Cash Equivalents - Beginning of Year	 1,406,789
Cash and Cash Equivalents - End of Year	\$ 1,427,443

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities

Net Operating Income (Loss)	\$ 15,505
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Debt Forgiveness	(186,941)
Depreciation	471,652
(Increase) Decrease in:	
Accounts Receivable	(10,063)
Prepaid Expenses	3,557
Net OPEB Asset	(30,812)
Other Non-Current Assets	(55,598)
Deferred Outflows of Resources - Pension/OPEB	160,183
Increase (Decrease) in:	
Accounts Payable	7,868
Accrued Compensated Absences	4,154
Tenants' Security Deposits	1,636
Accrued Wages and Payroll Taxes	5,265
Unearned Revenue	981
Net Pension/OPEB Liability	(119,533)
Other Non-Current Liabilities	107,594
Deferred Inflows of Resources - Pension/OPEB	(24,932)
Net Cash Used in Operating Activities	\$ 350,516

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

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

The accompanying financial statements comply with the provision of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 90, *Majority Equity Interests*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

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

Reporting Entity (Continued)

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

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

Basis of Presentation

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

Fund Accounting

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

Basis of Accounting

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

Measurement Focus and Basis of Accounting

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD.

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

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

Measurement Focus and Basis of Accounting (Continued)

Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

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

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives:

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

Accounts Receivable

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

Notes, Leases, and Interest Receivable

Notes, leases, and interest receivables consist of amounts due from Vansant Commons, LP note and lease agreement, as well as a land contract recorded as a note receivable. See Note 16 for additional information. An allowance for doubtful accounts has not been recognized.

Capitalization of Interest

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

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

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

Revenue Recognition

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

Unearned Revenue

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

Revenues and Expenses

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

Tax Liability

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

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.

Net Position

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

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

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

Net Position (Continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings that have been used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Pensions/OPEB

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

Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the Statement of Net Position.

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.

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

NOTE 2: DEPOSITS AND INVESTMENTS

Cash on Hand

At December 31, 2024, the Authority had undeposited cash on hand (petty cash) of \$150, which is included on the financial statements as part of cash and cash equivalents.

Deposits

At December 31, 2024, the carrying amount of the Authority's cash deposits was \$1,427,443 and the corresponding bank balance was \$1,471,282. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2024, deposits totaling \$567,903 were covered by Federal Depository Insurance, deposits totaling \$903,379 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name, and deposits totaling \$67,902 were held in trust.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 102 percent of deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

NOTE 3: RESTRICTED CASH

The restricted cash balance of \$362,331 on the financial statements represents the following:

Tenant Security Deposits	\$ 42,529
Replacement Reserve and Debt Related Escrows - Emmitt Station	251,900
Replacement Reserve and Debt Related Escrows - Beverly Senior	67,902
Total Restricted Cash Balance	\$ 362,331

NOTE 4: RESTRICTED NET POSITION

The restricted net position of \$350,614 on the financial statements represents the following:

Restricted for Replacement Reserve and Debt Related Escrows - Emmitt Station	\$ 251,900
Restricted for Replacement Reserve and Debt Related Escrows - Beverly Senior	67,902
Restricted for Net OPEB ASSET	30,812
Total Restricted Cash Balance	\$ 350,614

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

NOTE 5: CAPITAL ASSETS

The Authority discovered an error in previously reported capital assets. This is included in the restatement of beginning net position. A summary of capital assets at December 31, 2024 by class is as follows:

	Balance at 12/31/2023	Additions	Disposals	Balance at 12/31/2024
Capital Assets Not Depreciated				
Land	\$ 1,515,947	\$ 0	\$ 0	\$ 1,515,947
Total Capital Assets Not being Depreciated	<u>1,515,947</u>	<u>0</u>	<u>0</u>	<u>1,515,947</u>
 Capital Assets Being Depreciated				
Buildings and Improvements	15,621,555	123,504	0	15,745,059
Furniture and Equipment	494,396	0	0	494,396
Subtotal Capital Assets Being Depreciated	<u>16,115,951</u>	<u>123,504</u>	<u>0</u>	<u>16,239,455</u>
 Accumulated Depreciation				
Buildings and Improvements	(10,949,435)	(445,947)	0	(11,395,382)
Furniture and Equipment	(247,750)	(25,705)	0	(273,455)
Total Accumulated Depreciation	<u>(11,197,185)</u>	<u>(471,652)</u>	<u>0</u>	<u>(11,668,837)</u>
Net Depreciable Assets	<u>4,918,766</u>	<u>(348,148)</u>	<u>0</u>	<u>4,570,618</u>
 Total Capital Assets, Net	<u><u>\$ 6,434,713</u></u>	<u><u>\$ (348,148)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 6,086,565</u></u>

NOTE 6: DEFINED BENEFIT RETIREMENT PLAN

Net Pension Liability

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

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

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

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

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

Net Pension Liability (Continued)

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

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.

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

NOTE 6: DEFINED BENEFIT RETIREMENT PLAN (Continued)

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

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional 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):

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

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

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

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.

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

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

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

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.

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
2023-2024 Statutory Maximum Contribution Rates			
Employer	14.0 %	14.0 %	14.0 %
Employee *	10.0 %	10.0 %	10.0 %
2023-2024 Actual Contribution Rates			
Employer:			
Pension	14.0 %	12.0 %	10.0 %
Post-Employment Health Care Benefits	0.0 %	2.0 %	4.0 %
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>	<u>10.0 %</u>

* 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 \$88,897 for the Traditional Pension Plan.

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

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

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:

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.003579%
Current Measurement Date	<u>0.003662%</u>
Change in Proportionate Share	<u>0.000083%</u>
Proportionate Share of the Net Pension Liability	\$ 958,727
Pension Expense	\$ 79,120

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
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 193,510
Differences between expected and actual experience	15,670
Changes in proportion and differences between Authority contributions and proportionate share of contributions	9,602
Authority contributions subsequent to the measurement date	<u>88,897</u>
Total Deferred Outflows of Resources	<u>\$ 307,679</u>
Deferred Inflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>\$ 14,506</u>
Total Deferred Inflows of Resources	<u>\$ 14,506</u>

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

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

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

\$88,897 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:

<u>OPERS</u>	
Traditional	
<u>Pension Plan</u>	
Year Ending December 31:	
2025	\$ 40,539
2026	67,806
2027	123,488
2028	<u>(27,557)</u>
Total	<u>\$ 204,276</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:

PIKE METROPOLITAN HOUSING AUTHORITY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 6: DEFINED BENEFIT RETIREMENT PLAN (Continued)

Actuarial Assumptions – OPERS (Continued)

	Traditional Pension Plan	Combined Plan
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	2.75 percent	2.75 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	2.3 percent simple through 2024, then 2.05 percent simple	2.3 percent simple through 2024, then 2.05 percent simple
Prior Measurement Date:	3 percent, simple through 2023, then 2.05 percent simple	3 percent, simple through 2023, then 2.05 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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.

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

Actuarial Assumptions – OPERS (Continued)

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:

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	<u>100.00 %</u>	

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.

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

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:

	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Authority's proportionate share of the net pension liability	\$ 1,509,293	\$ 958,727	\$ 500,815

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*.

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(CONTINUED)

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

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. 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.

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(CONTINUED)

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

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

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

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

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.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. None of the Authority's contractually required contribution were allocated to health care for the year ending December 31, 2024.

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	0.003334%
Current Measurement Date	<u>0.003414%</u>
Change in Proportionate Share	<u>0.000080%</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$ (30,812)
OPEB Expense	\$ (5,320)

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>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 18,503
Changes of assumptions	<u>7,933</u>
Total Deferred Outflows of Resources	<u>\$ 26,436</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 4,385
Changes of assumptions	13,245
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>1,432</u>
Total Deferred Inflows of Resources	<u>\$ 19,062</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:

<u>OPERS</u>	
Year Ending December 31:	
2025	\$ (1,783)
2026	1,001
2027	14,406
2028	<u>(6,250)</u>
Total	<u><u>\$ 7,374</u></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:

	December 31, 2023	December 31, 2022
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	<u>5.00</u>	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:

	Current		
	1% Decrease (4.70%)	Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB liability (asset)	\$ 16,933	\$ (30,812)	\$ (70,363)

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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)	\$ (32,092)	\$ (30,812)	\$ (29,360)

NOTE 8: **COMPENSATED ABSENCES**

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

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

At December 31, 2024, \$38,702 was accrued by the Authority for unused vacation and sick time.

NOTE 9: **INSURANCE**

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

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NOTE 9: INSURANCE (Continued)

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

NOTE 10: LONG-TERM DEBT – DIRECT BORROWINGS

The long-term debt is detailed below:

	Original Loan Amount	Range of Maturity Date	Interest Rate	Life of Loan	Balance 12/31/2024	Current Portion
<u>Repayable Debt</u>						
Ohio Capital Financial Corporation						
Beverly Senior Housing-Lument	\$ 660,000	2022-2042	4.330%	40 years	\$ 533,634	\$ 13,846
Ohio Valley Bank						
236 St. Mary's	55,009	2005-2025	7.250%	20 years	3,027	3,027
83 Circleview Drive	50,000	2010-2025	5.750%	15 years	60	60
228 St. Mary's	46,206	2012-2027	5.250%	15 years	8,680	4,277
Hilltop	400,000	2014-2031	5.710%	15 years	74,357	1,837
Dean Street	56,000	2018-2032	4.750%	15 years	35,113	3,460
393 Circleview	25,000	2018-2033	5.900%	15 years	14,520	1,649
507 Rose Drive	60,000	2018-2033	6.930%	15 years	39,542	3,618
887 Beaver Creek	57,000	2022-2042	5.250%	20 years	52,428	1,894
U.S. Department of Agriculture						
Emmitt Station	1,146,858	2005-2036	5.375%	30 years	994,820	10,700
Emmitt Station	350,000	2006-2036	5.375%	30 yrs	309,068	3,200
Total Repayable Debt					<u>2,065,249</u>	<u>47,568</u>

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

	Original Loan Amount	Range of Maturity Date	Interest Rate	Life of Loan	Balance 12/31/2024	Current Portion
<u>Forgivable Debt</u>						
DODD Community Capital Assistance Program						
77 Circleview Drive	\$ 38,200	2018-2032	0.000%	15 years	\$ 18,039	2,547
77 Circleview Drive	11,850	2023-2038	0.000%	15 years	10,665	790
83 Circleview Drive	118,889	2010-2025	0.000%	15 years	5,284	7,926
83 Circleview Drive	14,997	2010-2025	0.000%	15 years	666	1,000
102 Sunrise	5,000	2018-2032	0.000%	15 years	2,472	333
107 Commercial	34,727	2019-2027	0.000%	15 years	6,560	2,315
210 St. Ann's Lane	31,303	2019-2034	0.000%	15 years	20,694	2,087
210 St. Ann's Lane	18,900	2024-2039	0.000%	15 years	17,640	1,260
221 St. Ann's Lane	33,000	2021-2036	0.000%	15 years	24,383	2,200
228 St. Mary's	9,918	2012-2027	0.000%	15 years	1,818	661
228 St. Mary's	22,441	2018-2032	0.000%	15 years	12,467	1,496
337 Arlington	27,300	2013-2028	0.000%	15 years	6,067	1,820
337 Arlington	49,640	2018-2032	0.000%	15 years	28,957	3,309
393 Circleview Drive	95,000	2018-2032	0.000%	15 years	44,861	6,333
412 Market	32,600	2018-2032	0.000%	15 years	16,119	2,173
419 Dean Street	106,000	2018-2032	0.000%	15 years	54,767	7,067
421 Market	96,400	2013-2028	0.000%	15 years	18,744	6,427
421 Market	8,460	2022-2037	0.000%	15 years	7,285	564
507 Rose Drive	29,000	2018-2032	0.000%	15 years	17,078	1,933
507 Rose Drive	114,000	2018-2032	0.000%	15 years	60,800	7,600
510 Rose Drive	20,950	2013-2028	0.000%	15 years	4,190	1,397
510 Rose Drive	7,270	2022-2037	0.000%	15 years	6,098	485
513 Rose Drive	90,100	2019-2034	0.000%	15 years	58,064	6,007
513 Rose Drive	33,200	2020-2035	0.000%	15 years	23,056	2,213
514 Carroll	72,750	2012-2027	0.000%	15 years	12,529	4,850
514 Carroll	51,400	2013-2028	0.000%	15 years	11,422	3,427
514 Carroll	10,000	2015-2030	0.000%	15 years	3,611	667
514 Carroll	20,000	2015-2030	0.000%	15 years	7,222	1,333
519 Carroll	94,500	2019-2034	0.000%	15 years	60,375	6,300
1171 St. Rt. 552	45,900	2019-2034	0.000%	15 years	27,795	3,060
1171 St. Rt. 552	5,600	2024-2039	0.000%	15 years	5,476	373
2612 Shyville	117,000	2019-2034	0.000%	15 years	73,450	7,800
2612 Shyville	6,800	2019-2034	0.000%	15 years	4,420	453
2612 Shyville	6,700	2020-2035	0.000%	15 years	4,541	447
2612 Shyville	18,849	2021-2036	0.000%	15 years	14,660	1,257
2612 Shyville	20,000	2022-2037	0.000%	15 years	16,222	1,333
2622 Shyville	104,580	2019-2034	0.000%	15 years	67,977	6,972
428 Linden Ave.	95,400	2020-2035	0.000%	15 years	64,130	6,360
428 Linden Ave.	33,200	2020-2035	0.000%	15 years	23,056	2,213
330 Arlington Ave.	33,200	2021-2036	0.000%	15 years	24,347	2,213
2622 Shyville	36,322	2021-2036	0.000%	15 years	26,636	2,421
887 Beaver Creek Road	140,520	2022-2037	0.000%	15 years	114,758	9,368
217 St. Mary's Lane	118,350	2022-2037	0.000%	15 years	95,995	7,890
217 St. Mary's Lane	44,685	2022-2037	0.000%	15 years	37,238	2,979
217 St. Mary's Lane	14,200	2022-2037	0.000%	15 years	12,070	947
101 Circleview Drive	68,000	2022-2037	0.000%	15 years	56,289	4,533
105 Sunrise	52,500	2023-2038	0.000%	15 years	45,500	3,500
212 Grandview	57,400	2023-2038	0.000%	15 years	50,384	3,827

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

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

	Original Loan Amount	Range of Maturity Date	Interest Rate	Life of Loan	Balance 12/31/2024	Current Portion
County NSP						
214 Grandview	\$ 204,751	2010-2029	0.000%	20 years	\$ 61,425	\$ 10,238
146 Valleyview	103,270	2012-2027	0.000%	20 years	36,145	5,164
Gallia-Meigs NSP						
603 Church	185,000	2011-2030	0.000%	20 years	64,750	9,250
Ohio Department of Mental Health and Addition Services						
Mental Health - Hilltop	200,000	2016-2046	0.000%	30 years	146,667	6,667
Ohio Housing Finance Agency						
Buckeye Community Hope Foundation	550,000	2002-2042	6.750%	40 years	550,000	0
Total Forgivable Debt					2,185,864	185,785
Total Debt					\$ 4,251,113	\$ 233,353

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2024:

For the Year Ended December 31	Principal Repayment	Interest Repayment	Total Payments
2025	\$ 47,568	\$ 61,923	\$ 109,491
2026	46,041	59,450	105,491
2027	43,152	57,063	100,215
2028	44,722	54,745	99,467
2029	46,443	52,277	98,720
2030-2034	280,179	211,073	491,252
2035-2038	1,299,350	108,215	1,407,565
Thereafter	257,794	27,711	285,505
	\$ 2,065,249	\$ 632,457	\$ 2,697,706

Changes in long-term debt:

	Balance at 12/31/2023	Increase	Decrease	Balance at 12/31/2024	Amount Due In One Year
Compensated Absences *	\$ 34,548	\$ 4,154	0	\$ 38,702	0
Long-Term Debt	4,505,977	24,500	(279,364)	4,251,113	233,353
Accrued Interest Payable	1,161,486	107,594	0	1,269,080	0
Net Pension Liability	1,057,238	0	(98,511)	958,727	0
Net OPEB Liability	21,022	0	(21,022)	0	0
Total	\$ 6,780,271	\$ 136,248	\$ (398,897)	\$ 6,517,622	\$ 233,353

*- only net change reported

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

NOTE 11: CONDUIT DEBT

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

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

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

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

NOTE 12: CONTINGENCIES

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

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

NOTE 13: RELATED PARTY TRANSACTIONS

The Authority provides management services for Vansant Commons, Limited Partnership and Shyville Senior Limited Partnership. These entities are considered affiliates of the Authority; however, the Authority owns an insignificant part of these affiliates (less than 1%).

NOTE 14: BLENDDED COMPONENT UNIT

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

Beverly Senior Housing L.P.

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

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

NOTE 15: CONDENSED FINANCIAL STATEMENT INFORMATION – Component Unit

	<u>Beverly Senior Housing, LP</u>
Balance Sheet	
Current Assets	\$ 156,438
Capital Assets, Net	1,347,769
Non-Current Assets	10,310
Current Liabilities	(54,374)
Non-Current Liabilities	<u>(2,338,868)</u>
Net Position	<u>(878,725)</u>
 Revenues, Expenses, and Changes in Net Position	
Total Revenues	208,762
Total Expenses	<u>(380,786)</u>
Excess Revenue Over Expenses	<u>(172,024)</u>
 Beginning Net Position	(706,701)
Ending Net Position	<u>\$ (878,725)</u>

NOTE 16: NOTES, LEASES, AND INTEREST RECEIVABLE

The Authority has a note receivable of \$274,654 due from Vansant Commons, LP. The Note was issued on November 28, 2017 and accrues interest at 2.6% per annum. The Note shall mature on the earlier of (1) November 28, 2067, or (b) the date on which the principal amount of this Note has been declared or automatically has become due and payable. At December 31, 2024, unpaid interest is \$54,060.

The Authority has a land contract which was recorded as a note receivable due from Jamey and Kimberly Harr which was entered into during fiscal year 2019. The original note was \$43,200 at a zero percent (0%) annual rate with equal monthly installments of \$600. The final installment is due on June 10, 2025. The balance outstanding on this note as of December 31, 2024 is \$2,000. The financial statements reflect a present value for the note of \$1,948 and deferred interest receivable of \$52 based on a 5% imputed interest rate.

Vansant Commons, LP	\$ 274,654
Interest Receivable Vansant Commons, LP	54,060
Harr	1,948
	<u>330,662</u>
Current Portion	(1,948)
Notes Receivable, Net of Current	<u>\$ 328,714</u>

The Authority has a lease agreement with Vansant Commons, LP for land located at 633 Market Street and 2626 Shyville Road. Terms of the lease are for 75 years with annual payments of \$49,667. At the end of the lease, Vansant Commons, LP shall become the owner. As of December 31, 2024, the lease receivable was \$347.669.

Other non-current assets on the financial statements represents the following:

Vansant Commons, LP	\$ 347,668
Beverly Senior Unamortized Debt Issuance Costs	10,310
	<u>\$ 357,978</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.003662%	0.003579%	0.003685%	0.003831%	0.003707%	0.003990%	0.003889%	0.003943%	0.003823%	0.003634%
Authority's Proportionate Share of the Net Pension Liability	\$ 958,727	\$ 1,057,238	\$ 320,610	\$ 567,288	\$ 732,714	\$ 1,092,780	\$ 610,109	\$ 895,388	\$ 662,192	\$ 438,301
Authority's Covered Payroll	\$ 602,736	\$ 543,243	\$ 527,257	\$ 521,757	\$ 518,836	\$ 594,923	\$ 513,975	\$ 509,675	\$ 475,792	\$ 445,575
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.06%	194.62%	60.81%	108.73%	141.22%	183.68%	118.70%	175.68%	139.18%	94.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Plan	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.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 88,897	\$ 84,383	\$ 76,054	\$ 73,816	\$ 73,046	\$ 72,637	\$ 77,340	\$ 61,677	\$ 61,161	\$ 57,095
Contributions in Relation to the Contractually Required Contribution	<u>(88,897)</u>	<u>(84,383)</u>	<u>(76,054)</u>	<u>(73,816)</u>	<u>(73,046)</u>	<u>(72,637)</u>	<u>(77,340)</u>	<u>(61,677)</u>	<u>(61,161)</u>	<u>(57,095)</u>
Contribution Deficiency / (Excess)	<u>\$ 0</u>									
Authority's Covered Payroll	\$ 634,979	\$ 602,736	\$ 543,243	\$ 527,257	\$ 521,757	\$ 518,836	\$ 594,923	\$ 513,975	\$ 509,675	\$ 475,792
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

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

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.003414%	0.003334%	0.003430%	0.003568%	0.003452%	0.003716%	0.003630%	0.003690%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (30,812)	\$ 21,022	\$ (107,433)	\$ (63,567)	\$ 476,811	\$ 484,479	\$ 394,191	\$ 372,703
Authority's Covered Payroll	\$ 602,736	\$ 543,243	\$ 527,257	\$ 521,757	\$ 518,836	\$ 594,923	\$ 513,971	\$ 509,675
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	5.11%	3.87%	-20.38%	-12.18%	91.90%	81.44%	76.70%	73.13%
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 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.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – TRADITIONAL PLAN
LAST NINE FISCAL YEARS (1)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,193	\$ 9,568
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	0	0	(10,193)	(9,568)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Authority Covered Payroll	\$ 634,979	\$ 602,736	\$ 543,243	\$ 527,257	\$ 521,757	\$ 518,836	\$ 594,923	\$ 513,971	\$ 509,675
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%	1.08%

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

See accompanying notes to the required supplementary information.

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

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.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024
(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.

Pike Metropolitan Housing Authority
Piketon, Ohio
Entity Wide Balance Sheet Summary
Fiscal Year End 12/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1	14,879 Mainstream Vouchers	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$52,951	\$626,926		\$28,422	\$356,813	\$1,065,112		\$1,065,112
113 Cash - Other Restricted		\$67,902	\$251,900				\$319,802		\$319,802
114 Cash - Tenant Security Deposits		\$15,754	\$26,775				\$42,529		\$42,529
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	\$0	\$136,607	\$905,601	\$0	\$28,422	\$356,813	\$1,427,443		\$1,427,443
122 Accounts Receivable - HUD Other Projects					\$4,503	\$12,088	\$16,591		\$16,591
125 Accounts Receivable - Miscellaneous		\$13,564					\$13,564		\$13,564
126 Accounts Receivable - Tenants			\$1,291				\$1,291		\$1,291
126.1 Allowance for Doubtful Accounts - Tenants			-\$75				-\$75		-\$75
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0		\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			\$1,948				\$1,948		\$1,948
129 Accrued Interest Receivable			\$3,440				\$3,440		\$3,440
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$13,564	\$6,604	\$0	\$4,503	\$12,088	\$36,759		\$36,759
142 Prepaid Expenses and Other Assets		\$6,267	\$32,847			\$19,264	\$58,378		\$58,378
150 Total Current Assets	\$0	\$156,438	\$945,052	\$0	\$32,925	\$388,165	\$1,522,580		\$1,522,580
161 Land		\$257,296	\$1,258,651				\$1,515,947		\$1,515,947
162 Buildings		\$3,287,721	\$12,457,338				\$15,745,059		\$15,745,059
163 Furniture, Equipment & Machinery - Dwellings		\$127,312	\$39,997				\$167,309		\$167,309
164 Furniture, Equipment & Machinery - Administration			\$286,860			\$40,227	\$327,087		\$327,087
166 Accumulated Depreciation		-\$2,324,560	-\$9,304,653			-\$39,624	-\$11,668,837		-\$11,668,837
167 Construction in Progress									
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$1,347,769	\$4,738,193	\$0	\$0	\$603	\$6,086,565		\$6,086,565
171 Notes, Loans and Mortgages Receivable - Non-Current			\$676,382				\$676,382		\$676,382
174 Other Assets		\$10,310	\$22,801			\$8,011	\$41,122		\$41,122
180 Total Non-Current Assets	\$0	\$1,358,079	\$5,437,376	\$0	\$0	\$8,614	\$6,804,069		\$6,804,069
200 Deferred Outflow of Resources			\$247,245			\$86,870	\$334,115		\$334,115

Pike Metropolitan Housing Authority
 Piketon, Ohio
 Entity Wide Balance Sheet Summary
 Fiscal Year End 12/31/2024

290 Total Assets and Deferred Outflow of Resources	\$0	\$1,514,517	\$6,629,673	\$0	\$32,925	\$483,649	\$8,660,764	\$8,660,764
312 Accounts Payable <= 90 Days		\$11,637	\$31,909			\$1,161	\$44,707	\$44,707
321 Accrued Wage/Payroll Taxes Payable			\$14,952			\$5,172	\$20,124	\$20,124
325 Accrued Interest Payable		\$1,926					\$1,926	\$1,926
333 Accounts Payable - Other Government		\$10,223					\$10,223	\$10,223
341 Tenant Security Deposits		\$15,753	\$26,775				\$42,528	\$42,528
342 Unearned Revenue		\$989				\$0	\$989	\$989
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$13,846	\$219,507				\$233,353	\$233,353
310 Total Current Liabilities	\$0	\$54,374	\$293,143	\$0	\$0	\$6,333	\$353,850	\$353,850
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$1,069,788	\$2,947,972				\$4,017,760	\$4,017,760
353 Non-current Liabilities - Other		\$1,269,080					\$1,269,080	\$1,269,080
354 Accrued Compensated Absences - Non Current			\$34,557			\$4,145	\$38,702	\$38,702
357 Accrued Pension and OPEB Liabilities			\$709,458			\$249,269	\$958,727	\$958,727
350 Total Non-Current Liabilities	\$0	\$2,338,868	\$3,691,987	\$0	\$0	\$253,414	\$6,284,269	\$6,284,269
300 Total Liabilities	\$0	\$2,393,242	\$3,985,130	\$0	\$0	\$259,747	\$6,638,119	\$6,638,119
400 Deferred Inflow of Resources			\$24,840			\$8,728	\$33,568	\$33,568
508.4 Net Investment in Capital Assets	\$0	\$264,135	\$1,570,714	\$0	\$0	\$603	\$1,835,452	\$1,835,452
511.4 Restricted Net Position	\$0	\$67,902	\$274,701	\$0	\$0	\$8,011	\$350,614	\$350,614
512.4 Unrestricted Net Position	\$0	-\$1,210,762	\$774,288	\$0	\$32,925	\$206,560	-\$196,989	-\$196,989
513 Total Equity - Net Assets / Position	\$0	-\$878,725	\$2,619,703	\$0	\$32,925	\$215,174	\$1,989,077	\$1,989,077
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$1,514,517	\$6,629,673	\$0	\$32,925	\$483,649	\$8,660,764	\$8,660,764

Pike Metropolitan Housing Authority
Piketon, Ohio
Entity Wide Revenue and Expense Summary
Fiscal Year End 12/31/2024

	Project Total	6.2 Component Unit - Blended	1 Business Activities	8 Other Federal Program 1	14,879 Mainstream Vouchers	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$205,716	\$465,884				\$671,600		\$671,600
70400 Tenant Revenue - Other		\$523	\$13,403				\$13,926		\$13,926
70500 Total Tenant Revenue	\$0	\$206,239	\$479,287	\$0	\$0	\$0	\$685,526	\$0	\$685,526
70600 HUD PHA Operating Grants					\$103,583	\$3,123,943	\$3,227,526		\$3,227,526
70700 Total Fee Revenue							\$0	\$0	\$0
70800 Other Government Grants					\$103,330		\$103,330		\$103,330
71100 Investment Income - Unrestricted		\$754	\$27,372			\$228	\$28,354		\$28,354
71400 Fraud Recovery						\$6,084	\$6,084		\$6,084
71500 Other Revenue		\$1,769	\$681,038			\$43	\$682,850	-\$53,893	\$628,957
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted									
70000 Total Revenue	\$0	\$208,762	\$1,187,697	\$103,330	\$103,583	\$3,130,298	\$4,733,670	-\$53,893	\$4,679,777
91100 Administrative Salaries		\$21,965	\$206,298		\$6,865	\$167,175	\$402,303	-\$23,517	\$378,786
91200 Auditing Fees		\$5,625	\$12,496			\$3,840	\$21,961		\$21,961
91300 Management Fee		\$14,400					\$14,400	-\$14,400	\$0
91400 Advertising and Marketing		\$243					\$243		\$243
91500 Employee Benefit contributions - Administrative		\$1,819	\$65,756		\$1,798	\$43,792	\$113,165		\$113,165
91600 Office Expenses		\$5,353	\$30,468		\$2,635	\$64,160	\$102,616		\$102,616
91000 Total Operating - Administrative	\$0	\$49,405	\$315,018	\$0	\$11,298	\$278,967	\$654,688	-\$37,917	\$616,771
93100 Water		\$16,921	\$60,799				\$77,720		\$77,720
93200 Electricity		\$20,082	\$20,688				\$40,770		\$40,770
93300 Gas			\$2,631				\$2,631		\$2,631
93000 Total Utilities	\$0	\$37,003	\$84,118	\$0	\$0	\$0	\$121,121	\$0	\$121,121
94100 Ordinary Maintenance and Operations - Labor		\$14,507	\$286,615				\$301,122	-\$13,907	\$287,215
94200 Ordinary Maintenance and Operations - Materials and Other		\$5,562	\$53,432				\$58,994		\$58,994
94300 Ordinary Maintenance and Operations Contracts		\$11,759	\$38,328				\$50,087		\$50,087
94500 Employee Benefit Contributions - Ordinary Maintenance		\$1,201	\$115,357				\$116,558	-\$2,069	\$114,489
94000 Total Maintenance	\$0	\$33,029	\$493,732	\$0	\$0	\$0	\$526,761	-\$15,976	\$510,785

Pike Metropolitan Housing Authority
Piketon, Ohio
Entity Wide Revenue and Expense Summary
Fiscal Year End 12/31/2024

96110 Property Insurance		\$5,569	\$19,344				\$24,913		\$24,913
96100 Total insurance Premiums	\$0	\$5,569	\$19,344	\$0	\$0	\$0	\$24,913	\$0	\$24,913
96200 Other General Expenses		\$2,734	\$49,762				\$52,496		\$52,496
96300 Payments in Lieu of Taxes		\$8,576	\$1,760				\$10,336		\$10,336
96400 Bad debt - Tenant Rents			\$858				\$858		\$858
96000 Total Other General Expenses	\$0	\$11,310	\$52,380	\$0	\$0	\$0	\$63,690	\$0	\$63,690
96710 Interest of Mortgage (or Bonds) Payable		\$125,300	\$38,418				\$163,718		\$163,718
96700 Total Interest Expense and Amortization Cost	\$0	\$125,300	\$38,418	\$0	\$0	\$0	\$163,718	\$0	\$163,718
96900 Total Operating Expenses	\$0	\$261,616	\$1,003,010	\$0	\$11,298	\$278,967	\$1,554,891	-\$53,893	\$1,500,998
97000 Excess of Operating Revenue over Operating Expenses	\$0	-\$52,854	\$184,687	\$103,330	\$92,285	\$2,851,331	\$3,178,779	\$0	\$3,178,779
97300 Housing Assistance Payments					\$82,991	\$2,743,995	\$2,826,986		\$2,826,986
97350 HAP Portability-In									
97400 Depreciation Expense		\$119,170	\$347,023			\$5,459	\$471,652		\$471,652
90000 Total Expenses	\$0	\$380,786	\$1,350,033	\$0	\$94,289	\$3,028,421	\$4,853,529	-\$53,893	\$4,799,636
10010 Operating Transfer In			\$103,330				\$103,330	-\$103,330	\$0
10020 Operating transfer Out				-\$103,330			-\$103,330	\$103,330	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$103,330	-\$103,330	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	-\$172,024	-\$59,006	\$0	\$9,294	\$101,877	-\$119,859	\$0	-\$119,859
11020 Required Annual Debt Principal Payments	\$0	\$20,690	\$73,629	\$0	\$0	\$0	\$94,319		\$94,319
11030 Beginning Equity	\$0	-\$706,701	\$2,678,709	\$0	\$23,631	\$113,297	\$2,108,936		\$2,108,936
11170 Administrative Fee Equity						\$215,174	\$215,174		\$215,174
11180 Housing Assistance Payments Equity						\$0	\$0		\$0
11190 Unit Months Available	0	384	1104		240	6408	8136		8136
11210 Number of Unit Months Leased	0	377	1075		239	5820	7511		7511

**PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing Number	Expenditures	Loan Balance
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Programs:</i>			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	\$ 3,111,855	-
Mainstream Vouchers	14.879	99,080	-
Total Housing Voucher Cluster		<u>3,210,935</u>	-
Total U.S. Department of Housing and Urban Development		<u>3,210,935</u>	-
<u>U.S. Department of Agriculture</u>			
<i>Direct Programs:</i>			
Rural Rental Assistance Payments	10.427	103,330	-
Rural Rental Housing Loans	10.415		1,319,786
Total U.S. Department of Agriculture		<u>103,330</u>	<u>1,319,786</u>
Total Expenditures of Federal Awards		<u>\$ 3,314,265</u>	<u>\$ 1,319,786</u>

The accompanying notes are an integral part of this schedule.

PIKE METROPOLITAN HOUSING AUTHORITY
PIKE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Pike 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of Pike Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the organization.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Outstanding Loan Balances

The outstanding balance of loan and loan guarantee programs on December 31, 2024, with continuing compliance requirements was \$1,303,888.



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

Pike Metropolitan Housing Authority
Pike County
2626 Shyville Road
Piketon, Ohio 45661

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 Pike Metropolitan Housing Authority, Pike 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 unit, 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.

Pike Metropolitan Housing Authority

Pike County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Required by *Government Auditing Standards*

Page 2

Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group, Inc.

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**

Pike Metropolitan Housing Authority
Pike County
2626 Shyville Road
Piketon, Ohio 45661

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

Pike Metropolitan Housing Authority

Pike 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

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

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

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

BHM CPA Group

BHM CPA Group, Inc.

Circleville, Ohio

June 21, 2025

Pike Metropolitan Housing Authority

Pike County

Schedule of Findings

2 CFR § 200.515

December 31, 2024

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: Section 8 Housing Choice Vouchers -.ALN 14.871, Mainstream Vouchers..-.ALN 14.879
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



PIKE METROPOLITAN HOUSING AUTHORITY

PIKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/23/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov