bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

ZANESVILLE METROPOLITAN HOUSING AUTHORITY
MUSKINGUM COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Commissioners
Zanesville Metropolitan Housing Authority
407 Pershing Rd
Zanesville, OH 43701

We have reviewed the *Independent Auditor's Report* of the Zanesville Metropolitan Housing Authority, Muskingum County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

November 01, 2023

This page intentionally left blank.

Zanesville Metropolitan Housing Authority
Muskingum County
Table of Contents
For the Year Ended December 31, 2022

TITLE PAGE

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, 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, Ohio as of December 31, 2022, 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, 2022, 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.

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

Emphasis of Matter

As discussed in Note 15 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Other Post-employment Benefit 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. 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 August 23, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
August 23, 2023

THIS PAGE IS INTENTIONALLY LEFT BLANK

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, 2022, with selected comparative information for the period ended December 31, 2022. 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, 2022 by $13,230,112 (net position). Of this amount, $7,630,210 (unrestricted net position) may be used to meet the Authority's ongoing obligations to citizens and creditors.

- Net position increased by $921,062. Unrestricted net position increased $1,526,557.

- In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. This was the first year since the emergence of the pandemic that no supplemental funding was provided to help the Authority prepare for, prevent, and respond to the coronavirus.

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:

<u>Public Housing Program</u>
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.

<u>Capital Fund Program (CFP)</u>
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.

<u>Housing Choice Voucher Program (Section 8)</u>
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.

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 was set-up to separate the HUD funded program from non-HUD activities. This fund is mainly 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.

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 deferred inflows of resources, and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison at December 31, 2022 and 2021:

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

	2022	2021
Assets and Deferred Outflows of Resources		
Assets		
Current Assets	$ 9,540,212	$ 8,817,004
Capital Assets	5,892,905	6,332,383
Other Non-Current Assets	781,839	626,711
Deferred Outflows of Resources	427,211	417,675
Total Assets and Deferred Outflows of Resources	$ 16,642,167	$ 16,193,773
Liabilities, Deferred Inflows of Resources, and Net Posiiton		
Liabilities		
Current Liabilites	$ 290,327	$ 279,305
Long-Term Liabilities	1,609,296	2,296,987
Total Liabilities	1,899,623	2,576,292
Deferred Inflows of Resources	1,512,432	1,308,431
Net Position		
Net Investment in Capital Assets	5,590,166	6,007,391
Restricted Net Position	9,736	198,006
Unrestricted Net Position	7,630,210	6,103,653
Total Net Position	13,230,112	12,309,050
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 16,642,167	$ 16,193,773

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

Current assets increased $723,208 (or 8 percent), with the increase largely being to cash and investments balances. The corresponding change was to unrestricted net position. Factors contributing to the increase in unrestricted net position will be addressed after Table 2 of this MD&A.

The other balance on the statement that changed the most was noncurrent liabilities which are reduced by $687,691 from the prior year-end. The noncurrent liability that realized the largest part of this change was the net pension liability which decreased $713,210. This change to net pension liability does not reflect changes in the operations at the Authority, but rather reflects changes in the pension system, the Ohio Public Employees Retirement System (OPERS).

Net pension liability is a balance reported in accordance with GASB 68, an accounting standard that calls for the Authority to report what is determined to be its estimated share of the unfunded pension liability of the OPERS. 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. The net pension liability reported as a non-current liability is unlike other liabilities the Authority has in that the liability does not represent an invoice or debt to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future pension obligations. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. In Ohio there is no legal means to enforce the unfunded liability of the pension plan against a public employer like the Authority.

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, 2022 and 2021.

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

	2022	2021
Revenues		
Tenant	$ 1,086,869	$ 1,039,589
Subsidies	5,650,072	6,142,006
Capital Grants	43,500	25,200
Interest	44,672	654
Other	1,018,522	798,394
Total Revenues	7,843,635	8,005,843
Expenses		
Administrative	1,002,934	598,535
Tenant Services	294,882	314,037
Utilities	224,596	194,387
Maintenance	1,716,554	1,670,796
Insurance and General	347,013	115,285
HAP	3,149,874	3,307,821
Depreciation	527,354	547,667
Total Expenses	7,263,207	6,748,528
Change in Net Position, Before Extraordinary Item	580,428	1,257,315
Extraordinary Item	340,634	0
Beginning Net Position	12,309,050	11,051,735
Ending Net Position	$ 13,230,112	$ 12,309,050

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

Favorable financial results led to an increase in net position of $921,062. Overall revenues were virtually unchanged from the prior year, decreasing just $162,208 (or 2 percent). Expenses on the other hand increased $514,679 (or 8 percent), with the larger increases being to administrative expenses, and insurance and general expenses. But making the largest impact on all of these changes is the increase in pension expense. Pension expense is a non-cash expense that is recognized when the changes in balances reported in accordance with GASB 68 and GASB 75 are recorded. GASB 68 was addressed in the preceding section related to changes in balances on the Statement of Net Position. Similar to GASB 68, GASB 75 requires the Authority to report balances related to its estimated share of the funding level of the healthcare plan (OPEB obligations) of the retirement system, OPERS. So, these increases in expenses are largely non-cash increases that are not a reflection of changes in operations at the Authority, but rather changes related to funding levels of the retirement system to meet future pension and OPEB obligations.

In 2022 pension expense from the changes in these GASB 68 and GASB 75 balances was a negative $673,206, but in 2021 pension expense was a negative $1,344,056, so pension expense increased $670,850. Pension expense is allocated to administrative expense, maintenance expense and general expense based on the allocation of payroll costs and legacy balances from the former AMP 1.

Also to be noted is the Authority recognized a gain from an extraordinary item in the amount of $340,634, related to a settlement from a legal action taken by the Authority.

Housing Units Managed

The following table shows housing units managed by the Authority for the fiscal year ended December 31, 2022:

	2022
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, 2022 and changes from December 31, 2021:

Table 3 - Capital Assets

	2022
Land and Land Rights	$ 1,164,009
Buildings and Improvements	27,474,350
Equipment	1,197,204
Accumulated Depreciation	(23,942,658)
Total	$ 5,892,905
Capital Assets Activity	
Capital Assets, Net at December 31, 2021	$ 6,332,383
Capital Additions in this Period	87,876
Depreciation Expense	(527,354)
Capital Assets, Net at December 31, 2022	$ 5,892,905

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, 2021	$ 324,992
Less:	
Principal Payments made during the Year	(22,253)
Outstanding Principal Balance as of December 31, 2022	$ 302,739

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 prorations 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, Finance Coordinator, and Zanesville Metropolitan Housing Authority, 407 Pershing, Zanesville, Ohio 43701.

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

	Primary Government	Component Unit
Assets and Deferred Outflows of Resources		
Assets		
Current Assets		
Cash and Cash Equivalents	$ 4,998,150	$ 84,308
Restricted Cash and Cash Equivalents	403,395	3,030,113
Investments	3,532,851	0
Receivables, Net of Allowance	191,680	29,891
Inventory, Net of Allowance	262,676	0
Prepaid Expenses and Other Assets	151,460	71,143
Total Current Assets	9,540,212	3,215,455
Non-Current Assets:		
Capital Assets		
Non-Depreciable Capital Assets	1,164,009	0
Depreciable Capital Assets, Net	4,728,896	18,019,973
Total Capital Assets	5,892,905	18,019,973
Other Non-Current Assets		
Note Receivable	250,350	0
Other Assets	531,489	10,921,235
Total Other Non-Current Assets	781,839	10,921,235
Total Non-Current Assets	6,674,744	28,941,208
Total Assets	16,214,956	32,156,663
Deferred Outflows of Resources		
Pension	419,436	0
OPEB	7,775	0
Total Deferred Outflows of Resources	427,211	0
Total Assets and Deferred Outflows of Resources	$ 16,642,167	$ 32,156,663
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts Payable	$ 9,438	$ 291,266
Accrued Interest Payable	0	33,454
Accrued Liabilities	94,358	244,472
Tenant Security Deposits	158,172	94,898
Unearned Revenue	5,434	8,772
Bonds, Notes, and Loans Payable	22,925	179,726
Total Current Liabilities	290,327	852,588
Non-Current Liabilities		
Accrued Compensated Absences - Non-Current	259,840	0
Non-Current Liabilities - Other	216,480	56,316
Net Pension Liability	853,162	0
Long-Term Debt - Notes Payable and Loans	279,814	22,530,271
Total Non-Current Liabilities	1,609,296	22,586,587
Total Liabilities	1,899,623	23,439,175
Deferred Inflows of Resources		
Pension	1,172,168	0
OPEB	340,264	0
Total Deferred Inflows of Resources	1,512,432	0
Net Position		
Net Investment in Capital Assets	5,590,166	6,231,211
Restricted Net Position	9,736	2,898,168
Unrestricted Net Position	7,630,210	(411,891)
Total Net Position	13,230,112	8,717,488
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 16,642,167	$ 32,156,663

See accompanying notes to the basic financial statements.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY
MUSKINGUM COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
PRIMARY GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues	
Government Grants	$ 5,650,072
Tenant Revenue	1,086,869
Other Revenue	819,402
Total Operating Revenues	7,556,343
Operating Expenses	
Administrative	1,002,934
Tenant Services	294,882
Utilities	224,596
Maintenance	1,645,854
Insurance and General	337,450
Housing Assistance Payments	3,149,874
Depreciation	527,354
Total Operating Expenses	7,182,944
Operating Income (Loss)	373,399
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	44,672
Gain on Disposal of Assets	1,329
Interest Expense	(9,563)
Casualty Loss Proceeds	197,791
Casualty Loss - Noncapitalized	(70,700)
Total Non-Operating Revenues (Expenses)	163,529
Income (Loss) Before Capital Grants	536,928
Capital Grants	43,500
Change in Net Position, Before Extraordinary Item	580,428
Extraordinary Item	340,634
Total Net Position, Beginning of Year	12,309,050
Total Net Position - End of Year	$ 13,230,112

See accompanying notes to the basic financial statements.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY
MUSKINGUM COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues	
Tenant Revenue	$ 2,576,235
Total Operating Revenues	2,576,235
Operating Expenses	
Administrative	421,967
Utilities	792,949
Maintenance	705,954
Insurance	110,100
General and Protective Services	82,764
Depreciation	761,070
Total Operating Expenses	2,874,804
Operating Income (Loss)	(298,569)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	235
Interest and Amortization Expense	(452,350)
Total Non-Operating Revenues (Expenses)	(452,115)
Change in Net Position	(750,684)
Total Net Position, Beginning of Year	9,468,172
Total Net Position - End of Year	$ 8,717,488

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, 2022

Cash Flows from Operating Activities		
Cash Received from HUD/Other Governments	$	5,642,457
Cash Received from Tenants		1,101,532
Cash Payments for Housing Assistance		(3,109,148)
Cash Payments for Administrative Expenses		(1,658,082)
Other Operating Expenses		(2,536,629)
Cash Received - Other		670,658
Net Cash Provided by Operating Activities		110,788
Cash Flows from Capital and Related Financing Activities		
Cash from Capital Asset Sale		1,329
Capital Grants Received		43,500
Acquisition of Capital Assets		(87,876)
Principal Payment on Debt		(22,253)
Interest Paid on Debt		(9,563)
Casualty Loss Proceeds		197,791
Casualty Loss - Noncapitalized		(70,700)
Extraordinary Item		340,634
Net Cash (Used for) Capital and Other Related Activities		392,862
Cash Flows from Investing Activities		
Interest and Investment Income Received		44,672
Investment Purchase		(2,575,895)
Net Cash Provided from Investing Activities		(2,531,223)
Net Decrease in Cash		(2,027,573)
Cash and Cash Equivalents - Beginning of Year		7,429,118
Cash and Cash Equivalents - End of Year	$	5,401,545
Reconciliation of Net Operating Income to		
Net Cash Provided by Operating Activities		
Net Operating Income (Loss)	$	373,399
Adjustments to Reconcile Net Income to Net		
Cash Provided by Operating Activities:		
Depreciation		527,354
(Increase) Decrease in:		
Accounts Receivable		(147,038)
Inventory, Net of Allowance		(6,573)
Prepaid and Other Assets		(176,403)
Deferred Outflows of Resources		(9,536)
Increase (Decrease) in:		
Accounts Payable		(10,928)
Accrued Liabilities/Unearned Revenue		16,990
Accrued Compensated Absences and Other Non-Current		48,457
Tenant Security Deposits		4,275
Deferred Inflows of Resources		204,001
Net Pension Liability		(713,210)
Net Cash Provided by Operating Activities	$	110,788

See accompanying notes to the basic financial statements.

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.

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 fund programs to help residents work toward self-sufficiency and economic independence and move from welfare to work.

E. **Business Activity**

The Business Activity Fund was set-up to separate the HUD funded program from non-HUD activities. This fund is mainly 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.

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.

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 propriety 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.

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

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 subsidizes 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.

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, 2022 totaled $44,672.

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

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.

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.

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

Compensated Absences (Continued)

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.

Pensions/Other Postemployment Benefits (OPEB)

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

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

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.

Change in Accounting Principle

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

NOTE 3: **DEPOSITS AND INVESTMENTS**

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, of 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, 2022, the carrying amount of the Authority's deposits totaled $5,726,238 and its bank balance was $5,742,229. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2022, $298,140 was exposed to custodial risk as discussed below, while $5,440,089 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.

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.

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

Investments (Continued)
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.

Fair value is determined by quoted market prices and acceptable other pricing methodologies. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Authority's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The following identify the Authority's recurring fair value measurement value.

As of December 31, 2022, the Authority had the following investments:

				Investment Maturities (in Years)		
	Measurement Value	Level Input	Credit Rating	<1	1-3	3-5
Money Market	$ 1,510,922	N/A	N/A	$ 1,510,922	$ 0	$ 0
Negotiable Certificates of Deposit	961,350	2	N/A	373,104	588,246	0
U.S. Treasuries	413,645	2	N/A	413,645	0	0
Federal Home Loan Bank	223,701	2	AA+/AAA	0	223,701	0
Federal Home Loan Mortgage Corporation	98,540	2	AA+/AAA	0	98,540	0
Total Investments	$ 3,208,158			$ 2,297,671	$ 910,487	$ 0

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.

Custodial 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. The Authority's investment in negotiable certificates of deposit of $961,350 were fully insured by FDIC.

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.

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

Investments (Continued)
A reconciliation of cash and investments as shown on the Statement of Net Position at December 31, 2022 to the deposits and investments included in this note is as follows:

Cash and Cash Equivalents	$ 4,998,150
Cash - Restricted	403,395
Investments - Unrestricted	3,532,851
Total	$ 8,934,396
Carrying Amount of Deposits	$ 5,726,238
Investments	3,208,158
Total	$ 8,934,396

Restricted Cash
The restricted cash balance of $403,395 on the financial statements represents the following:

Unspent FSS Forfeitures	$ 9,736
Family Self-Sufficiency Escrows	216,480
Tenant Security Deposit Liability	158,172
Other	19,007
Total Restricted Cash	$ 403,395

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 $3,030,113 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.

NOTE 4: **ACCOUNT RECEIVABLES**

As of December 31, 2022, due from tenants and clients was $60,062, with an allowance for doubtful accounts of $40,098. In addition, the Authority has a receivable from HUD of $8,231, $14,729 due from other PHAs for port voucher cases and $148,756 due from Coopermill Manor LP.

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.

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Authority’s contractually required contributions used to fund pension benefits was $231,509 for fiscal year ending December 31, 2022.

Net 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, 2021, 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:

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

Net 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	0.010578%	0.033444%	
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.009806%	0.032550%	
Change in Proportionate Share	-0.000772%	-0.000894%	
Proportionate Share of the Net Pension			
Liability/(Asset)	$ 853,162	$ (128,249)	$ 724,913
Pension Expense	$ (169,524)	$ (3,365)	$ (172,889)

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 43,493	$ 795	$ 44,288
Changes of assumptions	106,687	6,444	113,131
Changes in proportion and differences between Authority contributions and proportionate share of contributions	23,645	6,863	30,508
Authority contributions subsequent to the measurement date	209,156	22,353	231,509
Total Deferred Outflows of Resources	$ 382,981	$ 36,455	$ 419,436
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 1,014,806	$ 27,495	$ 1,042,301
Differences between expected and actual experience	18,711	14,343	33,054
Changes in proportion and differences between Authority contributions and proportionate share of contributions	95,765	1,048	96,813
Total Deferred Inflows of Resources	$ 1,129,282	$ 42,886	$ 1,172,168

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

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

$231,509 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2023	$ (178,873)	$ (7,164)	$ (186,037)
2024	(376,532)	(10,389)	(386,921)
2025	(238,621)	(6,457)	(245,078)
2026	(161,431)	(4,457)	(165,888)
2027	0	(182)	(182)
Thereafter	0	(135)	(135)
Total	$ (955,457)	$ (28,784)	$ (984,241)

Actuarial Assumptions - OPERS

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

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

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

Actuarial Assumptions – OPERS (Continued)

	Traditional Pension Plan	**Combined Plan**
Wage Inflation		
Current Measurement Date:	2.75 percent	2.75 percent
Prior Measurement Date:	3.25 percent	3.25 percent
Future Salary Increases, including inflation		
Current Measurement Date:	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
Prior Measurement Date:	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA		
Pre 1/7/2013 retirees:	3 percent, simple	3 percent, simple
Post 1/7/2013 retirees:		
Current Measurement Date:	3 percent, simple through 2022, then 2.05 percent simple	3 percent, simple through 2022, then 2.05 percent simple
Prior Measurement Date:	0.50 percent, simple through 2021, then 2.15 percent simple	0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return		
Current Measurement Date:	6.9 percent	6.9 percent
Prior Measurement Date:	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

NOTE 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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

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

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

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

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

Actuarial Assumptions – OPERS (Continued)

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Pension Plan	$ 2,249,398	$ 853,162	$ 308,693
Combined Plan	$ (95,697)	$ (128,249)	$ (153,636)

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority had no contractually required contribution that were allocated to health care for the fiscal year ending December 31, 2022.

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

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

	OPERS
Proportion of the Net OPEB Asset:	
Prior Measurement Date	0.010826%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.010077%
Change in Proportionate Share	-0.000749%
Proportionate Share of the Net OPEB Asset	$ 315,627
OPEB Expense	$ (268,808)

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

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

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

	OPERS
Deferred Outflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	$ 7,775
Total Deferred Outflows of Resources	$ 7,775
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 150,467
Differences between expected and actual experience	47,875
Changes of assumptions	127,762
Changes in proportion and differences between Authority contributions and proportionate share of contributions	14,160
Total Deferred Inflows of Resources	$ 340,264

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

	OPERS
Year Ending December 31:	
2023	$ (203,193)
2024	(74,811)
2025	(32,877)
2026	(21,608)
Total	$ (332,489)

Actuarial Assumptions - OPERS

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$185,618	$315,627	$423,536

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

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

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

Actuarial Assumptions – OPERS (Continued)

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$319,038	$315,627	$311,581

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, 2022, the Development Loan had an outstanding balance of $192,716, and accrued interest receivable of $12,141. Due to uncertainty of future principal and interest payments on the Development loan, interest will be recognized when received.

Note receivable at December 31, 2022 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.

Discretely Presented Component Unit

Contingent Ground Lease

The Partnership leases the land and building from the Authority and classifies the lease as a finance lease. The lease was reflected on the balance sheet of Coopermill Manor LP together with the outstanding balance to the Authority in the amount of $10,700,000, classified as a Right-to-use Liability. 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, 2022 was $24,483. Accumulated amortization as of December 31, 2022 was $146,012.

NOTE 8: CAPITAL ASSETS

The following is a summary of changes in capital assets:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital Assets Not Being Depreciated				
Land	$ 1,160,622	$ 3,387	$ 0	$ 1,164,009
Total Capital Assets Not Being Depreciated	1,160,622	3,387	0	1,164,009
Capital Assets Being Depreciated				
Buildings and Improvements	27,445,262	60,390	(31,302)	27,474,350
Equipment and Vehicles	1,712,630	24,099	(539,525)	1,197,204
Total Capital Assets Being Depreciated	29,157,892	84,489	(570,827)	28,671,554
Accumulated Depreciation				
Buildings and Improvements	(22,478,621)	(465,755)	31,302	(22,913,074)
Equipment and Vehicles	(1,507,510)	(61,599)	539,525	(1,029,584)
Total Accumulated Depreciation	(23,986,131)	(527,354)	570,827	(23,942,658)
Depreciable Assets, Net	5,171,761	(442,865)	0	4,728,896
Total Capital Assets, Net	$ 6,332,383	$ (439,478)	$ 0	$ 5,892,905

Discretely Presented Component Unit

The following is a summary of changes in capital assets:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital Assets Being Depreciated				
Buildings	$ 19,136,909	$ 0	$ 0	$ 19,136,909
Furniture for Project/Tenant Use	1,893,922	25,483	0	1,919,405
Miscellaneous Fixed Asests	1,858,840	0	0	1,858,840
Subtotal Capital Assets Being Depreciated	22,889,671	25,483	0	22,915,154
Accumulated Depreciation	(4,134,111)	(761,070)	0	(4,895,181)
Total Depreciable Capital Assets, Net	$ 18,755,560	$ (735,587)	$ 0	$ 18,019,973

NOTE 9: LONG-TERM DEBT – DIRECT BORROWINGS

Loan Payable - Century National Bank

The Authority has an outstanding note payable with Century National Bank of $302,739, as of December 31, 2022. 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.

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

Loan Payable - Century National Bank (Continued)
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
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	25,887	5,929	31,816
2028-2032	141,892	17,188	159,080
2033-2034	38,953	815	39,768
Totals	$ 302,739	$ 55,189	$ 357,928

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022:

	Primary Government				
	Balance at 12/31/2021	Issued	Retired	Balance at 12/31/2022	Due within One Year
Long-Term Liabilities					
Loan Payable	$ 324,992	$ 0	$ (22,253)	$ 302,739	$ 22,925
FSS Escrows	175,754	98,780	(58,054)	216,480	0
Accrued Compensated Absences	252,109	167,187	(159,456)	259,840	0
Net Pension Liability	1,566,372	0	(713,210)	853,162	0
	$ 2,319,227	$ 265,967	$ (952,973)	$ 1,632,221	$ 22,925

Discretely Presented Component Unit

ZMHA Loan
On November 1, 2015, the Partnership entered into a loan with the 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, 2022, the ZMHA Loan had an outstanding balance of $192,716. As of December 31, 2022, accrued interest payable totaled $12,141. Because payments on this debt is subject to available cash flow, future payments cannot be projected.

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

Discretely Presented Component Unit (Continued)

Ground Lease (formerly Seller Note)
On November 1, 2015, the Partnership entered into a ground lease agreement (the "Ground Lease") with the Authority totaling $10,700,000 to lease the Project's land and building. The term of Ground Lease commenced on November 1, 2015 and will terminate November 30, 2085. The Ground Lease was recorded pursuant to the Seller Loan with the Authority as described below. The Partnership classifies the lease as a finance lease.

On November 1, 2015, the Partnership entered into a loan with the Authority in the amount of $10,700,000 related to the Authority'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 consistent with cash payments made on the Seller Loan's interest. The Seller Loan is secured by a leasehold acquisition mortgage, assignment of leases and rents, security agreement, and fixture filing. At December 31, 2022, the unpaid interest on the Seller Loan totaled $4,481,441. As of December 31, 2022, the outstanding principal balance of the loan is $10,700,000 is classified by the Partnership as a right-of-use liability.

As of January 1, 2022, the Partnership recorded a right-of-use asset of $10,700,000 and a corresponding right-of-use liability $10,700,000. Due to the uncertainty of future principal and interest payments on the Seller Loan, lease expense will be recorded consistent with principal payments on the Seller Loan. Because payments on this debt is subject to available cash flow, future payments cannot be projected.

Permanent Loan
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 their FHA-insured mortgage with Red Mortgage Capital LLC (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.

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, 2022, interest incurred on the Permanent Loan was $398,763. At December 31, 2022, accrued interest on the Permanent Loan totaled $33,454.

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

Discretely Presented Component Unit (Continued)

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, 2022, interest incurred was $25,087. As of December 31, 2022, accrued interest on the HDAP Loan is $44,175.

Mortgages payable consists of the following as of December 31, 2022:

Permanent Loan	$ 11,633,727
HDAP Loan	477,175
Total Principal Balance	12,110,902
Less: Unamortized Debt Issuance Costs	(293,621)
Mortgages Payable, Net of Unamortized Debt Issuance Costs	$ 11,817,281

Debt issuance costs are being amortized to interest expense over the term of the mortgages. During 2022, interest expense for debt issuance costs was $14,340. For the year ended December 31, 2022, the effective interest rate of the Permanent Loan, which includes interest expense and amortization of debt issuance costs, was 3.52 percent.

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

2023	179,726
2024	185,932
2025	192,354
2026	198,996
2027	205,869
Thereafter	11,148,025
Total	$ 12,110,902

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, 2022, the Authority maintained comprehensive insurance coverage with private carriers for real estate property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. 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, 2022, 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 agreement was executed 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, 2022, the Seller Loan had an outstanding balance of $10,700,000, and the cumulative unrecorded and unpaid interest is $4,481,441.

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 Balance Sheet contains the Seller Loan payable of $10,700,000, reported as a right-of-use lease liability, but this amount is offset by a prepaid ground lease in the same amount reported as a right-of-use asset.

NOTE 14: **EXTRAORDINARY ITEM**

In June of 2022, the Authority received $340,634 related to a breach of contract action suit filed against the United States in the United States Court of Federal Claims (Claims Court). ZMHA along with other PHAs successfully asserted that an inappropriate method of allocating the 2012 insufficient appropriation for operating subsidies for the Public Housing program was set forth in the FY 2012 HUD Appropriations Act, adversely affecting the level of funding for some PHAs to include ZMHA otherwise would have received. This amount received by ZMHA represents full and final settlement due to ZMHA related to this matter, paid out of the Judgment Fund maintained by the Treasury Department.

NOTE 15: **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 NINE FISCAL YEARS (1)

Traditional Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.009806%	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	$ 853,162	$ 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	$ 1,423,079	$ 1,489,850	$ 1,416,336	$ 1,374,129	$ 1,356,462	$ 1,335,950	$ 1,477,717	$ 1,526,892	$ 1,552,031
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	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	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.032550%	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)	$ (128,249)	$ (96,541)	$ (68,446)	$ (37,293)	$ (47,411)	$ (25,506)	$ (21,644)	$ (18,730)	$ (5,104)
Authority's Covered Payroll	$ 148,393	$ 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	86.43%	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	169.88%	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions										
Traditional Plan	$ 209,156	$ 199,231	$ 208,579	$ 198,287	$ 192,378	$ 176,340	$ 160,314	$ 177,326	$ 183,227	$ 201,764
Combined Plan	22,353	20,775	20,634	20,457	19,969	21,430	17,943	19,332	20,157	21,674
Total Required Contributions	$ 231,509	$ 220,006	$ 229,213	$ 218,744	$ 212,347	$ 197,770	$ 178,257	$ 196,658	$ 203,384	$ 223,438
Contributions in Relation to the Contractually Required Contribution	$ (231,509)	$ (220,006)	$ (229,213)	$ (218,744)	$ (212,347)	$ (197,770)	$ (178,257)	$ (196,658)	$ (203,384)	$ (223,438)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll										
Traditional Plan	$ 1,493,971	$ 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
Combined Plan	159,664	148,393	147,386	146,121	142,636	164,846	149,525	161,100	167,975	166,723
Total Covered Payroll	$ 1,653,635	$ 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
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

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 SIX FISCAL YEARS (1)

	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.010077%	0.010826%	0.010569%	0.010676%	0.011100%	0.012400%
Authority's Proportionate share of the Net OPEB Liability/(Asset)	$ (315,627)	$ (192,874)	$ 1,459,853	$ 1,391,898	$ 1,205,378	$ 1,252,442
Authority's Covered Payroll	$ 1,571,472	$ 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	20.08%	11.78%	91.43%	89.89%	76.63%	84.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	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 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

	2021	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 1,371	$ 1,270	$ 17,278	$ 29,710	$ 32,776	$ 25,423	$ 43,298
Contributions in Relation to the Contractually Required Contribution	0	0	0	(1,371)	(1,270)	(17,278)	(29,710)	(32,776)	(25,423)	(43,298)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 1,653,635	$ 1,571,472	$ 1,637,236	$ 1,596,739	$ 1,548,526	$1,572,929	$ 1,485,475 0	$1,638,817	$ 1,694,867	$ 1,718,754
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.09%	0.08%	1.10%	2.00%	2.00%	1.50%	2.50%

See accompanying notes to the required supplementary information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

ZANESVILLE METROPOLITAN HOUSING AUTHORITY
MUSKINGUM COUNTY, OHIO
STATEMENT OF MODERNIZATION COSTS – COMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2022

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

OH16P009501-17		
Funds Approved	$	578,341
Funds Expended		578,341
Excess (Deficiency) of Funds Approved	$	0
Funds Advanced	$	578,341
Funds Expended		578,341
Excess (Deficiency) of Funds Approved	$	0
OH16P009501-18		
Funds Approved	$	897,484
Funds Expended		897,484
Excess (Deficiency) of Funds Approved	$	0
Funds Advanced	$	897,484
Funds Expended		897,484
Excess (Deficiency) of Funds Approved	$	0

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.

Zanesville Metropolitan Housing Authority (OH009)
ZANESVILLE, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EFA FSS Escrow Forfeiture Account	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$2,064,543	$84,308			$1,074,440	$550,886			$1,308,281	$5,082,458		$5,082,458
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted	$46,073	$2,898,168			$19,007	$170,407		$9,736		$3,143,391		$3,143,391
114 Cash - Tenant Security Deposits	$158,172	$131,945								$290,117		$290,117
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	$2,268,788	$3,114,421	$0	$0	$1,093,447	$721,293	$0	$9,736	$1,308,281	$8,515,966	$0	$8,515,966
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects						$14,729	$0			$14,729		$14,729
124 Accounts Receivable - Other Government				$2,165		$6,066				$8,231		$8,231
125 Accounts Receivable - Miscellaneous		$21,560							$148,756	$170,316		$170,316
126 Accounts Receivable - Tenants	$7,524	$8,331								$15,855		$15,855
126.1 Allowance for Doubtful Accounts -Tenants	-$3,500	$0				$0				-$3,500		-$3,500
126.2 Allowance for Doubtful Accounts - Other	-$3,500	$0		$0		$0		$0	$0	-$3,500		-$3,500
127 Notes, Loans, & Mortgages Receivable - Current	$13,774									$13,774		$13,774
128 Fraud Recovery						$38,764				$38,764		$38,764
128.1 Allowance for Doubtful Accounts - Fraud						-$33,098				-$33,098		-$33,098
129 Accrued Interest Receivable												
120 Total Receivables, Net of Allowances for Doubtful Accounts	$14,298	$29,891	$0	$2,165	$0	$26,461	$0	$0	$148,756	$221,571	$0	$221,571
131 Investments - Unrestricted	$521,177				$3,011,674					$3,532,851		$3,532,851
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	$104,139	$71,143			$11,579	$7,739			$28,003	$222,603		$222,603
143 Inventories									$284,176	$284,176		$284,176
143.1 Allowance for Obsolete Inventories									-$21,500	-$21,500		-$21,500
144 Inter Program Due From									$2,502	$2,502	-$2,502	$0
145 Assets Held for Sale												
150 Total Current Assets	$2,908,402	$3,215,455	$0	$2,165	$4,116,700	$755,493	$0	$9,736	$1,750,218	$12,758,169	-$2,502	$12,755,667
161 Land	$1,024,522				$119,487				$20,000	$1,164,009		$1,164,009
162 Buildings	$19,130,827	$20,995,749			$3,943,392				$1,010,106	$45,080,074		$45,080,074
163 Furniture, Equipment & Machinery - Dwellings	$212,934	$1,919,405							$160,431	$2,292,770		$2,292,770
164 Furniture, Equipment & Machinery - Administration	$188,407				$450,467	$630			$184,335	$823,839		$823,839
165 Leasehold Improvements	$2,985,159				$392,416				$12,450	$3,390,025		$3,390,025
166 Accumulated Depreciation	-$19,380,604	-$4,895,181			-$3,562,516	-$630			-$998,908	-$28,837,839		-$28,837,839
167 Construction in Progress												
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	$4,161,245	$18,019,973	$0	$0	$1,343,246	$0	$0	$0	$388,414	$23,912,878	$0	$23,912,878
171 Notes, Loans and Mortgages Receivable - Non-Current					$250,350					$250,350		$250,350
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets	$62,143	$10,921,235			$62,143	$62,143			$345,060	$11,452,724		$11,452,724
176 Investments in Joint Ventures												
180 Total Non-Current Assets	$4,223,388	$28,941,208	$0	$0	$1,655,739	$62,143	$0	$0	$733,474	$35,615,952	$0	$35,615,952
200 Deferred Outflow of Resources	$59,810				$59,810	$59,810			$247,781	$427,211		$427,211
290 Total Assets and Deferred Outflow of Resources	$7,191,600	$32,156,663	$0	$2,165	$5,832,249	$877,446	$0	$9,736	$2,731,473	$48,801,332	-$2,502	$48,798,830

Zanesville Metropolitan Housing Authority (OH009)
ZANESVILLE, OH
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EFA FSS Escrow Forfeiture Account	COCC	Subtotal	ELIM	Total
311 Bank Overdraft												
312 Accounts Payable <= 90 Days	$909	$291,266			$191	$2,877			$5,249	$300,492		$300,492
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	$7,353					$2,569			$43,493	$53,415		$53,415
322 Accrued Compensated Absences - Current Portion												
324 Accrued Contingency Liability												
325 Accrued Interest Payable		$33,454								$33,454		$33,454
331 Accounts Payable - HUD PHA Programs						$212				$212		$212
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government												
341 Tenant Security Deposits	$158,172	$94,898								$253,070		$253,070
342 Unearned Revenue	$5,434	$8,772								$14,206		$14,206
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$179,726			$22,925					$202,651		$202,651
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities		$45,261			$19,007					$64,268		$64,268
346 Accrued Liabilities - Other	$21,936	$199,211								$221,147		$221,147
347 Inter Program - Due To				$2,502						$2,502	-$2,502	$0
348 Loan Liability - Current												
310 Total Current Liabilities	$193,804	$852,588	$0	$2,502	$42,123	$5,658	$0	$0	$48,742	$1,145,417	-$2,502	$1,142,915
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$22,530,271			$279,814					$22,810,085		$22,810,085
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other	$46,073	$56,316				$170,407				$272,796		$272,796
354 Accrued Compensated Absences - Non Current	$38,154				$74,297	$9,554			$137,835	$259,840		$259,840
355 Loan Liability - Non Current												
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities	$119,443				$119,443	$119,443			$494,833	$853,162		$853,162
350 Total Non-Current Liabilities	$203,670	$22,586,587	$0	$0	$473,554	$299,404	$0	$0	$632,668	$24,195,883	$0	$24,195,883
300 Total Liabilities	$397,474	$23,439,175	$0	$2,502	$515,677	$305,062	$0	$0	$681,410	$25,341,300	-$2,502	$25,338,798
400 Deferred Inflow of Resources	$211,740				$211,741	$211,741			$877,210	$1,512,432		$1,512,432
508.4 Net Investment in Capital Assets	$4,161,245	$6,231,211	$0	$0	$1,040,507		$0	$0	$388,414	$11,821,377		$11,821,377
511.4 Restricted Net Position	$0	$2,898,168	$0	$0			$0	$9,736		$2,907,904		$2,907,904
512.4 Unrestricted Net Position	$2,421,141	-$411,891	$0	-$337	$4,064,324	$360,643	$0	$0	$784,439	$7,218,319		$7,218,319
513 Total Equity - Net Assets / Position	$6,582,386	$8,717,488	$0	-$337	$5,104,831	$360,643	$0	$9,736	$1,172,853	$21,947,600	$0	$21,947,600
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$7,191,600	$32,156,663	$0	$2,165	$5,832,249	$877,446	$0	$9,736	$2,731,473	$48,801,332	-$2,502	$48,798,830

Zanesville Metropolitan Housing Authority (OH009)
ZANESVILLE, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EFA FSS Escrow Forfeiture Account	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$1,077,635	$2,535,426								$3,613,061		$3,613,061
70400 Tenant Revenue - Other	$9,234	$40,809								$50,043		$50,043
70500 Total Tenant Revenue	$1,086,869	$2,576,235	$0	$0	$0	$0	$0	$0	$0	$3,663,104	$0	$3,663,104
70600 HUD PHA Operating Grants	$1,836,829		$249,464			$3,450,767	$41,159		$63,361	$5,641,580		$5,641,580
70610 Capital Grants	$43,500									$43,500		$43,500
70710 Management Fee									$448,574	$448,574	-$448,574	$0
70720 Asset Management Fee									$42,000	$42,000	-$42,000	$0
70730 Book Keeping Fee									$92,250	$92,250	-$92,250	$0
70740 Front Line Service Fee									$893,497	$893,497	-$893,497	$0
70750 Other Fees									$514,006	$514,006		$514,006
70700 Total Fee Revenue									$1,990,327	$1,990,327	-$1,476,321	$514,006
70800 Other Government Grants				$8,492						$8,492		$8,492
71100 Investment Income - Unrestricted	$28,662	$235			$11,731	$4,279				$44,907		$44,907
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery						$12,860				$12,860		$12,860
71500 Other Revenue	$98,315				$343,971	$25,627		$9,736	$12,678	$490,327		$490,327
71600 Gain or Loss on Sale of Capital Assets					$1,329					$1,329		$1,329
72000 Investment Income - Restricted												
70000 Total Revenue	$3,094,175	$2,576,470	$249,464	$8,492	$357,031	$3,493,533	$41,159	$9,736	$2,066,366	$11,896,426	-$1,476,321	$10,420,105
91100 Administrative Salaries	$128,336	$152,058		$8,994		$57,782			$434,802	$781,972		$781,972
91200 Auditing Fees	$4,182	$21,760				$2,091			$4,182	$32,215		$32,215
91300 Management Fee	$350,426	$151,425				$98,148				$599,999	-$448,574	$151,425
91310 Book-keeping Fee	$30,907	$67				$61,343				$92,317	-$92,250	$67
91400 Advertising and Marketing		$1,774								$1,774		$1,774
91500 Employee Benefit contributions - Administrative	$22,177	$54,548		$5,305		-$43,649			$91,701	$130,082		$130,082
91600 Office Expenses	$64,676	$17,964		$986	$25,248	$55,043			$25,123	$189,040		$189,040
91700 Legal Expense	$5,318	$10,700							$915	$16,933		$16,933
91800 Travel	$11,735	$200		$20		$4,569			$10,223	$26,747		$26,747
91810 Allocated Overhead												
91900 Other	$13,214	$11,471		$3,132	$20,968	$42,859			$3,002	$94,646		$94,646
91000 Total Operating - Administrative	$630,971	$421,967	$0	$18,437	$46,216	$278,186	$0	$0	$569,948	$1,965,725	-$540,824	$1,424,901
92000 Asset Management Fee	$42,000									$42,000	-$42,000	$0
92100 Tenant Services - Salaries			$134,869				$26,760			$161,629		$161,629
92200 Relocation Costs												
92300 Employee Benefit Contributions - Tenant Services			$114,595				$4,962			$119,557		$119,557
92400 Tenant Services - Other	$4,200				$59		$9,437			$13,696		$13,696
92500 Total Tenant Services	$4,200	$0	$249,464	$0	$59	$0	$41,159	$0	$0	$294,882	$0	$294,882
93100 Water	$22,976	$208,461			$1,707	$2,106			$879	$236,129		$236,129
93200 Electricity	$114,944	$158,670			$1,645	$1,619			$5,518	$282,396		$282,396
93300 Gas	$9,829	$143,003			$1,169	$237			$10,586	$164,824		$164,824
93400 Fuel												
93500 Labor												
93600 Sewer	$42,849	$282,815			$725	$2,857			$4,950	$334,196		$334,196

Zanesville Metropolitan Housing Authority (OH009)
ZANESVILLE, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EFA FSS Escrow Forfeiture Account	COCC	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	$190,598	$792,949	$0	$0	$5,246	$6,819	$0	$0	$21,933	$1,017,545	$0	$1,017,545
94100 Ordinary Maintenance and Operations - Labor		$335,788							$546,535	$882,323		$882,323
94200 Ordinary Maintenance and Operations - Materials and Other	$136,356	$82,632			$31,251				$141,482	$391,721		$391,721
94300 Ordinary Maintenance and Operations Contracts	$974,864	$167,076			$37,666	$481			$11,292	$1,191,379	-$893,497	$297,882
94500 Employee Benefit Contributions - Ordinary Maintenance		$120,458							$115,266	$235,724		$235,724
94000 Total Maintenance	$1,111,220	$705,954	$0	$0	$68,917	$481	$0	$0	$814,575	$2,701,147	-$893,497	$1,807,650
95100 Protective Services - Labor	$53,882									$53,882		$53,882
95200 Protective Services - Other Contract Costs		$20,633							$299	$20,932		$20,932
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services	$37,480									$37,480		$37,480
95000 Total Protective Services	$91,362	$20,633	$0	$0	$0	$0	$0	$0	$299	$112,294	$0	$112,294
96110 Property Insurance	$85,413	$107,090			$5,752				$8,545	$206,800		$206,800
96120 Liability Insurance	$30,524				$403	$11,073			$1,190	$43,190		$43,190
96130 Workmen's Compensation	$4,039	$3,010				$1,233			$9,821	$18,103		$18,103
96140 All Other Insurance	$5,244								$8,349	$13,593		$13,593
96100 Total insurance Premiums	$125,220	$110,100	$0	$0	$6,155	$12,306	$0	$0	$27,905	$281,686	$0	$281,686
96200 Other General Expenses	$66,851	$27,691			-$51,075	$18,208			$19,160	$80,835		$80,835
96210 Compensated Absences												
96300 Payments in Lieu of Taxes												
96400 Bad debt - Tenant Rents	$21,059	$34,440								$55,499		$55,499
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	$87,910	$62,131	$0	$0	-$51,075	$18,208	$0	$0	$19,160	$136,334	$0	$136,334
96710 Interest of Mortgage (or Bonds) Payable		$427,867			$9,563					$437,430		$437,430
96720 Interest on Notes Payable (Short and Long Term)												
96730 Amortization of Bond Issue Costs		$24,483								$24,483		$24,483
96700 Total Interest Expense and Amortization Cost	$0	$452,350	$0	$0	$9,563	$0	$0	$0	$0	$461,913	$0	$461,913
96900 Total Operating Expenses	$2,283,481	$2,566,084	$249,464	$18,437	$85,081	$316,000	$41,159	$0	$1,453,820	$7,013,526	-$1,476,321	$5,537,205
97000 Excess of Operating Revenue over Operating Expenses	$810,694	$10,386	$0	-$9,945	$271,950	$3,177,533	$0	$9,736	$612,546	$4,882,900	$0	$4,882,900
97100 Extraordinary Maintenance	$481,577								$62,581	$544,158		$544,158
97200 Casualty Losses - Non-capitalized					$70,700					$70,700		$70,700
97300 Housing Assistance Payments						$3,146,652				$3,146,652		$3,146,652
97350 HAP Portability-In						$3,222				$3,222		$3,222
97400 Depreciation Expense	$382,189	$761,070			$111,682				$33,483	$1,288,424		$1,288,424
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	$3,147,247	$3,327,154	$249,464	$18,437	$267,463	$3,465,874	$41,159	$0	$1,549,884	$12,066,682	-$1,476,321	$10,590,361

Zanesville Metropolitan Housing Authority (OH009)
ZANESVILLE, OH
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2022

	Project Total	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	17.259 WIA Youth Activities	1 Business Activities	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EFA FSS Escrow Forfeiture Account	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	$196,720									$196,720	-$196,720	$0
10020 Operating transfer Out	-$196,720									-$196,720	$196,720	$0
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit												
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss					$340,634					$340,634		$340,634
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In												
10092 Inter Project Excess Cash Transfer Out												
10093 Transfers between Program and Project - In												
10094 Transfers between Project and Program - Out												
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$340,634	$0	$0	$0	$0	$340,634	$0	$340,634
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$53,072	-$750,684	$0	-$9,945	$430,202	$27,659	$0	$9,736	$516,482	$170,378	$0	$170,378
11020 Required Annual Debt Principal Payments	$0	$159,386	$0	$0	$22,253	$0	$0	$0	$0	$181,639		$181,639
11030 Beginning Equity	$6,635,458	$9,468,172	$0	$9,608	$4,674,629	$332,984	$0	$0	$656,371	$21,777,222		$21,777,222
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0									$0		$0
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity						$360,643				$360,643		$360,643
11180 Housing Assistance Payments Equity						$0				$0		$0
11190 Unit Months Available	4200	3888				11268				19356		19356
11210 Number of Unit Months Leased	4121	3593				8179				15893		15893
11270 Excess Cash	$2,383,345									$2,383,345		$2,383,345
11610 Land Purchases	$0								$0	$0		$0
11620 Building Purchases	$43,500								$0	$43,500		$43,500
11630 Furniture & Equipment - Dwelling Purchases	$0								$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0								$0	$0		$0
11650 Leasehold Improvements Purchases	$0								$0	$0		$0
11660 Infrastructure Purchases	$0								$0	$0		$0
13510 CFFP Debt Service Payments	$0								$0	$0		$0
13901 Replacement Housing Factor Funds	$0								$0	$0		$0

ZANESVILLE METROPOLITAN HOUSING AUTHORITY
MUSKINGUM COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/ *Pass-Through Grantor/* Program Title	**Assistance Listing Number**	**Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs		
Public and Indian Housing	14.850	$ 1,047,558
Resident Opportunity and Support Services - Service Coordinators	14.870	41,159
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	3,450,767
Total Housing Voucher Cluster		3,450,767
Public Housing Capital Fund	14.872	896,132
PIH Family Self-Sufficiency	14.896	249,464
Total U.S. Department of Housing and Urban Development		5,685,080
U.S. Department of Labor		
Passed Through Muskingum County Department of Jobs and Family Services		
WIOA Cluster:		
WIOA Youth Activities	17.259	12,110
Total WIOA Cluster		12,110
Total U.S. Department of Labor		12,110
U.S. Department of Health and Human Services		
Passed Through Muskingum County Department of Jobs and Family Services		
Temporary Assistance for Needy Families	93.558	6,327
Total U.S. Department of Health and Human Services		6,327
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 5,703,517

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, 2022

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, 2022. 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the business-type activities and the discretely presented component unit of the Zanesville Metropolitan Housing Authority, Muskingum County, (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 23, 2023 wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will 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 included 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 purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

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.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
August 23, 2023

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

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

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

In our opinion, 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 its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

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

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

www.bhmcpagroup.com

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
August 23, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weakness in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Housing Voucher Cluster, ALN 14.781
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > $750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS 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 11/14/2023

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