



OHIO AUDITOR OF STATE  
**KEITH FABER**





**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY  
DECEMBER 31, 2021**

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MUSKINGUM COUNTY  
DECEMBER 31, 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Zanesville Metropolitan Housing Authority  
Muskingum County  
407 Pershing Road  
Zanesville, Ohio 43701

To the Board of Commissioners:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the business-type activities and the discretely presented component unit of the Zanesville Metropolitan Housing Authority, Muskingum County, Ohio (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements 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 respective financial position of the business-type activities and the discretely presented component unit of the Zanesville Metropolitan Housing Authority, Muskingum County, as of December 31, 2021, and the respective changes in financial position and cash flows thereof 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 Coopermill Manor, LP, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2021, and the respective changes in financial position thereof for the year then ended. 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 discretely presented component unit, is based solely on the report of other auditors.

#### **Basis for Opinions**

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 opinions.

#### **Emphasis of Matter**

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

### ***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 opinions. 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 Assets/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 opinions on the financial statements as a whole. The Statement of Modernization Costs – Completed, 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, the Statement of Modernization Costs – Completed, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 11, 2022

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**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Unaudited)**

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The following discussion and analysis of the Zanesville Metropolitan Housing Authority (the Authority) is to provide an introduction to the basic financial statements for the period ended December 31, 2021, with selected comparative information for the period ended December 31, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to the financial statements and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

**FINANCIAL HIGHLIGHTS**

- Assets and deferred outflow of resources of the Authority exceeded its liabilities and deferred inflow of resources at December 31, 2021 by \$12,309,050 (net position). Of this amount, \$6,103,653 (unrestricted net position) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- Net position increased by \$1,257,315. Unrestricted net position increased \$1,550,503.
- In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. HUD provided additional funds to the Authority's Public Housing and Housing Choice Voucher programs to help the Authority prepare for, prevent, and respond to the coronavirus, which helped the Authority maintain normal operations during the period.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets, except land, are depreciated over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

**AUTHORITY ACTIVITY HIGHLIGHTS**

The following are the various programs that the Authority operates. These programs are included in the single enterprise fund:

Public Housing Program

The public housing program is designed to provide low-cost housing within the County. Under this program, HUD provides funding via an Annual Contribution Contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Capital Fund Program (CFP)

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development of housing units.

Housing Choice Voucher Program (Section 8)

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons. Under the Program, independent landlords rent units to eligible low-income families and the Authority provides a Housing Assistance Payment to the landlord to make the rental affordable.

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MUSKINGUM COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(Unaudited)**

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HUD provides funding through an Annual Contributions Contract to enable the Authority to structure a lease that sets the participants' rents at about 30 percent of household income.

Resident Opportunity and Supportive Services, and PIH Family Self-Sufficiency Programs

Grants funded by the Department of Housing and Urban Development to be used to enable public housing residents and Section 8 Program participants to move toward self-sufficiency and economic independence, and from welfare to work.

WIA Youth Activities

The Authority uses funding from this grant to work in conjunction with Muskingum County Department of Job and Family Services to help youth of the county overcome obstacles to employment.

Business Activity

The Business Activity Fund is the non-HUD activities of the Authority. This fund is used to account for the rental income received from the daycare facility known as Carey Street Day Care Center and the expenses of the maintenance and utilities of the building, and repayment of the construction loan. The Authority also uses Business Activities funds to provide various quality of life and enrichment programs to benefit local residents.

Component Unit

The Coopermill Manor Limited Partnership is an Ohio Limited Partnership created by the Authority under HUD's Rental Assistance Demonstration Program for the purpose of providing low-income housing. The 324 units of what was formerly the Authority's Public Housing AMP 1 have been converted to Project Based Rental Assistance units (PBRA) under the oversight of HUD's Office of Multifamily Housing and transferred to Coopermill Manor LP. Coopermill Manor LP owns the units and the Zanesville Metropolitan Housing Authority manages the units.

**FINANCIAL POSITION**

The statement of net position presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net position is the difference between total assets and deferred outflows of resources, and total liabilities and total inflows of resources, and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison at December 31, 2021 and 2020:

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Unaudited)**

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

	2021	2020
<b><u>Assets and Deferred Outflows of Resources</u></b>		
<b><u>Assets</u></b>		
Current Assets	\$ 8,817,004	\$ 8,739,567
Capital Assets	6,332,383	6,721,072
Other Non-Current Assets	626,711	403,823
Deferred Outflows of Resources	417,675	581,465
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 16,193,773</b>	<b>\$ 16,445,927</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Net Position</u></b>		
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 279,305	\$ 459,698
Long-Term Liabilities	2,296,987	4,222,010
<b>Total Liabilities</b>	<b>2,576,292</b>	<b>4,681,708</b>
<b>Deferred Inflows of Resources</b>	<b>1,308,431</b>	<b>712,484</b>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	6,007,391	6,375,584
Restricted Net Position	198,006	123,001
Unrestricted Net Position	6,103,653	4,553,150
<b>Total Net Position</b>	<b>12,309,050</b>	<b>11,051,735</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 16,193,773</b>	<b>\$ 16,445,927</b>

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

Current assets were virtually unchanged, decreasing about 1 percent, from the prior year. Current liabilities however decreased by more than \$180,000 (about 39 percent). Due to normal timing issues of when invoices are received compared to when they are paid, accounts payable was slightly elevated last year (almost \$115,000). Accounts payable at this year-end is considerably lower (just over \$20,000). In addition, current liabilities last year included unspent CARES funding for the Housing Choice Voucher Program in the amount of \$76,742, which had been advanced by HUD to help the Authority prepare for, prevent, and respond to COVID-19. The Authority had until the end of 2021 to spend that funding and it was fully spent in 2021.

Other balances on the statement that changed considerably, other noncurrent assets and deferred outflows of resources on the asset side of the balance sheet, and noncurrent liabilities and deferred inflows of resources on the liability and net position side of the balance sheet, changed primarily due to the reporting of balances in accordance with GASB 68 & GASB 75. GASB 68 and GASB 75 are accounting standards that essentially require the Authority to report what is estimated to be its share of the unfunded pension and OPEB (health insurance) liabilities of the pension system, the Ohio Public Employees Retirement System (PERS), so changes in these balances reflect changes at the retirement system and not changes in operating activities at the Authority. Noncurrent liabilities dropped \$1,925,023, and \$1,883,094 of that change was due to the reduction in the net pension liability and the net OPEB liability. The pension system's OPEB plan, and one part of the pension system's pension plan, is estimated to be more than fully funded, and the Authority's estimated share of those balances increased by \$220,969, which greatly contributed to the \$222,888 increase in noncurrent assets. Employees of the Authority 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.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(Unaudited)**

The Net Pension Liability in unlike other liabilities the Authority has in that it does not represent invoices 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 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/OPEB plan against a public employer like the Authority. And there is no means for the Authority to access the net pension or net OPEB assets.

Reporting of the balances has a tremendous effect on unrestricted net position. Unrestricted net position at December 31, 2021 is \$6.1 million but is more than \$2.1 million less than what it would be without balances reported in accordance with GASB 68 and GASB 75.

**Statement of Revenues, Expenses, and Changes in Net Position**

The following is a summary of the results of operations of the Authority for the fiscal years ended December 31, 2021 and 2020.

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

	2021	2020
<b><u>Revenues</u></b>		
Tenant	\$ 1,039,589	\$ 978,891
Subsidies	6,142,006	6,143,986
Capital Grants	25,200	69,809
Interest	654	44,878
Other	798,394	753,798
<b>Total Revenues</b>	<u>8,005,843</u>	<u>7,991,362</u>
<b><u>Expenses</u></b>		
Administrative	598,535	1,341,671
Tenant Services	314,037	424,420
Utilities	194,387	192,413
Maintenance	1,670,796	1,688,270
Insurance and General	115,285	415,393
HAP	3,307,821	3,570,928
Depreciation	547,667	525,221
<b>Total Expenses</b>	<u>6,748,528</u>	<u>8,158,316</u>
Change in Net Position	1,257,315	(166,954)
Beginning Net Position	<u>11,051,735</u>	<u>11,218,689</u>
<b>Ending Net Position</b>	<u>\$ 12,309,050</u>	<u>\$ 11,051,735</u>

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

Overall revenues were virtually unchanged from the prior year. Overall expenses decreased \$1,409,788 (more than 17 percent). The overall reduction in expenses very closely aligns with the reduction in pension expense. Pension expense is what is impacted by changes in the balances reported in accordance with GASB 68 & GASB 75, which was addressed in the preceding section related to changes in balances on the Statement of Net Position. The changes in those balances reported in accordance with GASB 68 & GASB 75 were so dramatic that pension and OPEB expense this year was a negative \$1.124 million, a change of \$1.478 million. The large reductions in administrative expense, and insurance and general expense, are primarily due to the negative pension expense.

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

Pension expense is also allocated to the maintenance function, but the negative pension expense allocated to the maintenance function was offset by increases in contracting costs due to the Authority increasing spending to address the increased need to make improvements to the Authority's properties. The drop in tenant services expense reflects the drop in spending on COVID costs, costs to prepare for, prevent and respond to the COVID-19 pandemic. And the drop in HAP expense, the expense incurred when the Authority makes rental assistance payments on behalf of clients participating in the Section 8 Housing Programs, reflects the temporary drop in the lease up rate under the program.

**Housing Units Managed**

The following table shows housing units managed by the Authority for the fiscal year ended December 31, 2021:

	2021
Owned by Authority	350
Units Under Vouchers	939
Total Housing Units Managed	1,289

**Capital Assets**

Capital assets are the largest asset reflected on the Authority's statement of net position. The following is a summary of capital assets owned by the Authority at December 31, 2021 and changes from December 31, 2020:

**Table 3 - Capital Assets**

	2021
Land and Land Rights	\$ 1,160,622
Buildings and Improvements	27,445,262
Equipment	1,712,630
Accumulated Depreciation	(23,986,131)
Total	\$ 6,332,383
Capital Assets Activity	
Capital Assets, Net at December 31, 2020	\$ 6,721,072
Capital Additions in this Period	158,978
Depreciation Expense	(547,667)
<b>Capital Assets, Net at December 31, 2021</b>	<b>\$ 6,332,383</b>

**Debt Administration**

The Authority obtained a loan in the amount of \$843,000 on June 1, 2002. The proceeds were used for the Zanesville Careytown Preschool building. During 2014, the Authority refinanced this loan, the refinanced amount was \$460,000 on March 18, 2014 and the new monthly installment of \$2,801.99, which began April 18, 2014. Changes in debt in the period is summarized as follows:

Outstanding Principal Balance as of December 31, 2019	\$ 345,488
Less:	
Principal Payments made during the Year	(20,496)
Outstanding Principal Balance as of December 31, 2020	\$ 324,992

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Unaudited)**

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**Economic Factors**

The economic outlook for the Zanesville Metropolitan Housing Authority continues to be uncertain. HUD continues the several year trend of paying admin fees for the Housing Choice Voucher program at proration rates considerably lower than 100 percent, and paying operating subsidy for the Public Housing program at less than full eligibility. In addition, funding for the Capital Fund Program has also continued to be at levels well below fully funded. These cuts continuing over so many periods present obvious challenges to management to properly administer agency programs and adequately provide services to clients. Unfortunately, primarily due to the Federal budget situation, the forecast for significant improvement in the funding stream is not optimistic for the Public Housing industry. Locally the Authority is being impacted by negative employment factors of stagnant job growth and a sluggish economic market.

**Request for Information**

The annual financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Julie Huntsman, Financial Coordinator, and Zanesville Metropolitan Housing Authority, 407 Pershing, Zanesville, Ohio 43701.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**  
**MUSKINGUM COUNTY, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Primary Government	Component Unit
<b><u>Assets and Deferred Outflows of Resources</u></b>		
<b><u>Assets</u></b>		
Current Assets		
Cash and Cash Equivalents	\$ 6,877,197	\$ 15,539
Restricted Cash and Cash Equivalents	551,921	2,846,971
Investments	956,956	0
Receivables, Net of Allowance	44,642	32,047
Inventory, Net of Allowance	256,103	0
Prepaid Expenses and Other Assets	130,185	67,530
<b>Total Current Assets</b>	<b>8,817,004</b>	<b>2,962,087</b>
Non-Current Assets:		
Capital Assets		
Non-Depreciable Capital Assets	1,160,622	0
Depreciable Capital Assets, Net	5,171,761	18,755,560
<b>Total Capital Assets</b>	<b>6,332,383</b>	<b>18,755,560</b>
Other Non-Current Assets		
Note Receivable	250,350	0
Other Assets	376,361	10,945,718
<b>Total Other Non-Current Assets</b>	<b>626,711</b>	<b>10,945,718</b>
<b>Total Non-Current Assets</b>	<b>6,959,094</b>	<b>29,701,278</b>
<b>Total Assets</b>	<b>15,776,098</b>	<b>32,663,365</b>
<b>Deferred Outflows of Resources</b>		
Pension	302,827	0
OPEB	114,848	0
<b>Total Deferred Outflows of Resources</b>	<b>417,675</b>	<b>0</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 16,193,773</b>	<b>\$ 32,663,365</b>
<b><u>Liabilities, Deferred Inflows of Resources, and Net Position</u></b>		
<b><u>Liabilities</u></b>		
Current Liabilities		
Accounts Payable	\$ 20,366	\$ 140,194
Accrued Interest Payable	0	33,454
Accrued Liabilities	78,223	24,212
Tenant Security Deposits	153,897	92,747
Unearned Revenue	4,579	7,991
Bonds, Notes, and Loans Payable	22,240	173,726
<b>Total Current Liabilities</b>	<b>279,305</b>	<b>472,324</b>
Non-Current Liabilities		
Accrued Compensated Absences - Non-Current	252,109	0
Non-Current Liabilities - Other	175,754	27,212
Net Pension Liability	1,566,372	0
Long-Term Debt - Notes Payable and Loans	302,752	22,695,657
<b>Total Non-Current Liabilities</b>	<b>2,296,987</b>	<b>22,722,869</b>
<b>Total Liabilities</b>	<b>2,576,292</b>	<b>23,195,193</b>
<b>Deferred Inflows of Resources</b>		
Pension	715,039	0
OPEB	593,392	0
<b>Total Deferred Inflows of Resources</b>	<b>1,308,431</b>	<b>0</b>
<b>Net Position</b>		
Net Investment in Capital Assets	6,007,391	6,831,895
Restricted Net Position	198,006	2,715,026
Unrestricted Net Position	6,103,653	(78,749)
<b>Total Net Position</b>	<b>12,309,050</b>	<b>9,468,172</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 16,193,773</b>	<b>\$ 32,663,365</b>

See accompanying notes to the basic financial statements.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PRIMARY GOVERNMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Operating Revenues**

Government Grants	\$ 6,142,006
Tenant Revenue	1,039,589
Other Revenue	790,545
<b>Total Operating Revenues</b>	<b>7,972,140</b>

**Operating Expenses**

Administrative	598,535
Tenant Services	314,037
Utilities	194,387
Maintenance	1,670,796
Insurance and General	102,289
Housing Assistance Payments	3,307,821
Depreciation	547,667
<b>Total Operating Expenses</b>	<b>6,735,532</b>
Operating Income (Loss)	<b>1,236,608</b>

**Non-Operating Revenues (Expenses)**

Interest and Investment Revenue	654
Gain on Disposal of Assets	7,849
Interest Expense	(12,996)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(4,493)</b>
Income (Loss) Before Capital Grants	<b>1,232,115</b>

Capital Grants	25,200
<b>Change in Net Position</b>	<b>1,257,315</b>

Total Net Position, Beginning of Year	<b>11,051,735</b>
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<b>Total Net Position - End of Year</b>	<b>\$ 12,309,050</b>
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See accompanying notes to the basic financial statements.



**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**Operating Revenues**

Tenant Revenue	\$ 2,608,286
<b>Total Operating Revenues</b>	<b>2,608,286</b>

**Operating Expenses**

Administrative	441,383
Utilities	632,648
Maintenance	720,075
Insurance	81,822
General and Protective Services	128,627
Depreciation	760,740
<b>Total Operating Expenses</b>	<b>2,765,295</b>
Operating Income (Loss)	<b>(157,009)</b>

**Non-Operating Revenues (Expenses)**

Interest and Investment Revenue	4,718
Interest and Amortization Expense	(442,051)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(437,333)</b>
<b>Change in Net Position</b>	<b>(594,342)</b>

Total Net Position, Beginning of Year	10,062,514
<b>Total Net Position - End of Year</b>	<b>\$ 9,468,172</b>

See accompanying notes to the basic financial statements.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
PRIMARY GOVERNMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b><u>Cash Flows from Operating Activities</u></b>	
Cash Received from HUD/Other Governments	\$ 6,079,459
Cash Received from Tenants	1,023,418
Cash Payments for Housing Assistance	(3,291,588)
Cash Payments for Administrative Expenses	(1,979,529)
Other Operating Expenses	(2,421,254)
Cash Received - Other	790,534
<b>Net Cash Provided by Operating Activities</b>	<b>201,040</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Cash from Capital Asset Sale	7,849
Capital Grants Received	25,200
Acquisition of Capital Assets	(158,978)
Principal Payment on Debt	(20,496)
Interest Paid on Debt	(12,996)
<b>Net Cash (Used for) Capital and Other Related Activities</b>	<b>(159,421)</b>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest and Investment Income Received	654
Investment Purchase	(565)
<b>Net Cash Provided from Investing Activities</b>	<b>89</b>
Net Increase in Cash	41,708
Cash and Cash Equivalents - Beginning of Year	7,387,410
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 7,429,118</b>
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>	
Net Operating Income (Loss)	\$ 1,236,608
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	547,667
(Increase) Decrease in:	
Accounts Receivable	(7,176)
Inventory, Net of Allowance	(55,655)
Prepaid and Other Assets	(195,221)
Deferred Outflows of Resources	163,790
Increase (Decrease) in:	
Accounts Payable	(94,572)
Accrued Liabilities/Unearned Revenue	(92,094)
Accrued Compensated Absences and Other Non-Current	(20,972)
Tenant Security Deposits	5,812
Deferred Inflows of Resources	595,947
Accrued Pension and OPEB Liabilities	(1,883,094)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 201,040</b>

See accompanying notes to the basic financial statements.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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NOTE 1: **REPORTING ENTITY**

**Introduction**

The Zanesville Metropolitan Housing Authority (the Authority), was established for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives. Under the United States Housing Act of 1937, as amended, the United States Department of Housing and Urban Development (HUD) is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

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

As required by GAAP, the basic financial statements of the reporting entity include those of the Authority and any component units. Component units are separate legal entities that: elected officials of a primary government are financially accountable for the entity or the nature and significance of the relationship between the entity and primary government are such that to exclude the entity from the financial reporting entity would render the basic financial statements misleading or incomplete. Based upon the application of these criteria, including the criteria set forth in GASB Statement No. 14 *The Financial Reporting Entity* (as amended by GASB Statement No. 61) this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the operating entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria. A summary of each program administered by the Authority included in the financial statements is provided to assist the reader in interpreting the basic financial statements.

**Description of Programs**

The following are the various programs which are included in the single enterprise fund:

A. **Public Housing Program**

The Public Housing Program is designed to provide low-cost housing within the County. Under this Program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the Program.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 1: **REPORTING ENTITY** (Continued)

**Description of Programs** (Continued)

**B. Capital Fund Program**

The Capital Fund Program provides funds annually, via a formula, to public housing agencies for capital and management activities, including modernization and development housing.

**C. Housing Choice Voucher Program**

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

**D. Resident Opportunity and Supportive Services, and PIH Family Self-Sufficiency**

Grants funded by HUD that are intended to programs help residents work toward self-sufficiency and economic independence and move from welfare to work.

**E. Business Activity**

The Business Activity Fund is the non-HUD activities of the Authority. This fund is used to account for the rental income received from the daycare facility known as Careytown Day Care Center and the expenses of the maintenance and utilities of the building, and repayment of the construction loan. The Authority also uses Business Activities funds to provide various quality of life and enrichment programs to benefit local residents.

**F. Discretely Presented Component Unit**

Coopermill Manor is an Ohio Limited Partnership that was created for the purpose of providing low-income housing. The 324 units have been converted to Project Based Rental Assistance units (PBRA) under the HUD's Office of Housing Multifamily. The Authority staff operates and manages the units.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**  
**MUSKINGUM COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(CONTINUED)**

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

**Basis of Presentation**

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

**Fund Accounting**

The Authority uses the proprietary fund to report on its financial position and the results of its operations for its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

**Proprietary Fund Types**

Proprietary funds are used to account for the Authority's ongoing activities, which are similar to those found in the private sector. The following is the proprietary fund type:

*Enterprise Fund* - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Measurement Focus/Basis of Accounting**

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances and highly liquid investments such as CDs, with initial maturities of 3 months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Inventory**

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used.

**Investments**

The provisions of the HUD regulations restrict investments. Investments are valued at market value. Interest income earned in the period ending December 31, 2021 totaled \$654.

**Capital Assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$5000 or more per unit. Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Building and Improvements	10 – 40 years
Furniture, Fixtures, and Equipment	3-10 years
Vehicles	5 years

Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

**Net Position**

Net Position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

**Income Taxes**

No provision for income taxes is recorded as the Authority is a non-profit, tax-exempt entity under the Internal Revenue Code.

**Operating Revenues and Expenses**

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day-to-day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

**Capital Contributions**

This represents contributions made available by HUD with respect to all federally aided projects under an annual contributions contract.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Compensated Absences**

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

**Budgets and Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The Board of Commissioners adopts the budget through passage of budget resolution.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Pensions/Other Postemployment Benefits (OPEB)**

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

**Accounting and Reporting for Nonexchange Transactions**

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving or receiving equal value in return. GASB Statement No. 33 identifies four classes of nonexchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sale taxes and other assessments on earnings or consumption).
- Imposed nonexchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e., property taxes and fines).
- Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

GASB Statement No. 33 establishes two distinct standards upon the kind of stipulation imposed by the provider.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.
- Purpose restrictions specify the purpose for which resources are required to be used, (i.e., capital grants used for purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHA's that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.



**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Change in Accounting Principle**

For fiscal year 2021, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position/fund balance.

NOTE 3: **DEPOSITS AND INVESTMENTS**

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

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

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

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

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution or the Ohio Pooled Collateral System (OPCS).

At December 31, 2021, the carrying amount of the Authority's deposits totaled \$8,386,074 and its bank balance was \$8,318,300. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2021, \$259,970 was exposed to custodial risk as discussed below, while \$8,058,330 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held as specific collateral at the Federal Reserve Bank in the name of the Authority.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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

**Investments**

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

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

*Interest Rate Risk* - The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the Authority practice to limit its investments to less than 5 years.

*Credit Risk* - HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority depository agreements specifically requires compliance with the HUD requirement.

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

A reconciliation of cash and investments as shown on the Statement of Net Position at December 31, 2021 to the deposits and investments included in this note is as follows:

Cash and Cash Equivalents	\$ 6,877,197
Cash - Restricted	551,921
Investments - Unrestricted	<u>956,956</u>
Total	<u>\$ 8,386,074</u>
Carrying Amount of Deposits	<u>\$ 8,386,074</u>
Total	<u>\$ 8,386,074</u>

**Restricted Cash**

The restricted cash balance of \$551,921 on the financial statements represents the following:

Unspent cash advanced by HUD for HCV Housing Assistance Payments (HAP)	\$ 198,006
Family Self-Sufficiency Escrows	175,754
Tenant Security Deposit Liability	153,897
Other	<u>24,264</u>
<b>Total Restricted Cash</b>	<u>\$ 551,921</u>

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**  
**MUSKINGUM COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(CONTINUED)**

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

**Restricted Cash** (Continued)

*Discretely Presented Component Unit* - Cash and cash equivalents include all cash balances with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash of \$2,846,971 includes cash held with financial institutions for tenant security deposits, repairs or improvement to the buildings which extend their useful lives, funding of the working capital reserve, funding of the operating reserve, cash held in the FSS program escrow account, annual insurance payments and funds held in connection with the mortgage, and deposits made to secure a refinance loan.

NOTE 4: **ACCOUNT RECEIVABLES**

As of December 31, 2021, due from tenants and clients was \$69,595, with an allowance for doubtful accounts of \$40,098. In addition, the Authority has a receivable from HUD of \$15,133 and \$12 due from another PHA for a port voucher case.

NOTE 5: **DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability/asset 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/asset 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/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for 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.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

*Net Pension Liability/Asset* (Continued)

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

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

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

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

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

During 2019, the OPERS Board of Trustees approved changes to the Combined Plan and the Member-Directed Plan. Beginning in 2022, the Combined Plan will be consolidated under the Traditional Plan. Effective January 1, 2022, the Combined Plan option will no longer be available for new hires. The Member-Directed Plan will be modified with changes to the vesting schedule, annuitization, mitigating rate, cost-of-living adjustment and retiree medical account funding. These changes would impact future new members and are in the process of being implemented and the final implementation date will be determined in conjunction with Group D, discussed below.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of future new OPERS contributing members. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care. The date of implementation will be determined when finalized changes are approved.

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

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

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2021 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for 2021. The Authority's contractually required contributions used to fund pension benefits was \$220,006 for fiscal year ending December 31, 2021.

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

The net pension liability/asset for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/asset was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.010066%	0.032824%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.010578%</u>	<u>0.033444%</u>	
Change in Proportionate Share	<u>0.000512%</u>	<u>0.000620%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,566,372	\$ (96,541)	\$ 1,469,831
Pension Expense	\$ 52,105	\$ 3,324	\$ 55,429

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
<b>Deferred Outflows of Resources</b>			
Changes of assumptions	\$ 0	\$ 6,029	\$ 6,029
Changes in proportion and differences between Authority contributions and proportionate share of contributions	70,226	6,566	76,792
Authority contributions subsequent to the measurement date	<u>199,231</u>	<u>20,775</u>	<u>220,006</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 269,457</u>	<u>\$ 33,370</u>	<u>\$ 302,827</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 610,527	\$ 14,358	\$ 624,885
Differences between expected and actual experience	65,523	18,210	83,733
Changes in proportion and differences between Authority contributions and proportionate share of contributions	<u>5,176</u>	<u>1,245</u>	<u>6,421</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$ 681,226</u>	<u>\$ 33,813</u>	<u>\$ 715,039</u>



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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

\$220,006 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2022	\$ (216,326)	\$ (5,866)	\$ (222,192)
2023	(62,535)	(3,342)	(65,877)
2024	(248,873)	(6,658)	(255,531)
2025	(83,266)	(2,609)	(85,875)
2026	0	(555)	(555)
Thereafter	0	(2,188)	(2,188)
Total	\$ (611,000)	\$ (21,218)	\$ (632,218)

***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, 2020, 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 methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

*Actuarial Assumptions – OPERS* (Continued)

The total pension asset in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

The long-term 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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7 percent for 2020.

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

*Actuarial Assumptions – OPERS* (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

<u>Authority's proportionate share of the net pension liability/(asset)</u>	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Traditional Pension Plan	\$ 2,987,862	\$ 1,566,372	\$ 384,405
Combined Plan	\$ (67,222)	\$ (96,541)	\$ (118,392)

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NOTE 6: **DEFINED BENEFIT OPEB PLANS**

*Net OPEB Asset*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020-2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020-2021 was 4.0 percent.

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NOTE 6: **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.

The Authority's contractually required contribution allocated to health care was \$0 for fiscal year 2021.

***OPEB Liabilities/(Assets), 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, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.010569%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.010826%
Change in Proportionate Share	0.000257%
Proportionate Share of the Net OPEB Asset	\$ 192,874
OPEB Expense	\$ (1,179,749)

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Changes of assumptions	\$ 94,820
Changes in proportion and differences between Authority contributions and proportionate share of contributions	20,028
<b>Total Deferred Outflows of Resources</b>	<b>\$ 114,848</b>
<b>Deferred Inflows of Resources</b>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 102,726
Differences between expected and actual experience	174,067
Changes of assumptions	312,514
Changes in proportion and differences between Authority contributions and proportionate share of contributions	4,085
<b>Total Deferred Inflows of Resources</b>	<b>\$ 593,392</b>

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

***OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** (Continued)

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

Year Ending December 31:	OPERS
2022	\$ (250,004)
2023	(171,795)
2024	(44,639)
2025	(12,106)
Total	\$ (478,544)

***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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.00 percent
Health Care Cost Trend Rate	8.50 percent initial, 3.50 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age

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

*Actuarial Assumptions – OPERS* (Continued)

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

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

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

During 2020, 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 10.5 percent for 2020.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:



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

*Actuarial Assumptions – OPERS* (Continued)

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

**Discount Rate** A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, 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 Asset to Changes in the Discount Rate** The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>1% Decrease (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
Authority's proportionate share of the net OPEB asset	\$ 47,959	\$ 192,874	\$ 312,005

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

*Actuarial Assumptions – OPERS* (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	\$ 197,575	\$ 192,874	\$ 187,615

NOTE 7: **NON-CURRENT ASSETS**

**Note Receivable**

On November 1, 2015, the Authority entered into a loan with Coopermill Manor LP (the Partnership) in the amount of \$450,000 to fund the development of the Project (the “Development Loan”). The Development Loan bears an interest rate of 2 percent per annum. Principal and interest payments are due and payable no later than 120 days following the end of each fiscal year for any year in which there has been Cash Flow, as defined in the Partnership Agreement. Any outstanding principal and accrued but unpaid interest shall be due on its maturity date of December 31, 2055. The Development Loan is secured by an Authority funds note and an Authority funds mortgage. As of December 31, 2021, the Development Loan had an outstanding balance of \$192,716, and accrued interest receivable of \$8,124. Due to uncertainty of future principal and interest payments on the Development loan, interest will be recognized when received.

Note receivable at December 31, 2021 also includes an amount of \$57,634 due from Parents Group Child Care Council of Zanesville, a non-profit entity that operates a child daycare center in property leased from the Authority

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

NOTE 7: **NON-CURRENT ASSETS** (Continued)

**Discretely Presented Component Unit**

*Contingent Ground Lease*

The Partnership leases the land and building from the Authority under an operating lease. The lease was reflected on the accompanying balance sheet together with the note payable to the Authority in the amount of \$10,700,000. Due to the uncertainty of future principal and interest payments on the note, the ground lease expense will be recorded consistent with cash payments on the Seller Loan.

*Deferred Charges and Amortization*

Deferred charges include tax credit fees of \$367,247. Tax credit fees are amortized on a straight-line basis over the 15-year tax credit period (the "Compliance Period"). Amortization expense for the year ended December 31, 2021 was \$24,483. Accumulated amortization as of December 31, 2021 was \$121,529.

NOTE 8: **CAPITAL ASSETS**

The following is a summary of changes in capital assets:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
<b><u>Capital Assets Not Being Depreciated</u></b>				
Land	\$ 1,160,622	\$ 0	\$ 0	\$ 1,160,622
<b>Total Capital Assets Not Being Depreciated</b>	<u>1,160,622</u>	<u>0</u>	<u>0</u>	<u>1,160,622</u>
<b><u>Capital Assets Being Depreciated</u></b>				
Buildings and Improvements	27,344,691	100,571	0	27,445,262
Equipment and Vehicles	1,679,646	58,407	(25,423)	1,712,630
<b>Total Capital Assets Being Depreciated</b>	<u>29,024,337</u>	<u>158,978</u>	<u>(25,423)</u>	<u>29,157,892</u>
<b><u>Accumulated Depreciation</u></b>				
Buildings and Improvements	(21,996,144)	(482,477)	0	(22,478,621)
Equipment and Vehicles	(1,467,743)	(65,190)	25,423	(1,507,510)
<b>Total Accumulated Depreciation</b>	<u>(23,463,887)</u>	<u>(547,667)</u>	<u>25,423</u>	<u>(23,986,131)</u>
Depreciable Assets, Net	5,560,450	(388,689)	0	5,171,761
<b>Total Capital Assets, Net</b>	<u>\$ 6,721,072</u>	<u>\$ (388,689)</u>	<u>\$ 0</u>	<u>\$ 6,332,383</u>

**Discretely Presented Component Unit**

The following is a summary of changes in capital assets:

	Balance 12/31/2020	Additions	Deletions	Balance 12/31/2021
<b><u>Capital Assets Being Depreciated</u></b>				
Buildings	\$ 19,075,339	\$ 61,570	\$ 0	\$ 19,136,909
Furniture for Project/Tenant Use	1,893,922	0	0	1,893,922
Miscellaneous Fixed Assets	1,858,840	0	0	1,858,840
<b>Subtotal Capital Assets Being Depreciated</b>	<u>22,828,101</u>	<u>61,570</u>	<u>0</u>	<u>22,889,671</u>
Accumulated Depreciation	(3,373,371)	(760,740)	0	(4,134,111)
<b>Total Depreciable Capital Assets, Net</b>	<u>\$ 19,454,730</u>	<u>\$ (699,170)</u>	<u>\$ 0</u>	<u>\$ 18,755,560</u>

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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

**Loan Payable - Century National Bank**

The Authority has an outstanding note payable with Century National Bank of \$324,992, as of December 31, 2021. The original note was for \$843,000 dated June 1, 2002, to be used for construction of a daycare facility known as Careytown Day Care Center. The note was refinanced in year-end June 30, 2014, an interest rate of 4 percent fixed rate for five years with a variable rate thereafter. The rate at December 31, 2021 is 3 percent. The loan is amortized over a 20-year period. The note payable is secured by a first mortgage on the property and an assignment of rents on the property.

In the event of default, the lender may add any unpaid accrued interest to the principal and the sum shall bear interest until paid. The rate on the note shall be increased by an additional 6 percent default rate margin and the 6 percent default rate margin shall be applied each succeeding interest rate change that would have been applied had there been no default. After the note would have matured had there been no default, the default rate margin will continue to apply to the final interest rate described in the note.

Year Ended December 31	Principal	Interest	Total
2022	\$ 22,240	\$ 9,576	\$ 31,816
2023	22,925	8,891	31,816
2024	23,609	8,207	31,816
2025	24,361	7,455	31,816
2026	25,112	6,704	31,816
2027-2031	137,652	21,428	159,080
2032-2034	69,093	2,491	71,584
<b>Totals</b>	<b>\$ 324,992</b>	<b>\$ 64,752</b>	<b>\$ 389,744</b>

The following is a summary of changes in long-term liabilities for the year ended December 31, 2021:

	Primary Government				
	Balance at 12/31/2020	Issued	Retired	Balance at 12/31/2021	Due within One Year
<b><u>Long-Term Liabilities</u></b>					
Loan Payable	\$ 345,488	\$ 0	\$ (20,496)	\$ 324,992	\$ 22,240
FSS Escrows	159,521	91,078	(74,845)	175,754	0
Accrued Compensated Absences	289,314	189,926	(227,131)	252,109	0
Net Pension Liability	1,989,613	0	(423,241)	1,566,372	0
OPEB Liability	1,459,853	0	(1,459,853)	0	0
	<b>\$ 4,243,789</b>	<b>\$ 281,004</b>	<b>\$ (2,205,566)</b>	<b>\$ 2,319,227</b>	<b>\$ 22,240</b>

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**  
**MUSKINGUM COUNTY, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(CONTINUED)**

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NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

**Discretely Presented Component Unit**

**ZMHA Loan**

On November 1, 2015, the Partnership entered into a loan with Zanesville Metropolitan Housing Authority in the amount of \$450,000 to fund the development of the Project (the “ZMHA Loan”). The ZMHA Loan bears an interest rate of 2 percent per annum. Principal and interest payments are due and payable no later than 120 days following the end of each fiscal year for any year in which there has been Cash Flow, as defined in the Partnership Agreement. Any outstanding principal and accrued but unpaid interest shall be due on its maturity date of December 31, 2055. The ZMHA Loan is secured by an Authority funds note and an Authority funds mortgage. As of December 31, 2021, the ZMHA Loan had an outstanding balance of \$192,716. As of December 31, 2021, accrued interest payable totaled \$8,124. Because payments on this debt is subject to available cash flow, future payments cannot be projected.

**Seller Loan**

On November 1, 2015, the Partnership entered into a loan with Zanesville Metropolitan Housing Authority in the amount of \$10,700,000 related to ZMHA’s transfer of a leasehold interest in the Project (the “Seller Loan”). The Seller Loan bears an interest rate at of 5 percent per annum, compounding annually, and matures on December 31, 2055. Principal and interest payments shall be due and payable to the extent of available Cash Flow as defined in the Partnership Agreement. Upon maturity, all outstanding principal and accrued but unpaid interest shall be due and payable in full. Due to the uncertainty of future principal and interest payments on the Seller Loan, interest will be expensed when payments are made. The Seller Loan is secured by a leasehold acquisition mortgage, assignment of leases and rents, security agreement, and fixture filing. At December 31, 2021, the principal balance is \$10,700,000 and cumulative unrecorded and unpaid interest is \$3,758,515. Because payments on this debt is subject to available cash flow, future payments cannot be projected.

**Permanent Loan**

On November 1, 2015, the Partnership entered into an FHA-insured mortgage loan with Red Mortgage in the amount of \$12,030,100 to fund the construction or rehabilitation of the Project on the ground leased land (the “Permanent Loan”). The Permanent Loan bears an interest rate of 3.98 percent, per annum. Beginning December 1, 2015 through July 1, 2017, interest only payments were due and paid monthly. Beginning August 1, 2017, interest and principal payments are due and payable monthly on the 1<sup>st</sup> day of each month over the term of the Permanent Loan in the amount of \$50,129. Prepayment of the Red Mortgage Loan was allowed, but subject to a prepayment premium of 10 percent, commencing July 31, 2017, and decreasing 1 percent annually thereafter.

On July 1, 2020, the Partnership entered into an FHA-insured mortgage loan with ORIX Real Estate Capital, LLC, in the amount of \$12,030,100 to refinance the Red Mortgage Loan (the “Permanent Loan”). The Permanent Loan bears interest at a rate of 3.40 percent, per annum. Beginning August 1, 2020, interest and principal payments are due and payable monthly over the term of the Permanent Loan in the amount of \$47,707. All unpaid accrued interest and principal are due and payable on the maturity date of July 1, 2057. Prepayment of the Permanent Loan is allowed, but subject to a prepayment premium of 10 percent, commencing September 1, 2020, and decreasing 1 percent annually thereafter.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

NOTE 9: **LONG-TERM DEBT – DIRECT BORROWINGS** (Continued)

**Discretely Presented Component Unit** (Continued)

Permanent Loan (Continued)

The Permanent Loan is secured by, among other things, a first mortgage deed to secure debt or deed of trust. For the years ended December 31, 2021, interest incurred on the Permanent Loan was \$404,086. At December 31, 2021, accrued interest on the Permanent Loan totaled \$33,454.

HDAP Loan

On November 1, 2015, the Partnership entered into a loan with Zanesville MHA and Ohio Housing Finance Agency in the amount of \$750,000 to fund the development of the Project (the “HDAP Loan”). The HDAP Loan bears an interest rate of 2 percent, per annum, compounding semi-annually, and matures on December 31, 2055. Principal and interest payments shall be due and payable to the extent of available Cash Flow as defined in the Partnership Agreement. Upon maturity, all outstanding principal and accrued but unpaid interest shall be due and payable in full. For the year ended December 31, 2021, interest incurred was \$9,544. As of December 31, 2021, accrued interest on the HDAP Loan is \$19,088.

Mortgages payable consists of the following as of December 31, 2021:

Permanent Loan	\$ 11,807,342
HDAP Loan	477,175
Total Principal Balance	<u>12,284,517</u>
Less: Unamortized Debt Issuance Costs	(307,961)
<b>Mortgages Payable, Net of Unamortized Debt Issuance Costs</b>	<b><u>\$ 11,976,556</u></b>

Debt issuance costs are being amortized to interest expense over the term of the mortgages. During 2021, interest expense for debt issuance costs was \$14,549. For the year ended December 31, 2021, the effective interest rate of the Permanent Loan, which includes interest expense and amortization of debt issuance costs, was 3.44 percent.

Future minimum principal payment requirements on the Permanent Loan and HDAP Loan over the next five years and thereafter are as follows:

2022	\$ 173,726
2023	179,726
2024	185,932
2025	192,354
2026	198,996
Thereafter	<u>11,353,894</u>
Total	<b><u>\$ 12,284,628</u></b>

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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**NOTE 10: ECONOMIC DEPENDENCY**

Both the PHA Low Rent Public Housing Program and the Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

**NOTE 11: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ending December 31, 2021, the Authority maintained comprehensive insurance coverage with private carriers for real estate property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The Authority operates a self-insurance program for health insurance, which is administered by MedBen.

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

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

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

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

**NOTE 12: CONTINGENCIES/LITIGATIONS AND CLAIMS**

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2021, the Authority was not involved in such matters.

**NOTE 13: GROUND LEASE AGREEMENT AND SELLER FINANCING**

On November 2, 2015, the Authority entered into a loan with the Coopermill Manor Partnership in the amount of \$10,700,000 related to the Authority's transfer of a leasehold interest in the Project (the "Seller Loan"). An operating lease was also reported between the parties so that the entire \$10,700,000 represented a prepaid lease to the Authority. The Seller Loan bears an interest rate at of 5 percent per annum, compounding annually, and matures on December 31, 2055. Principal and interest payments shall be due and payable to the extent of available cash flow as defined in the Partnership Agreement. Upon maturity, all outstanding principal and accrued but unpaid interest shall be due and payable in full. As of December 31, 2021, the Seller Loan had an outstanding balance of \$10,700,000, and the cumulative unrecorded and unpaid interest is \$3,758,515.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(CONTINUED)**

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NOTE 13: **GROUND LEASE AGREEMENT AND SELLER FINANCING** (Continued)

Due to the uncertainty of future principal and interest payments on the Seller Loan, the note receivable and corresponding prepaid lease are not reported on the financial statements of the Authority, and interest will be recognized when it is received. The component unit's Statement of Net Position contains the Seller Loan payable of \$10,700,000, but this amount is offset by a prepaid ground lease other asset in the same amount.

NOTE 14: **COVID-19**

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



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

<b>Traditional Plan</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability	0.010578%	0.010066%	0.010174%	0.010430%	0.011355%	0.011620%	0.012276%	0.012276%
Authority's Proportionate Share of the Net Pension Liability	\$ 1,566,372	\$ 1,989,613	\$ 2,786,452	\$ 1,636,265	\$ 2,578,527	\$ 2,012,729	\$ 1,480,623	\$ 1,447,180
Authority's Covered Payroll	\$ 1,489,850	\$ 1,416,336	\$ 1,374,129	\$ 1,356,462	\$ 1,335,950	\$ 1,477,717	\$ 1,526,892	\$ 1,552,031
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.14%	140.48%	202.78%	120.63%	193.01%	136.21%	96.97%	93.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Asset	0.033444%	0.032824%	0.033350%	0.034827%	0.045827%	0.044480%	0.048646%	0.048646%
Authority's Proportionate Share of the Net Pension (Asset)	\$ (96,541)	\$ (68,446)	\$ (37,293)	\$ (47,411)	\$ (25,506)	\$ (21,644)	\$ (18,730)	\$ (5,104)
Authority's Covered Payroll	\$ 147,386	\$ 146,121	\$ 142,636	\$ 164,846	\$ 149,525	\$ 161,100	\$ 167,975	\$ 166,723
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%	28.76%	17.06%	13.44%	11.15%	3.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

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

See accompanying notes to the required supplementary information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Contractually Required Contributions</u>										
Traditional Plan	\$ 199,231	\$ 208,579	\$ 198,287	\$ 192,378	\$ 176,340	\$ 160,314	\$ 177,326	\$ 183,227	\$ 201,764	(1)
Combined Plan	<u>20,775</u>	<u>20,634</u>	<u>20,457</u>	<u>19,969</u>	<u>21,430</u>	<u>17,943</u>	<u>19,332</u>	<u>20,157</u>	<u>21,674</u>	(1)
Total Required Contributions	\$ 220,006	\$ 229,213	\$ 218,744	\$ 212,347	\$ 197,770	\$ 178,257	\$ 196,658	\$ 203,384	\$ 223,438	\$ 251,350
Contributions in Relation to the Contractually Required Contribution	\$ (220,006)	\$ (229,213)	\$ (218,744)	\$ (212,347)	\$ (197,770)	\$ (178,257)	\$ (196,658)	\$ (203,384)	\$ (223,438)	\$ (251,350)
Contribution Deficiency / (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Authority's Covered Payroll</u>										
Traditional Plan	\$ 1,423,079	\$ 1,489,850	\$ 1,416,336	\$ 1,374,129	\$ 1,356,462	\$ 1,335,950	\$1,477,717	\$ 1,526,892	\$1,552,031	(1)
Combined Plan	<u>148,393</u>	<u>147,386</u>	<u>146,121</u>	<u>142,636</u>	<u>164,846</u>	<u>149,525</u>	<u>161,100</u>	<u>167,975</u>	<u>166,723</u>	(1)
Total Covered Payroll	\$ 1,571,472	\$ 1,637,236	\$ 1,562,457	\$ 1,516,765	\$ 1,521,308	\$ 1,485,475	\$1,638,817	\$ 1,694,867	\$1,718,754	\$ 2,513,500
<u>Pension Contributions as a Percentage of Covered Payroll</u>										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	7.95%

(1) – Information prior to 2013 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed Plan.

See accompanying notes to the required supplementary information

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/Asset	0.010826%	0.010569%	0.010676%	0.011100%	0.012400%
Authority's Proportionate share of the Net OPEB Liability/(Asset)	\$ (192,874)	\$ 1,459,853	\$ 1,391,898	\$ 1,205,378	\$ 1,252,442
Authority's Covered Payroll	\$ 1,637,236	\$ 1,596,739	\$ 1,548,526	\$ 1,572,929	\$ 1,485,475
Authority's Proportionate share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	11.78%	91.43%	89.89%	76.63%	84.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 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.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 0	\$ 0	\$ 1,371	\$ 1,270	\$ 17,278	\$ 29,710	\$ 32,776	\$ 25,423	\$ 43,298	\$ 98,745
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(1,371)</u>	<u>(1,270)</u>	<u>(17,278)</u>	<u>(29,710)</u>	<u>(32,776)</u>	<u>(25,423)</u>	<u>(43,298)</u>	<u>(98,745)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority Covered Payroll	\$ 1,571,472	\$ 1,637,236	\$ 1,596,739	\$ 1,548,526	\$ 1,572,929	\$ 1,485,475	\$ 1,638,817	\$ 1,694,867	\$ 1,718,754	\$ 2,513,500
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.09%	0.08%	1.10%	2.00%	2.00%	1.50%	2.50%	3.93%

See accompanying notes to the required supplementary information.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2021.

*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.

***Net OPEB Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2021.

*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 2020, 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.

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**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
STATEMENT OF MODERNIZATION COSTS – COMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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1. The total amount of modernization costs of the Capital Fund Housing Program grants are shown below:

OH16P009501-15

Funds Approved	\$ 989,588
Funds Expended	989,588
Excess (Deficiency of Funds Advanced)	<u>\$ -</u>

Funds Advanced	\$ 989,588
Funds Expended	989,588
Excess (Deficiency of Funds Advanced)	<u>\$ -</u>

OH16P009501-16

Funds Approved	\$ 565,111
Funds Expended	565,111
Excess (Deficiency of Funds Advanced)	<u>\$ -</u>

Funds Advanced	\$ 565,111
Funds Expended	565,111
Excess (Deficiency of Funds Advanced)	<u>\$ -</u>

2. All modernization work in connection with the Capital Fund Program has been completed.
3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.
4. There are no discharged mechanics, laborers, contractors, or material liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

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**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**  
**SUPPLEMENTAL FINANCIAL SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**  
**DECEMBER 31, 2021**

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	1,861,032	-	15,539	-	-	9,608	3,263,973	434,524	-	-	1,308,060	6,892,736	-	6,892,736
113 Cash - Other Restricted	29,883	-	2,715,026	-	-	-	-	343,877	-	-	-	3,088,786	-	3,088,786
114 Cash - Tenant Security Deposits	153,897	-	131,945	-	-	-	-	-	-	-	-	285,842	-	285,842
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	19,006	5,258	-	-	-	24,264	-	24,264
<b>100 Total Cash</b>	<b>2,044,812</b>	<b>-</b>	<b>2,862,510</b>	<b>-</b>	<b>-</b>	<b>9,608</b>	<b>3,282,979</b>	<b>783,659</b>	<b>-</b>	<b>-</b>	<b>1,308,060</b>	<b>10,291,628</b>	<b>-</b>	<b>10,291,628</b>
122 Accounts Receivable - HUD Other Projects	-	-	-	9,430	-	-	-	-	5,703	-	-	15,133	-	15,133
125 Accounts Receivable - Miscellaneous	-	-	20,378	-	-	-	-	12	-	-	-	20,390	-	20,390
126 Accounts Receivable - Tenants	9,415	-	11,669	-	-	-	-	-	-	-	-	21,084	-	21,084
126.1 Allowance for Doubtful Accounts -Tenants	-2,500	-	-	-	-	-	-	-	-	-	-	-2,500	-	-2,500
126.2 Allowance for Doubtful Accounts - Other	-4,500	-	-	-	-	-	-	-	-	-	-	-4,500	-	-4,500
127 Notes, Loans, & Mortgages Receivable - Current	21,416	-	-	-	-	-	-	-	-	-	-	21,416	-	21,416
128 Fraud Recovery	-	-	-	-	-	-	-	38,764	-	-	-	38,764	-	38,764
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-33,098	-	-	-	-33,098	-	-33,098
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>23,831</b>	<b>-</b>	<b>32,047</b>	<b>9,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,678</b>	<b>5,703</b>	<b>-</b>	<b>-</b>	<b>76,689</b>	<b>-</b>	<b>76,689</b>
131 Investments - Unrestricted	519,194	-	-	-	-	-	437,762	-	-	-	-	956,956	-	956,956
142 Prepaid Expenses and Other Assets	100,775	-	67,530	-	-	-	3,436	9,526	-	-	16,448	197,715	-	197,715
143 Inventories	-	-	-	-	-	-	-	-	-	-	277,603	277,603	-	277,603
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-21,500	-21,500	-	-21,500
144 Inter Program Due From	-	-	-	-	-	-	-	-	-	-	11,086	11,086	-11,086	-
<b>150 Total Current Assets</b>	<b>2,688,612</b>	<b>-</b>	<b>2,962,087</b>	<b>9,430</b>	<b>-</b>	<b>9,608</b>	<b>3,724,177</b>	<b>798,863</b>	<b>5,703</b>	<b>-</b>	<b>1,591,697</b>	<b>11,790,177</b>	<b>-11,086</b>	<b>11,779,091</b>
161 Land	1,024,522	-	-	-	-	-	116,100	-	-	-	20,000	1,160,622	-	1,160,622
162 Buildings	19,087,327	-	20,995,749	-	-	-	3,943,392	-	-	-	1,041,408	45,067,876	-	45,067,876
163 Furniture, Equipment & Machinery - Dwellings	226,200	-	1,893,922	-	-	-	-	-	-	-	200,412	2,320,534	-	2,320,534
164 Furniture, Equipment & Machinery - Administration	197,502	-	-	-	-	-	435,201	630	-	-	652,685	1,286,018	-	1,286,018
165 Leasehold Improvements	2,985,159	-	-	-	-	-	375,526	-	-	-	12,450	3,373,135	-	3,373,135
166 Accumulated Depreciation	-19,020,776	-	-4,134,111	-	-	-	-3,459,667	-630	-	-	-1,505,058	-28,120,242	-	-28,120,242
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>4,499,934</b>	<b>-</b>	<b>18,755,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,410,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>421,897</b>	<b>25,087,943</b>	<b>-</b>	<b>25,087,943</b>
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	250,350	-	-	-	-	250,350	-	250,350
174 Other Assets	40,517	-	10,945,718	-	-	-	40,518	40,518	-	-	254,808	11,322,079	-	11,322,079
<b>180 Total Non-Current Assets</b>	<b>4,540,451</b>	<b>-</b>	<b>29,701,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,701,420</b>	<b>40,518</b>	<b>-</b>	<b>-</b>	<b>676,705</b>	<b>36,660,372</b>	<b>-</b>	<b>36,660,372</b>
200 Deferred Outflow of Resources	58,475	-	-	-	-	-	58,475	58,475	-	-	242,250	417,675	-	417,675
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>7,287,538</b>	<b>-</b>	<b>32,663,365</b>	<b>9,430</b>	<b>-</b>	<b>9,608</b>	<b>5,484,072</b>	<b>897,856</b>	<b>5,703</b>	<b>-</b>	<b>2,510,652</b>	<b>48,868,224</b>	<b>-11,086</b>	<b>48,857,138</b>
312 Accounts Payable <= 90 Days	6,126	-	140,194	-	-	-	-	-	104	-	14,136	160,560	-	160,560
321 Accrued Wage Payroll Taxes Payable	5,696	-	-	3,156	-	-	-	2,244	787	-	31,205	43,088	-	43,088
325 Accrued Interest Payable	-	-	33,454	-	-	-	-	-	-	-	-	33,454	-	33,454
341 Tenant Security Deposits	153,897	-	92,747	-	-	-	-	-	-	-	-	246,644	-	246,644
342 Unearned Revenue	4,579	-	7,991	-	-	-	-	-	-	-	-	12,570	-	12,570
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	173,726	-	-	-	22,240	-	-	-	-	195,966	-	195,966
345 Other Current Liabilities	-	-	24,212	-	-	-	19,006	5,258	-	-	-	48,476	-	48,476
346 Accrued Liabilities - Other	10,871	-	-	-	-	-	-	-	-	-	-	10,871	-	10,871
347 Inter Program - Due To	-	-	-	6,274	-	-	-	-	4,812	-	-	11,086	-11,086	-
<b>310 Total Current Liabilities</b>	<b>181,169</b>	<b>-</b>	<b>472,324</b>	<b>9,430</b>	<b>-</b>	<b>-</b>	<b>41,246</b>	<b>7,502</b>	<b>5,703</b>	<b>-</b>	<b>45,341</b>	<b>762,715</b>	<b>-11,086</b>	<b>751,629</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	22,695,657	-	-	-	302,752	-	-	-	-	22,998,409	-	22,998,409
353 Non-current Liabilities - Other	29,883	-	27,212	-	-	-	-	145,871	-	-	-	202,966	-	202,966
354 Accrued Compensated Absences - Non Current	38,556	-	-	-	-	-	62,973	9,027	-	-	141,553	252,109	-	252,109
357 Accrued Pension and OPEB Liabilities	219,292	-	-	-	-	-	219,292	219,292	-	-	908,496	1,566,372	-	1,566,372
<b>350 Total Non-Current Liabilities</b>	<b>287,731</b>	<b>-</b>	<b>22,722,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585,017</b>	<b>374,190</b>	<b>-</b>	<b>-</b>	<b>1,050,049</b>	<b>25,019,856</b>	<b>-</b>	<b>25,019,856</b>
<b>300 Total Liabilities</b>	<b>468,900</b>	<b>-</b>	<b>23,195,193</b>	<b>9,430</b>	<b>-</b>	<b>-</b>	<b>626,263</b>	<b>381,692</b>	<b>5,703</b>	<b>-</b>	<b>1,095,390</b>	<b>25,782,571</b>	<b>-11,086</b>	<b>25,771,485</b>
400 Deferred Inflow of Resources	183,180	-	-	-	-	-	183,180	183,180	-	-	758,891	1,308,431	-	1,308,431

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL SCHEDULE  
ENTITY WIDE BALANCE SHEET SUMMARY  
DECEMBER 31, 2021**

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
508.4 Net Investment in Capital Assets	4,499,934	-	6,831,895	-	-	-	1,085,560	-	-	-	421,897	12,839,286	-	12,839,286
511.4 Restricted Net Position	-	-	2,715,026	-	-	-	-	198,006	-	-	-	2,913,032	-	2,913,032
512.4 Unrestricted Net Position	2,135,524	-	-78,749	-	-	9,608	3,589,069	134,978	-	-	234,474	6,024,904	-	6,024,904
<b>513 Total Equity - Net Assets / Position</b>	6,635,458	-	9,468,172	-	-	9,608	4,674,629	332,984	-	-	656,371	21,777,222	-	21,777,222
<b>600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net</b>	7,287,538	-	32,663,365	9,430	-	9,608	5,484,072	897,856	5,703	-	2,510,652	48,868,224	-11,086	48,857,138

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

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	976,901	-	2,562,631	-	-	-	-	-	-	-	-	3,539,532	-	3,539,532
70400 Tenant Revenue - Other	62,688	-	45,655	-	-	-	-	-	-	-	-	108,343	-	108,343
<b>70500 Total Tenant Revenue</b>	<b>1,039,589</b>	<b>-</b>	<b>2,608,286</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,647,875</b>	<b>-</b>	<b>3,647,875</b>
70600 HUD PHA Operating Grants	1,891,436	44,999	-	222,886	-	-	-	3,816,396	66,710	76,742	-	6,119,169	-	6,119,169
70610 Capital Grants	25,200	-	-	-	-	-	-	-	-	-	-	25,200	-	25,200
70710 Management Fee	-	-	-	-	-	-	-	-	-	-	448,883	448,883	-448,883	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	42,000	42,000	-42,000	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-	-	99,000	99,000	-99,000	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	768,966	768,966	-768,966	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-	487,562	487,562	-	487,562
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,846,411</b>	<b>1,846,411</b>	<b>-1,358,849</b>	<b>487,562</b>
70800 Other Government Grants	-	-	-	-	-	22,837	-	-	-	-	-	22,837	-	22,837
71100 Investment Income - Unrestricted	389	-	3,045	-	-	-	82	183	-	-	-	3,699	-	3,699
71400 Fraud Recovery	-	-	-	-	-	-	-	18,620	-	-	-	18,620	-	18,620
71500 Other Revenue	55,611	-	-	-	-	-	179,958	37,352	-	-	11,442	284,363	-	284,363
71600 Gain or Loss on Sale of Capital Assets	1,975	-	-	-	-	-	5,874	-	-	-	-	7,849	-	7,849
72000 Investment Income - Restricted	-	-	1,673	-	-	-	-	-	-	-	-	1,673	-	1,673
<b>70000 Total Revenue</b>	<b>3,014,200</b>	<b>44,999</b>	<b>2,613,004</b>	<b>222,886</b>	<b>-</b>	<b>22,837</b>	<b>185,914</b>	<b>3,872,551</b>	<b>66,710</b>	<b>76,742</b>	<b>1,857,853</b>	<b>11,977,696</b>	<b>-1,358,849</b>	<b>10,618,847</b>
91100 Administrative Salaries	111,625	25,213	161,840	-	-	21,493	-	13,588	-	30,688	399,447	763,894	-	763,894
91200 Auditing Fees	3,762	-	11,880	-	-	-	-	1,881	-	-	3,799	21,322	-	21,322
91300 Management Fee	340,163	-	152,914	-	-	-	-	108,720	-	-	-	601,797	-448,883	152,914
91310 Book-keeping Fee	31,050	-	8,500	-	-	-	-	67,950	-	-	-	107,500	-99,000	8,500
91400 Advertising and Marketing	-	-	1,518	-	-	-	-	-	-	-	-	1,518	-	1,518
91500 Employee Benefit contributions - Administrative	-82,919	18,873	63,715	-	-	13,910	-	-159,788	-	23,314	-77,158	-200,053	-	-200,053
91600 Office Expenses	77,088	-	19,311	-	-	1,417	3,265	42,903	-	4,528	31,594	180,106	-	180,106
91700 Legal Expense	1,862	-	8,015	-	-	-	-	285	-	-	257	10,419	-	10,419
91800 Travel	8,636	-	47	-	-	401	-	348	-	-	4,536	13,968	-	13,968
91900 Other	10,902	-	13,643	-	-	2,803	19,795	37,232	-	-	2,955	87,330	-	87,330
<b>91000 Total Operating - Administrative</b>	<b>502,169</b>	<b>44,086</b>	<b>441,383</b>	<b>-</b>	<b>-</b>	<b>40,024</b>	<b>23,060</b>	<b>113,119</b>	<b>-</b>	<b>58,530</b>	<b>365,430</b>	<b>1,587,801</b>	<b>-547,883</b>	<b>1,039,918</b>
92000 Asset Management Fee	42,000	-	-	-	-	-	-	-	-	-	-	42,000	-42,000	-
92100 Tenant Services - Salaries	-	-	-	133,589	-	-	-	-	29,845	-	-	163,434	-	163,434
92300 Employee Benefit Contributions - Tenant Services	-	-	-	89,297	-	-	-	-	15,719	-	-	105,016	-	105,016
92400 Tenant Services - Other	4,200	913	-	-	826	-	290	-	21,146	18,212	-	45,587	-	45,587
<b>92500 Total Tenant Services</b>	<b>4,200</b>	<b>913</b>	<b>-</b>	<b>222,886</b>	<b>826</b>	<b>-</b>	<b>290</b>	<b>-</b>	<b>66,710</b>	<b>18,212</b>	<b>-</b>	<b>314,037</b>	<b>-</b>	<b>314,037</b>
93100 Water	17,678	-	115,969	-	-	-	463	1,171	-	-	829	136,110	-	136,110
93200 Electricity	97,608	-	147,979	-	-	-	2,347	1,510	-	-	9,424	258,868	-	258,868
93300 Gas	9,709	-	122,395	-	-	-	1,196	252	-	-	13,592	147,144	-	147,144
93600 Sewer	31,777	-	246,305	-	-	-	732	2,488	-	-	3,611	284,913	-	284,913
<b>93000 Total Utilities</b>	<b>156,772</b>	<b>-</b>	<b>632,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,738</b>	<b>5,421</b>	<b>-</b>	<b>-</b>	<b>27,456</b>	<b>827,035</b>	<b>-</b>	<b>827,035</b>
94100 Ordinary Maintenance and Operations - Labor	-	-	301,248	-	-	-	-	-	-	-	542,389	843,637	-	843,637
94200 Ordinary Maintenance and Operations - Materials and Other	107,018	-	67,781	-	-	-	5,600	-	-	-	151,721	332,120	-	332,120
94300 Ordinary Maintenance and Operations Contracts	958,365	-	232,446	-	-	-	161,868	-	-	-	36,077	1,388,756	-768,966	619,790
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	118,600	-	-	-	-	-	-	-	-104,770	13,830	-	13,830
<b>94000 Total Maintenance</b>	<b>1,065,383</b>	<b>-</b>	<b>720,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625,417</b>	<b>2,578,343</b>	<b>-768,966</b>	<b>1,809,377</b>
95100 Protective Services - Labor	35,363	-	-	-	-	-	-	-	-	-	-	35,363	-	35,363
95200 Protective Services - Other Contract Costs	-	-	29,042	-	-	-	-	-	-	-	280	29,322	-	29,322
95500 Employee Benefit Contributions - Protective Services	32,694	-	-	-	-	-	-	-	-	-	-	32,694	-	32,694
<b>95000 Total Protective Services</b>	<b>68,057</b>	<b>-</b>	<b>29,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>280</b>	<b>97,379</b>	<b>-</b>	<b>97,379</b>
96110 Property Insurance	69,789	-	78,589	-	-	-	3,434	-	-	-	12,650	164,462	-	164,462
96120 Liability Insurance	29,148	-	-	-	-	-	-	9,916	-	-	1,718	40,782	-	40,782
96130 Workmen's Compensation	4,716	-	3,233	-	-	-	-	1,559	-	-	10,682	20,190	-	20,190
96140 All Other Insurance	5,639	-	-	-	-	-	-	-	-	-	7,136	12,775	-	12,775
<b>96100 Total insurance Premiums</b>	<b>109,292</b>	<b>-</b>	<b>81,822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,434</b>	<b>11,475</b>	<b>-</b>	<b>-</b>	<b>32,186</b>	<b>238,209</b>	<b>-</b>	<b>238,209</b>

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

	Project Total	14.PHC Public Housing CARES Act Funding	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
96200 Other General Expenses	4,557	-	67,561	-	-	-	-163,315	1,095	-	-	15,785	-74,317	-	-74,317
96400 Bad debt - Tenant Rents	19,443	-	32,024	-	-	-	-	-	-	-	-	51,467	-	51,467
<b>96000 Total Other General Expenses</b>	<b>24,000</b>	<b>-</b>	<b>99,585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-163,315</b>	<b>1,095</b>	<b>-</b>	<b>-</b>	<b>15,785</b>	<b>-22,850</b>	<b>-</b>	<b>-22,850</b>
96710 Interest of Mortgage (or Bonds) Payable	-	-	417,568	-	-	-	12,996	-	-	-	-	430,564	-	430,564
96730 Amortization of Bond Issue Costs	-	-	24,483	-	-	-	-	-	-	-	-	24,483	-	24,483
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>-</b>	<b>-</b>	<b>442,051</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455,047</b>	<b>-</b>	<b>455,047</b>
<b>96900 Total Operating Expenses</b>	<b>1,971,873</b>	<b>44,999</b>	<b>2,446,606</b>	<b>222,886</b>	<b>826</b>	<b>40,024</b>	<b>48,671</b>	<b>131,110</b>	<b>66,710</b>	<b>76,742</b>	<b>1,066,554</b>	<b>6,117,001</b>	<b>-1,358,849</b>	<b>4,758,152</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>1,042,327</b>	<b>-</b>	<b>166,398</b>	<b>-</b>	<b>-826</b>	<b>-17,187</b>	<b>137,243</b>	<b>3,741,441</b>	<b>-</b>	<b>-</b>	<b>791,299</b>	<b>5,860,695</b>	<b>-</b>	<b>5,860,695</b>
97100 Extraordinary Maintenance	575,744	-	-	-	-	-	-	-	-	-	-	575,744	-	575,744
97200 Casualty Losses - Non-capitalized	5,750	-	-	-	-	-	-	-	-	-	-	5,750	-	5,750
97300 Housing Assistance Payments	-	-	-	-	-	-	-	3,301,471	-	-	-	3,301,471	-	3,301,471
97350 HAP Portability-In	-	-	-	-	-	-	-	6,350	-	-	-	6,350	-	6,350
97400 Depreciation Expense	402,265	-	760,740	-	-	-	111,918	-	-	33,484	1,308,407	1,308,407	-	1,308,407
<b>90000 Total Expenses</b>	<b>2,955,632</b>	<b>44,999</b>	<b>3,207,346</b>	<b>222,886</b>	<b>826</b>	<b>40,024</b>	<b>160,589</b>	<b>3,438,931</b>	<b>66,710</b>	<b>76,742</b>	<b>1,100,038</b>	<b>11,314,723</b>	<b>-1,358,849</b>	<b>9,955,874</b>
10010 Operating Transfer In	201,244	-	-	-	826	-	-	-	-	-	-	202,070	-202,070	-
10020 Operating transfer Out	-201,244	-	-	-	-	-	-	-	-	-	-826	-202,070	202,070	-
10091 Inter Project Excess Cash Transfer In	135,000	-	-	-	-	-	-	-	-	-	-	135,000	-135,000	-
10092 Inter Project Excess Cash Transfer Out	-135,000	-	-	-	-	-	-	-	-	-	-	-135,000	135,000	-
<b>10100 Total Other financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-826</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>58,568</b>	<b>-</b>	<b>-594,342</b>	<b>-</b>	<b>-</b>	<b>-17,187</b>	<b>25,325</b>	<b>433,620</b>	<b>-</b>	<b>-</b>	<b>756,989</b>	<b>662,973</b>	<b>-</b>	<b>662,973</b>
11020 Required Annual Debt Principal Payments	-	-	154,150	-	-	-	20,496	-	-	-	-	174,646	-	174,646
11030 Beginning Equity	6,576,890	-	10,062,514	-	-	26,795	4,649,304	-100,636	-	-	-100,618	21,114,249	-	21,114,249
11170 Administrative Fee Equity	-	-	-	-	-	-	-	134,978	-	-	-	134,978	-	134,978
11180 Housing Assistance Payments Equity	-	-	-	-	-	-	-	198,006	-	-	-	198,006	-	198,006
11190 Unit Months Available	4,200	-	3,888	-	-	-	-	11,268	-	-	-	19,356	-	19,356
11210 Number of Unit Months Leased	4,140	-	3,696	-	-	-	-	9,060	-	-	-	16,896	-	16,896

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Assistance Listing Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<i>Direct Programs</i>		
Public and Indian Housing	14.850	\$ 1,011,565
Public and Indian Housing - CARES Act	14.850	44,999
<i>Total CFDA #14.850</i>		<u>1,056,564</u>
Resident Opportunity and Support Services - Service Coordinators	14.870	<u>66,710</u>
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	3,816,396
Section 8 Housing Choice Vouchers - CARES Act	14.871	76,742
Total Housing Voucher Cluster		<u>3,893,138</u>
Public Housing Capital Fund	14.872	<u>905,071</u>
PIH Family Self-Sufficiency	14.896	<u>222,886</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u><u>6,144,369</u></u>
<b><u>U.S. Department of Labor</u></b>		
<i>Direct Programs</i>		
<i>WIOA Cluster:</i>		
WIOA Youth Activities	17.259	22,837
<i>Total WIOA Cluster</i>		<u>22,837</u>
<b>Total U.S. Department of Labor</b>		<u><u>22,837</u></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 6,167,206</u></u>

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

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 1: BASIS OF PRESENTATION**

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

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

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

**NOTE 3: INDIRECT COST RATE**

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



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

Zanesville Metropolitan Housing Authority  
Muskingum County  
407 Pershing Road  
Zanesville, Ohio 43701

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Zanesville Metropolitan Housing Authority, Muskingum County, Ohio (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 11, 2022 wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Authority. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' 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 purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 11, 2022





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

Zanesville Metropolitan Housing Authority  
Muskingum County  
407 Pershing Road  
Zanesville, Ohio 43701

To the Board of Commissioners:

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

***Opinion on Each Major Federal Program***

We have audited the Zanesville Metropolitan Housing Authority's, Muskingum County, Ohio (the Authority), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Zanesville Metropolitan Housing Authority's major federal programs for the year ended December 31, 2021. The Zanesville Metropolitan Housing Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each 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 each major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 11, 2022

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**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"> <li>• Public and Indian Housing, #14.850</li> <li>• Public Housing Capital Fund, #14.872</li> </ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

# OHIO AUDITOR OF STATE KEITH FABER



**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**

**MUSKINGUM 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 8/2/2022**

88 East Broad 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](http://www.ohioauditor.gov)