



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
TUSCARAWAS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED MARCH 31, 2024

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Commissioners
Tuscarawas Metropolitan Housing Authority
134 Second Street
New Philadelphia, Ohio 44663

We have reviewed the *Independent Auditor's Report* of the Tuscarawas Metropolitan Housing Authority, Tuscarawas County, prepared by BHM CPA Group, Inc., for the audit period April 1, 2023 through March 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

November 08, 2024

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Tuscarawas Metropolitan Housing Authority
Tuscarawas County
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For the Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

Tuscarawas Metropolitan Housing Authority
Tuscarawas County
134 Second Street, SW
New Philadelphia, Ohio 44663

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 aggregate discretely presented component units of the Tuscarawas Metropolitan Housing Authority, Tuscarawas County, Ohio (Authority), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Tuscarawas Metropolitan Housing Authority, Tuscarawas County, Ohio as of March 31, 2024, and the respective changes in financial position and, where applicable, 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 Tuscarawas Affordable Housing One, LLC, which represents 99 percent, 98 percent, and 100 percent respectfully, of the assets, net position, and revenues of the aggregate discretely presented component units as of March 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Tuscarawas Affordable Housing One, LLC, is based solely on the reports of the 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

The Financial Data Schedules as required by the Department of Housing and Urban Development present 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 Schedule of Expenditures of Federal Awards and Financial Data Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, 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, Inc.
Circleville, Ohio
September 23, 2024

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TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management’s Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

The Tuscarawas Metropolitan Housing Authority’s (the “Authority”) Management’s Discussion and Analysis is designed to **a)** assist the reader in focusing on significant financial issues, **b)** provide an overview of the Authority’s financial activity, **c)** identify changes in the Authority’s financial position (its ability to address the next and subsequent fiscal year challenges), and **d)** identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and current known facts, please read it in conjunction with the Authority’s financial statements, which begin on page 14.

Financial Highlights

The current year’s financial highlights were separated to identify changes in the Tuscarawas Metropolitan Housing Authority and its component units separately.

- During fiscal year 2024, the Authority’s net position increased by \$193,626 and the component units decreased by \$476.
- The Authority’s revenue increased by \$643,134 and its component unit’s revenue increased by \$9,552.
- Total expenses of the Authority increased by \$402,745 and the component unit’s expenses decreased by \$9,428.

Using This Annual Report

This report includes three major sections, the Management’s Discussion and Analysis (MD&A), the Basic Financial Statements, and Required and Other Supplementary Information.

| |
|--|
| MD&A ~Management’s Discussion and Analysis ~ |
| Basic Financial Statement ~Statement of Net Position ~ ~Statement of Revenue, Expenses, and Change in Net Position ~ ~Statement of Cash Flows ~ ~ Notes to Basic Financial Statements ~ |
| Required Supplementary Information ~ Pension and OPEB Schedules ~ |
| Other Supplementary Information ~Schedule of Expenditure of Federal Award~ ~ Financial Data Schedule ~ |

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide).

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority. The financial statements of the Authority include component units which are more fully discussed in the Notes to the Basic Financial Statements.

The statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equal net position, formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "current" (convertible into cash within one year) and "non-current".

The focus on the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position, formerly equity, are reported in three broad categories:

- Net Investment in Capital Assets This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position This component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
- Unrestricted Net Position Consists of net position that do not meet the definition of "Net Investment in Capital Assets" or "Restricted Net position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is similar to an Income Statement. This statement includes operating revenues, such as grant revenue and rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenues and expenses, such as investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position", which is similar to net income or loss.

Finally, a Statement of Cash Flows on pages 17 and 18 is included, which discloses net cash provided by, or used for operating activities, investing activities, and from capital and related financing activities.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

Fund Financial Statements

The Authority is accounted for on a single enterprise fund. Enterprise fund utilizes the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Some of the programs operated by the Authority are required to be reported separately by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control. Program are reported separately in the Financial Sata Schedule within Other Supplementary Information.

The Authority's Programs

Business-Type Program

Housing Choice Voucher Program Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of adjusted household income.

Other Programs

In addition to the program above, the Authority also operates the following programs:

- Business Activities - represents non-HUD resources primarily from housing management services.

- Family Self-Sufficiency Program - represents HUD grant resources utilized to promote the development of local strategies to coordinate public and private resources that help housing choice voucher program participants.

Component Units

- Tuscarawas Affordable Housing Services Corporation is a not-for-profit corporation that provides low- moderate income housing services.

- Tuscarawas Affordable Housing One, LLC - a limited liability corporation that owns and manages Clay Village Apartments.

Authority-Wide Statements

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

| <u>Primary Government</u> | <u>2024</u> | <u>2023</u> |
|---|---------------------|-------------------|
| <u>Assets</u> | | |
| Current Assets | \$ 997,258 | \$ 526,816 |
| Noncurrent Assets | 131,151 | 137,479 |
| Deferred Outflows of Resources | 94,409 | 162,113 |
| Total Assets and Deferred Outflows of Resources | \$ 1,222,818 | \$ 826,408 |
| <u>Liabilities</u> | | |
| Current Liabilities | \$ 329,063 | \$ 40,157 |
| Long-Term Liabilities | 621,574 | 709,777 |
| Total Liabilities | 950,637 | 749,934 |
| Deferred Inflows of Resources | 7,298 | 5,217 |
| Net Position | | |
| Net Investment in Capital Assets | (16,229) | (15,607) |
| Restricted | 97,331 | 2,290 |
| Unrestricted | 183,781 | 84,574 |
| Total Net Position | 264,883 | 71,257 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 1,222,818 | \$ 826,408 |

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

| <u>Component Units</u> | <u>2023</u> | <u>2022</u> |
|---|-------------------|---------------------|
| <u>Assets</u> | | |
| Current Assets | \$ 147,870 | \$ 171,057 |
| Capital Assets | 852,102 | 848,290 |
| Total Assets | \$ 999,972 | \$ 1,019,347 |
| <u>Liabilities</u> | | |
| Current Liabilities | \$ 221,715 | \$ 207,072 |
| Long-Term Liabilities | 1,211,977 | 1,245,519 |
| Total Liabilities | 1,433,692 | 1,452,591 |
| Net Position | | |
| Net Investment in Capital Assets | (393,417) | (427,895) |
| Restricted | 110,221 | 134,699 |
| Unrestricted | (150,524) | (140,048) |
| Total Net Position | (433,720) | (433,244) |
| Total Liabilities and Net Position | \$ 999,972 | \$ 1,019,347 |

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

Major Factors Affecting the Statement of Net Position

Total assets and deferred outflows of resources of the Authority increased by \$396,410 and total liabilities and deferred inflows of resources increased by \$202,784. This change was due to the result of the change in assumptions and the changes in the Authority's proportionate share in pension and OPEB plans.

The assets of the Authority's component units decreased by \$19,375 and the liabilities decreased by \$18,899. The decrease in assets was due to a decrease in capital assets due to acquisitions less the current year depreciation expense. The decrease in liabilities is due to the reduction in debt for current year principal payment.

Table 2 presents details on the change in Net Position.

| | <u>Primary Government</u> | | |
|--|-------------------------------------|----------------------------|------------------------------|
| | Net Investment in Capital Assets | Restricted Net Position | Unrestricted Net Position |
| Beginning Balance - March 31, 2023 | \$ (15,607) | \$ 2,290 | \$ 84,574 |
| Results of Operation | 0 | 95,041 | 98,585 |
| Adjustments: | | | |
| Current year Depreciation/Amortization Expense (1) | (17,655) | 0 | 17,655 |
| Current year Debt Activities, Net | 11,901 | 0 | (11,901) |
| Current year Lease Activities, Net | 5,132 | 0 | (5,132) |
| Ending Balance - March 31, 2024 | <u><u>\$ (16,229)</u></u> | <u><u>\$ 97,331</u></u> | <u><u>\$ 183,781</u></u> |

| | <u>Component Units</u> | | |
|---|-------------------------------------|----------------------------|------------------------------|
| | Net Investment in Capital Assets | Restricted Net Position | Unrestricted Net Position |
| Beginning Balance - December 31, 2022 | \$ (427,895) | \$ 134,699 | \$ (140,048) |
| Results of Operation | 0 | (24,478) | 24,002 |
| Adjustments: | | | |
| Current year Depreciation Expense (1) | (47,289) | 0 | 47,289 |
| Capital Expenditure | 51,101 | 0 | (51,101) |
| Current year Debt Activities, Net | 30,666 | 0 | (30,666) |
| Ending Balance - December 31, 2023 | <u><u>\$ (393,417)</u></u> | <u><u>\$ 110,221</u></u> | <u><u>\$ (150,524)</u></u> |

- (1) Depreciation and amortization are treated as an expense and reduces the results of operations but does not have an impact on unrestricted net position.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in unrestricted net position provides a clearer change in financial well-being.

The following schedule reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position compared to prior year and compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in only business-type activities.

Table 3 - Condensed Statement of Revenues, Expenses & Changes in Net Position

| | <u>Primary Government</u> | |
|----------------------------------|----------------------------------|---------------------------|
| | <u>2024</u> | <u>2023</u> |
| <u>Revenues</u> | | |
| Operating Subsidies | \$ 3,510,353 | \$ 2,864,597 |
| Investment Income | 90 | 31 |
| Other Revenues | 36,638 | 39,319 |
| Total Revenues | <u>3,547,081</u> | <u>2,903,947</u> |
| <u>Expenses</u> | | |
| Administrative | 379,436 | 363,127 |
| Tenant Services | 51,329 | 51,723 |
| Utilities | 5,686 | 4,986 |
| Maintenance | 8,320 | 5,198 |
| General and Interest Expenses | (8,810) | 6,922 |
| Housing Assistance Payments | 2,899,839 | 2,500,519 |
| Depreciation | 12,523 | 12,867 |
| Amortization | 5,132 | 5,368 |
| Total Expenses | <u>3,353,455</u> | <u>2,950,710</u> |
| Net Increases (Decreases) | <u>\$ 193,626</u> | <u>\$ (46,763)</u> |

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

| | <u>Component Units</u> | |
|-------------------------------|------------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> |
| <u>Revenues</u> | | |
| Total Tenant Revenues | \$ 198,825 | \$ 189,800 |
| Investment Income | 634 | 107 |
| Total Revenues | <u>199,459</u> | <u>189,907</u> |
| <u>Expenses</u> | | |
| Administrative | 42,790 | 41,562 |
| Utilities | 39,002 | 35,049 |
| Maintenance | 44,713 | 60,681 |
| General and Interest Expenses | 26,141 | 26,886 |
| Depreciation | 47,289 | 45,185 |
| Total Expenses | <u>199,935</u> | <u>209,363</u> |
| Net (Decreases) | <u>\$ (476)</u> | <u>\$ (19,456)</u> |

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

The total revenue of the Primary Government increased significantly for the year, with a net increase of \$643,134.

The component units' revenue increased by \$9,552 only due to tenant revenues and interest earned.

Total expenses for the Primary Government increased by \$402,745 for the fiscal year. The main reason for the increase is an increase in housing assistance payments.

The component unit expenses decreased for the year by \$9,428. The decrease is due to and decrease in maintenance expenses.

Capital Assets

As of March 31, 2024, the Authority had \$119,824 invested in capital assets and the component units had \$852,102 as reflected in the following schedule, which represents a net decrease \$17,655 due to current year depreciation expense for the Primary Government and \$3,812 net increase for the component units due to net change of current year additions less depreciation expense.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

Table 4 - Capital Assets at Year-End (Net of Depreciation)

| | | <u>Primary Government</u> | |
|----------------------------|--------|----------------------------------|-----------------------|
| | | <u>2024</u> | <u>2023</u> |
| Land and Land Rights | \$ | 30,000 | \$ 30,000 |
| Buildings and Improvements | | 468,237 | 446,322 |
| Equipment | | 70,087 | 92,002 |
| Accumulated Depreciation | | <u>(448,500)</u> | <u>(430,845)</u> |
| Total | \$ | <u>119,824</u> | \$ <u>137,479</u> |
| | | <u>Component Units</u> | |
| | | <u>2023</u> | <u>2022</u> |
| Land and Land Rights | \$ | 100,000 | \$ 100,000 |
| Buildings | | 1,537,988 | 1,500,048 |
| Equipment | | 87,042 | 76,142 |
| Accumulated Depreciation | | <u>(872,928)</u> | <u>(827,900)</u> |
| Total | \$ | <u>852,102</u> | \$ <u>848,290</u> |

The following reconciliation summarizes the change in capital assets, which is presented in detail on page 26 and 27 of the notes.

Table 5 - Change in Capital Assets

| | | <u>Primary Government</u> |
|--|--------|--------------------------------------|
| Beginning Balance - March 31, 2023 | \$ | <u>137,479</u> |
| Current year Depreciation/Amortization Expense | | <u>(17,655)</u> |
| Ending Balance - March 31, 2024 | \$ | <u>119,824</u> |
| | | <u>Component Units</u> |
| Beginning Balance - December 31, 2022 | \$ | <u>848,290</u> |
| Current year Additions | | 51,101 |
| Current year Depreciation Expense | | <u>(47,289)</u> |
| Ending Balance - December 31, 2023 | \$ | <u>852,102</u> |

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Management’s Discussion and Analysis
For the Fiscal Year Ended March 31, 2024
Unaudited

Debt

The Authority’s debt was reduced by \$17,033 and the component unit debt decreased by \$30,666 during fiscal year 2024 and 2023. The following is a comparison of the debt outstanding at year end 2024 and year end 2023.

Table 6 - Changes in Debt Outstanding

| | Primary Government |
|---------------------------------------|-------------------------------|
| Beginning Balance - March 31, 2023 | \$ 153,086 |
| Current Year Principal Payments | <u>(17,033)</u> |
| Ending Balance - March 31, 2024 | <u>\$ 136,053</u> |
| | Component Units |
| Beginning Balance - December 31, 2022 | \$ 1,276,185 |
| Current Year Principal Payments | <u>(30,666)</u> |
| Ending Balance - December 31, 2023 | <u>\$ 1,245,519</u> |

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recession, and employment trends, which can affect resident incomes and therefore the amount of housing assistance
- Inflationary pressure on utility rates, supplies, and other costs.
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic.

Financial Contact

The individual to be contacted regarding this report is Elain Yenni, Executive Director for the Tuscarawas Metropolitan Housing Authority, at (330) 308-8099. Specific requests may be submitted to the Authority at 134 2nd Street SW, New Philadelphia, Ohio 44663.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Statement of Net Position
Proprietary Funds
March 31, 2024

| | Primary Government | Component Units |
|--|-------------------------------|----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$314,531 | \$10,660 |
| Restricted cash and cash equivalents | 501,287 | 125,840 |
| Receivables, net | 172,948 | 0 |
| Prepaid expenses and other assets | 8,492 | 11,370 |
| Total current assets | 997,258 | 147,870 |
| Noncurrent assets | | |
| Capital assets: | | |
| Nondepreciable Assets | 30,000 | 100,000 |
| Depreciable/Amortized capital assets | 538,324 | 1,625,030 |
| Less accumulated depreciation/amortization | (448,500) | (872,928) |
| Capital assets, net | 119,824 | 852,102 |
| Other noncurrent assets | 11,327 | 0 |
| Total noncurrent assets | 131,151 | 852,102 |
| Deferred Outflows of Resources | | |
| Pension | 84,415 | 0 |
| OPEB | 9,994 | 0 |
| Total deferred outflows of resources | 94,409 | 0 |
| Total Assets and Deferred Outflows of Resources | \$1,222,818 | \$999,972 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | \$2,688 | \$6,081 |
| Accrued liabilities | 25,509 | 1,881 |
| Intergovernmental payables | 0 | 16,054 |
| Tenant security deposits | 0 | 15,619 |
| Bonds, notes, and loans payable | 12,500 | 33,542 |
| Unearned Revenue | 287,413 | 0 |
| Other current liabilities | 0 | 148,538 |
| Leases - Current Portion | 953 | 0 |
| Total current liabilities | 329,063 | 221,715 |
| Noncurrent liabilities | | |
| Bonds, notes, and loans payable | 122,600 | 1,211,977 |
| Accrued compensated absences non-current | 30,043 | 0 |
| Lease liability non-current | 0 | 0 |
| Net pension liability payable | 352,388 | 0 |
| Net OPEB liability payable | 0 | 0 |
| Noncurrent liabilities - other | 116,543 | 0 |
| Total noncurrent liabilities | 621,574 | 1,211,977 |
| Total liabilities | \$950,637 | \$1,433,692 |

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Statement of Net Position (Continued)
Proprietary Funds
March 31, 2024

| | Primary Government | Component Units |
|---|-------------------------------|----------------------------|
| Deferred Inflows of Resources | | |
| Pension | \$763 | \$0 |
| OPEB | 6,535 | 0 |
| <i>Total deferred inflows of resources</i> | 7,298 | 0 |
| <i>NET POSITION</i> | | |
| Net invested in capital assets | (16,229) | (393,417) |
| Restricted net position | 97,331 | 110,221 |
| Unrestricted net position | 183,781 | (150,524) |
| Total net position | 264,883 | (433,720) |
| Total Liabilities, Deferred Inflows and Net Position | \$1,222,818 | \$999,972 |

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended March 31, 2024

| | Primary Government | Component Units |
|--|-------------------------------|----------------------------|
| <i>OPERATING REVENUES</i> | | |
| Tenant Revenue | \$0 | \$198,825 |
| Government operating grants | 3,510,353 | 0 |
| Other revenue | 36,638 | 0 |
| Total operating revenues | 3,546,991 | 198,825 |
| <i>OPERATING EXPENSES</i> | | |
| Administrative | 379,436 | 42,790 |
| Tenant Services | 51,329 | 0 |
| Utilities | 5,686 | 39,002 |
| Maintenance | 8,320 | 44,713 |
| General | (16,447) | 26,141 |
| Housing assistance payment | 2,899,839 | 0 |
| Amortization | 5,132 | 0 |
| Depreciation | 12,523 | 47,289 |
| Total operating expenses | 3,345,818 | 199,935 |
| Operating (loss) | 201,173 | (1,110) |
| <i>NONOPERATING REVENUES (EXPENSES)</i> | | |
| Interest and investment revenue | 90 | 634 |
| Interest expense | (7,637) | 0 |
| Total nonoperating revenues (expenses) | (7,547) | 634 |
| Change in net position | 193,626 | (476) |
| Total net position, Beginning of Year | 71,257 | (433,244) |
| Net Position, End of Year | \$264,883 | (\$433,720) |

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2024

| | <i>Primary Government</i> | <i>Component Units</i> |
|--|-------------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating grants received | \$3,474,028 | \$0 |
| Tenant revenue received | 0 | 198,825 |
| Other revenue received | 36,638 | 0 |
| General and administrative expenses paid | (153,206) | (143,196) |
| Housing assistance payments | (2,899,839) | 0 |
| Net cash provided (used) by operating activities | 457,621 | 55,629 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Retirement of debt | (11,901) | (30,666) |
| Interest paid on Debt | (7,637) | 0 |
| Lease liability, net | (5,132) | 0 |
| Property and equipment purchased, net | 0 | (51,101) |
| Net cash (used) by capital and related financing activities | (24,670) | (81,767) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest earned | 90 | 634 |
| Net cash provided by investing activities | 90 | 634 |
| Net increase (decrease) in cash | 433,041 | (25,504) |
| Cash and cash equivalents - Beginning of year | 382,777 | 162,004 |
| Cash and cash equivalents - End of year | \$815,818 | \$136,500 |

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended March 31, 2024

| | <i>Primary Government</i> | <i>Component Units</i> |
|--|-------------------------------|----------------------------|
| RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Net Operating (Loss) | \$201,173 | (\$1,110) |
| Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities | | |
| - Depreciation/Amortization | 17,655 | 47,289 |
| - (Increases) Decreases in Accounts Receivable | (36,325) | 0 |
| - (Increases) Decreases in Prepaid Assets | (1,076) | (2,317) |
| - (Increases) Decreases in Other Noncurrent Assets | (11,327) | 0 |
| - (Increases) Decreases in Deferred Outflows | 67,704 | 0 |
| - Increases (Decreases) in Accounts Payable | (4,657) | (720) |
| - Increases (Decreases) in Intergovernmental Payable | 0 | (162) |
| - Increases (Decreases) in Accrued Payable | 9,729 | 184 |
| - Increases (Decreases) in Other Current Liabilities | 0 | 12,586 |
| - Increases (Decreases) in FSS Escrow | (5,639) | 0 |
| - Increases (Decreases) in Tenant Security Deposits | 0 | (121) |
| - Increases (Decreases) in Compensated Absence | (18,999) | 0 |
| - Increases (Decreases) in Deferred Inflows | 2,081 | 0 |
| - Increases (Decreases) in Pension Liability | (42,267) | 0 |
| - Increases (Decreases) in OPEB Liability | (7,844) | 0 |
| - Increases (Decreases) in Unearned Revenue | 287,413 | 0 |
| Net cash provided by operating activities | \$457,621 | \$55,629 |

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

The more significant of the Authority's accounting policies are described below.

Reporting Entity

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

The accompanying financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

The accompanying financial statements present the Authority's primary government and the two component units, Tuscarawas Affordable Housing Service Corp. and Tuscarawas Affordable Housing One, LLC, over which the Authority exercises, significant influence.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

Component Units

The component units are reported in the Authority financial statements as shown below:

| <i><u>Discretely Presented Component Unit</u></i> | <i><u>Brief Description and Relationship</u></i> |
|---|---|
| Tuscarawas Affordable Housing Service Corp. | A not-for-profit (IRS section 501(c) (3)) corporation created for the purpose of providing low and moderate-income housing. Tuscarawas Metropolitan Housing Authority staff operates and manages the units. Four of the five Board Members are the same for both Agencies. Tuscarawas Affordable Housing Service Corporation's fiscal year is a December 31 year end. The financial statements reflected in this report are for the fiscal year ending December 31, 2023. |

| <i><u>Discretely Presented Component Unit</u></i> | <i><u>Brief Description and Relationship</u></i> |
|---|---|
| Tuscarawas Affordable Housing One, LLC | A limited liability corporation created for the purpose of ownership and management of Clay Village Apartments. Tuscarawas Affordable Housing One, LLC's fiscal year is a December 31 year end. The financial statements reflected in this report are for the fiscal year ending December 31, 2023. |

Basis of Presentation

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

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.

The Authority's basic financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows. The statements are prepared on the accrual basis of accounting.

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

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

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

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

Revenues

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Description of programs

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

A. 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.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023**

B. Shelter Plus Care Program

The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program. The agency assists the Alcohol, Drug Addiction and Mental Health Services Board of Tuscarawas and Carroll Counties to administer this program.

C. Business Activities

Represents non-HUD resources primarily from housing management services.

D. Family Self-Sufficiency Program

Represents HUD grant resources utilized to promote the development of local strategies to coordinate public and private resources that help housing choice voucher program participants.

E. Component Units

- Tuscarawas Affordable Housing Services Corporation is a not-for-profit corporation that provides low and moderate income housing services.
- Tuscarawas Affordable Housing One, LLC - a limited liability corporation that owns and manages Clay Village Apartments.

F. Community Home Improvement Program

Under this program, Tuscarawas Metropolitan Housing Authority assists the City of New Philadelphia, the City of Dover, and Tuscarawas County with the administration of their tenant based rental assistance programs.

Investments

Investments are restricted by the provisions of the HUD Regulations. The Authority had no investments during the year and cash was maintained in demand deposit or time and savings bank accounts. The Primary Government had \$90 interest earned in the fiscal year. The interest income earned by Component Units for the period totaled \$634.

Capital Assets

Capital assets (except for intangible right to use lease assets) are stated at cost (or estimated historical cost). Donated capital assets are recorded at their acquisition values as of the date received. 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 \$5,000 or more per unit. Depreciation is computed using the straight-line method over the following estimated useful lives:

| | |
|------------------------------------|-----------|
| Buildings | 30 year |
| Buildings Improvements | 10 years |
| Furniture, equipment and machinery | 3-7 years |

The Primary Government is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use by creditors, grantors, or laws or regulations of other governments.

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

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. All revenues and expenses not meeting these definitions are classified as nonoperating.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract. No capital contributions were received in the fiscal year under audit.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Restricted Cash

Restricted cash balance as of March 31, 2024, for the primary government and December 31, 2023, for the component unit represents cash on hand for the following:

| | <u>Primary Government</u> | <u>Component Units</u> |
|--|--------------------------------------|-----------------------------------|
| FSS Escrow Funds held for Tenants | \$ 116,543 | \$ 0 |
| Restricted for Housing Assistance Payments | 377,421 | 0 |
| Restricted for FSS Coordinator Expenses | \$3,671 | 0 |
| Reserve for Taxes and Insurance | 0 | 1,678 |
| Reserve for Replacements | 0 | 108,543 |
| Tenant Security Deposit | 0 | 15,619 |
| FSS Escrow Forfeiture | 3,652 | 0 |
| | \$ 501,287 | \$ 125,840 |
| Total Restricted Cash | \$ 501,287 | \$ 125,840 |

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absence accrual amount.

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

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

Estimates

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

Deferred Outflow and 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 Note 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.

Pension / Other Post-Employment Benefits

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the period of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
- C. 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 end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit or by savings or deposit accounts including passbook accounts.

Protection of the Authority deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At fiscal year end March 31, 2024, the carrying amount of the Authority's deposits totaled \$815,818 (includes \$100 of petty cash) and its bank balance was \$816,728. Of the bank balance \$258,103 was covered by FDIC insurance and \$558,625 was collateralized with securities pledged in the name of the Authority.

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 or participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Component Unit

The carrying amount of the Component Unit deposits was \$136,500 as of December 31, 2023. It includes savings accounts and all certificates of deposit with original maturities of three months or less.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

NOTE 3: 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 fiscal year ending March 31, 2024, the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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.

NOTE 4: CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets:

| | <u>Primary Government</u> | | | | |
|--|--|---------------|-------------------|-----------------|-----------------------------|
| | Restated Balance 03/31/23 | Adjust | Additions | Deletion | Balance 03/31/24 |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$30,000 | \$0 | \$0 | \$0 | \$30,000 |
| Total Capital Assets Not Being Depreciated | 30,000 | 0 | 0 | 0 | 30,000 |
| Capital Assets Being Depreciated/Amortized: | | | | | |
| Buildings | 437,765 | 0 | 0 | 0 | 437,765 |
| Furniture, Machinery and Equip. | 70,087 | 0 | 0 | 0 | 70,087 |
| Leasehold Improvement | 8,557 | 0 | 0 | 0 | 8,557 |
| Intangible Right-To Use: Lease | 21,915 | 0 | 0 | 0 | 21,915 |
| Total Capital Assets Depreciated | 538,324 | 0 | 0 | 0 | 538,324 |
| Accumulated Depreciation/Amortization: | | | | | |
| Buildings | (336,715) | 0 | (12,180) | 0 | (348,895) |
| Furniture, Machinery and Equip. | (69,744) | 0 | (343) | 0 | (70,087) |
| Leasehold Improvement | (8,557) | 0 | 0 | 0 | (8,557) |
| Intangible Right-To Use: Lease | (15,829) | 0 | (5,132) | 0 | (20,961) |
| Total Accum Depreciation / Amortization | (430,845) | 0 | (17,655) | 0 | (448,500) |
| Total Capital Assets Being Depreciated, Net | 107,479 | 0 | (17,655) | 0 | 89,824 |
| Total Capital Assets, Net | \$137,479 | \$0 | (\$17,655) | \$0 | \$119,824 |

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

| | <u>Component Units</u> | | | | Balance 12/31/23 |
|--|-----------------------------|---------------|------------------|-----------------|-----------------------------|
| | Balance 01/01/23 | Adjust | Additions | Deletion | |
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$100,000 | \$0 | \$0 | \$0 | \$100,000 |
| Total Capital Assets Not Being Depreciated | 100,000 | 0 | 0 | 0 | 100,000 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | 1,500,048 | 0 | 37,940 | 0 | 1,537,988 |
| Furnit, Machinery and Equip | 76,142 | 0 | 13,161 | (2,261) | 87,042 |
| Total Capital Assets Being Depreciated | 1,576,190 | 0 | 51,101 | (2,261) | 1,625,030 |
| Accumulated Depreciation | (827,900) | 0 | (47,289) | 2,261 | (872,928) |
| Total Capital Assets Being Depreciated, Net | 748,290 | 0 | 3,812 | 0 | 752,102 |
| Total Capital Assets, Net | \$848,290 | \$0 | \$3,812 | \$0 | \$852,102 |

NOTE 5: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

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* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued liabilities on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
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| 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 5 years of service credit or Age 57 with 25 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

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

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

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

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

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. Effective January 1, 2022 the combined plan is no longer available for member selection.

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

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distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

| | State and Local |
|--|----------------------------|
| The Statutory Maximum Contribution Rates: | |
| - Employer | 14.00% |
| - Employee | 10.00% |

With the assistance of the System’s actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan employer contributions allocated to health care was 0.0 percent for 2023-2024.

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

The Authority’s contractually required contribution for pension was \$30,431 for fiscal year ending March 31, 2024. Of this amount \$2,437 is report with accrued liabilities.

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

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | |
|--|-----------------------------|
| | Traditional Plan |
| Proportionate Share of Net Pension Liability | \$352,388 |
| Proportion of the Net Pension Liability | |
| - Prior Measurement Date | 0.001336% |
| - Current Measurement Date | 0.001346% |
| Change in Proportion from Prior | 0.000010% |
| Pension Expense | \$9,861 |

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

| | Traditional Plan |
|--|-----------------------------|
| Deferred Outflows of Resources | |
| Net Difference between projected and actual earning on pension plan investments | \$71,127 |
| Difference between expected and actual experience | 5,759 |
| Change in proportionate share and difference between Employer contribution and proportionate share of contribution | 345 |
| Authority contributions subsequent to the measurement date | 7,184 |
| Total Deferred Outflows of Resources | \$84,415 |
| | |
| | Traditional Plan |
| Deferred Inflows of Resources | |
| Change in proportionate share and difference between Employer contribution and proportionate share of contribution | \$763 |
| Total Deferred Inflows of Resources | \$763 |

\$7,184 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 March 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | Traditional Plan |
|-------------------------------|-----------------------------|
| Fiscal Year Ending March 31,: | |
| 2025 | \$17,355 |
| 2026 | 23,852 |
| 2027 | 45,389 |
| 2028 | (10,128) |
| Total | \$76,468 |

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Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

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

| Actuarial Information | Traditional Plan |
|---|--|
| Measurement and Valuation Date | December 31, 2023 |
| Experience Study | 5-year ended 12/31/2020 |
| Actuarial Cost Method | Individual entry age |
| Actuarial Assumption: | |
| Investment Rate of Return | 6.90% |
| Wage Inflation | 2.75% |
| Future Salary Increases, including inflation 2.75% | 2.75 - 10.75 % |
| Cost-of-Living Adjustment | Pre 01/07/13 Retirees: 3.0% Simple Post 01/07/13 Retirees: 3.0% Simple through 2022, then 2.05% Simple |

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

The most recent experience study was completed for the five-year period ended December 31, 2023.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit

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portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 11.2% for 2023.

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

| Asset Class | Target Allocation as of December 31, 2023 | Weighted Average Long- Term Expected Real Rate of Return (Geometric) |
|------------------------|--|---|
| Fixed Income | 24.00% | 2.85% |
| Domestic Equities | 21.00% | 4.27% |
| Real Estate | 13.00% | 4.46% |
| Private Equity | 15.00% | 7.52% |
| International Equities | 20.00% | 5.16% |
| Risk Parity | 2.00% | 4.38% |
| Other Investments | 5.00% | 3.46% |
| TOTAL | 100.00% | |

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

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what

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the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease (5.9%) | Current Discount Rate (6.9%) | 1% Increase (7.9%) |
|--|-----------------------|---------------------------------|-----------------------|
| Authority's proportionate share of the net pension liability | | | |
| - Traditional Pension Plan | \$554,754 | \$352,388 | \$184,079 |

NOTE 6: DEFINED BENEFIT OPEB PLAN

Net OPEB Liability / Asset

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

The net OPEB liability / asset represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 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 pension costs paid in the form of withholdings from employees). OPERS may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. Any resulting legislative change to benefits or funding could significantly affect the net OPEB liability / asset. Resulting adjustments to the net OPEB liability / asset 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 OPEB liability / asset on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in accrued liabilities on the accrual and basis of accounting.

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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. Effective January 1, 2022 the combined plan is no longer available for member selection.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses, and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. Effective January 1, 2022, eligible non-Medicare retirees are part of a Connector program and may be eligible for monthly allowances deposited to an HRA, similar to Medicare-enrolled retirees. Additional details on health care coverage can be found in the Plan Statement in the annual report.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post

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Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced later 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. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2023 remained at 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$0 for the year ending March 31, 2024.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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 liability 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:

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| | Health Care Plan |
|---|-----------------------------|
| Proportionate Share of Net OPEB Liability /(Asset) | (\$11,327) |
| Proportion of the Net OPEB Liability | |
| - Prior Measurement Date | 0.001244% |
| - Current Measurement Date | 0.001255% |
| Change in Proportion from Prior | 0.000011% |
| OPEB Income | \$1,514 |

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

| | Health Care Plan |
|--|-----------------------------|
| Deferred Outflows of Resources | |
| Net Difference between projected and actual earning on pension plan investments | \$6,802 |
| Assumption Changes | 2,916 |
| Change in proportionate share and difference between Employer contribution and proportionate share of contribution | 276 |
| Total Deferred Outflows of Resources | \$9,994 |
| Deferred Inflows of Resources | |
| Assumption Changes | \$4,869 |
| Difference between expected and actual experience | 1,612 |
| Change in proportionate share and difference between Employer contribution and proportionate share of contribution | 54 |
| Total Deferred Inflows of Resources | \$6,535 |

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

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| | Health Care Plan |
|------------------------------|-----------------------------|
| Fiscal Year Ending March 31: | |
| 2025 | (\$66) |
| 2026 | 527 |
| 2027 | 5,295 |
| 2028 | (2,297) |
| Total | \$3,459 |

Actuarial Assumptions - OPERS

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

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

| Actuarial Information | |
|--|---------------------------------------|
| Actuarial Valuation Date | December 31, 2022 |
| Rolled-Forward Measurement Date | December 31, 2023 |
| Experianse Study | 5-Year Period Ended December 31, 2020 |
| Actuarial Cost Method | Individual entry age |
| Actuarial Assumptions | |
| Single Discount Rate - Current Measurement Period | 5.70% |
| Single Discount Rate - Prior Measurement Period | 5.22% |
| Investment Rate of Return | 6.00% |
| Municipal Bond Rate - Current Measurement Period | 3.77% |
| Municipal Bond Rate - Prior Measurement Period | 4.05% |
| Wage Inflation | 2.75% |
| Future Salary Increases, including inflation 2.75% | 2.75 - 10.75% |
| Health Care Cost Trend Rate | 5.5% initial, 3.5% ultimate in 2038 |

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

The most recent experience study was completed for the five-year period ended December 31, 2023.

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.

OPERS manages investments in three investment portfolios: The Defined Benefits 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 allocation of investment assets with the Health Care 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 continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

| Asset Class | Target Allocation as of December 31, 2023 | Weighted Average Long-Term Expected Real Rate of Return |
|------------------------|--|--|
| Fixed Income | 37.00% | 2.82% |
| Domestic Equities | 25.00% | 4.27% |
| REITs | 5.00% | 4.68% |
| International Equities | 25.00% | 5.16% |
| Risk Parity | 3.00% | 4.38% |
| Other Investments | 5.00% | 2.43% |
| TOTAL | 100.00% | |

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Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2023. A single discount rate of 5.22 percent was used to measure the OPEB liability/asset on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77% percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB liability/asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability/asset calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

| | 1% Decrease (4.70%) | Single Discount Rate (5.70%) | 1% Increase (6.70%) |
|--|--------------------------------|---|--------------------------------|
| Authority's proportionate share of the net OPEB Liability/(Asset) | \$6,225 | (\$11,327) | (\$25,866) |

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.5 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 that in the not-too-distant future, 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.

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| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|------------------------|---|--------------------|
| Authority's proportionate share of the net OPEB liability/(Asset) | (\$11,797) | (\$11,327) | (\$10,793) |

NOTE 7: LONG-TERM OBLIGATIONS

Tuscarawas Metropolitan Housing Authority (Primary Government)

In the fiscal year ending March 31, 2003, the Authority issued \$300,000 mortgage revenue bond, for a 30 year period, series 2002, for the purpose of paying part of the cost of a construction of an office addition to the administration building. In addition the bonds issued were also used to refinance the existing mortgage loan of \$89,974 for the purchase of the administration building. The outstanding principal amount shall bear interest at the rate of 4.625 percent, calculated on a basis of actual number of days and a 365-day year. The project was fully completed in February 2004 and the loan commenced on November 1, 2003.

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

| DESCRIPTION | Balance 03/31/23 | Additions | Deletions | Balance 03/31/24 | Due Within One Year |
|--------------------------------|-----------------------------|------------------|------------------|-----------------------------|--------------------------------|
| Mortgage Payable | \$147,001 | \$0 | \$11,901 | \$135,100 | \$12,500 |
| Compensated Absences | 50,949 | 0 | 19,250 | 31,699 | 1,656 |
| Lease Payable | 6,085 | 0 | 5,132 | 953 | 953 |
| Net Pension Liability | 394,655 | 0 | 42,267 | 352,388 | 0 |
| Net OPEB Liability | 7,844 | 0 | 7,844 | 0 | 0 |
| Non-Current Other - FSS Escrow | 122,182 | 0 | 5,639 | 116,543 | 0 |
| Total Primary Government | \$728,716 | \$0 | \$92,033 | \$636,683 | \$15,109 |

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023**

Debt maturities are as follows:

| <u>YEAR</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|------------------|-----------------|--------------|
| 2025 | 12,500 | 6,117 | 18,617 |
| 2026 | 13,000 | 5,617 | 18,617 |
| 2027 | 13,600 | 5,017 | 18,617 |
| 2028 | 14,200 | 4,417 | 18,617 |
| 2029 | 14,900 | 3,717 | 18,617 |
| 2028-2032 | 66,900 | 7,568 | 74,468 |
| Total | \$135,100 | \$32,453 | \$167,553 |

Tuscarawas Affordable Housing One, LLC (Component Unit):

On December 9, 2002, Tuscarawas Affordable Housing One, LLC assumed an outstanding loan balance of \$1,163,986 from an original loan of \$1,197,000 from Clay Village, Ltd. Partnership for the purchase of Clay Village Apartment building.

The mortgage note is collateralized by the land, building and improvements, equipment and furnishings. The note bears interest at the rate of 9% per annum. Principal and interest are payable in monthly installments of \$9,132 reduced to \$2,554 (effective 1 percent interest rate) by USDA - Rural Development interest subsidy program through 2037. The mortgage liability is limited to the underlying value of the collateral pledged.

Under the loan agreement with USDA - Rural Development, the project is required to make monthly reserve for replacement deposits, and is subject to operating and returns to owner restrictions.

As of December 31, 2023, the outstanding loan balance was \$860,174. \$860,174

On November 20, 2002, Tuscarawas Affordable Housing Services Inc. entered into a promissory note with Ohio Housing Finance Agency for \$400,000 to finance the purchase and capital improvement to the Clay Village Apartment Project. The note was amended to add Tuscarawas Affordable Housing One, LLC (the project owner) and its share of the note amount was \$254,625. Repayment on the note is only necessary in the event the property generates surplus cash. For the 2023 year, the Agency made a payment of \$0. As of December 31, 2023, the outstanding loan balance was \$239,970. 239,970

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023

Tuscarawas Affordable Housing Services Inc. (Component Unit):

On November 20, 2002, Tuscarawas Affordable Housing Services Inc. entered into a promissory note with Ohio Housing Finance Agency for \$400,000 to finance the purchase and capital improvement to the Clay Village Apartment Project. The note was amended to add Tuscarawas Affordable Housing One, LLC (the project owner). The note payable was then reported \$254,625 by Tuscarawas Affordable Housing One, LLC and \$145,375 by Tuscarawas Affordable Housing Service, Inc.

No Repayment is due on the amount reported. 145,375

Total Debt Payable **\$1,245,519**

The following is a summary of changes in long-term obligations for the period:

| DESCRIPTION | Balance 01/01/2023 | Additions | Deletions | Balance 12/31/2023 | Due Within One Year |
|---|-------------------------------|-------------------|------------------------|-------------------------------|--------------------------------|
| Tuscarawas Affordable Housing One LLC: | | | | | |
| - USDA Rural Development | \$890,840 | \$0 | \$30,666 | \$860,174 | \$33,542 |
| - Ohio Housing Finance Agency | 239,970 | 0 | 0 | 239,970 | 0 |
| Tuscarawas Affordable Housing Services Inc.: | | | | | |
| - Ohio Housing Finance Agency | 145,375 | 0 | 0 | 145,375 | 0 |
| Total | <u>\$1,276,185</u> | <u>\$0</u> | <u>\$30,666</u> | <u>\$1,245,519</u> | <u>\$33,542</u> |

The following is a summary of debt maturity:

| Year | Tuscarawas Affordable Housing One LLC | | Affordable Housing Services |
|--------------|--|-------------------------|--|
| | USDA Rural Development | OHFA | OHFA |
| 2024 | \$33,542 | \$0 | \$0 |
| 2025 | 36,689 | 0 | 0 |
| 2026 | 40,131 | 0 | 0 |
| 2027 | 43,895 | 0 | 0 |
| 2028 | 48,013 | 0 | 0 |
| 2029-2033 | 314,862 | 0 | 0 |
| 2034-2037 | 343,042 | 239,970 | 145,375 |
| Total | <u>\$860,174</u> | <u>\$239,970</u> | <u>\$145,375</u> |

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023**

NOTE 9: LEASES

The Primary Government has entered into lease agreements for the use of right to use equipment. Right to use equipment leases are for postage machines and computer workstations with a lease end date in fiscal year 2025 for both. Due to the implementation of GASB Statement 87, the Primary Government reports intangible capital assets and corresponding liabilities for the future scheduled payments under each lease. future lease payments were discounted based on the interest rate implicit in the lease or using the Primary Government's incremental borrowing rate. A summary of the principal and interest amounts for the remaining leases is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|--------------|
| 2025 | 953 | 187 | 1,140 |
| Total | \$953 | \$187 | \$1,140 |

Tuscarawas Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
For the Last Ten Fiscal Years

| Traditional Plan | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Authority's Proportion of the Net Pension Liability | 0.001346% | 0.001336% | 0.001358% | 0.001341% | 0.001226% | 0.001373% | 0.001292% | 0.001490% | 0.001458% | 0.147400% |
| Authority's Proportionate Share of the Net Pension Liability | \$352,388 | \$394,655 | \$118,151 | \$198,573 | \$242,327 | \$376,037 | \$202,690 | \$338,354 | \$252,544 | \$175,851 |
| Authority's Covered-Employee Payroll | \$221,603 | \$207,027 | \$197,143 | \$188,855 | \$172,563 | \$185,486 | \$174,321 | \$134,032 | \$181,044 | \$181,090 |
| Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll | 159.02% | 190.63% | 59.93% | 105.15% | 140.43% | 202.73% | 116.27% | 252.44% | 139.49% | 97.11% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.01% | 75.74% | 92.62% | 86.88% | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% |

1) The amounts presented for each fiscal year were determined at the Ohio Public Employee Retirement System (OPERS) measurement date, which is calendar end year prior to the Authority fiscal year end.

See accompanying notes to the required supplementary information.

Tuscarawas Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - Pension Ohio Public Employees Retirement
System For the Last Ten Fiscal Years

| <u>Traditional Plan</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution Pension | \$30,431 | \$29,264 | \$27,956 | \$26,607 | \$24,050 | \$27,436 | \$22,662 | \$16,084 | \$21,725 | \$21,731 |
| Contributions in Relation to the Contractually Required Contribution | (\$30,431) | (\$29,264) | (\$27,956) | (\$26,607) | (\$24,050) | (\$27,436) | (\$22,662) | (\$16,084) | (\$21,725) | (\$21,731) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Authority's Covered-Employee Payroll | \$217,366 | \$209,026 | \$199,689 | \$190,051 | \$171,786 | \$195,971 | \$174,321 | \$134,032 | \$181,044 | \$181,090 |
| Contributions as a Percentage of Covered-Employee Payroll Pension | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% | 12.00% | 12.00% | 12.00% |

See accompanying notes to the required supplementary information.

Tuscarawas Metropolitan Housing Authority
Required Supplementary Information
Schedule of The Authority Proportionate Share of the Net OPEB Liability (Assets)
For the Last Eight Years 2)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------|-----------|------------|------------|-----------|-----------|-----------|-----------|
| Authority's Proportion of the Net OPEB Liability/Asset | 0.001255% | 0.001244% | 0.126400% | 0.001249% | 0.001142% | 0.001279% | 0.001200% | 0.001233% |
| Authority's Proportionate Share of the Net OPEB Liability (Asset) | (\$11,327) | \$7,844 | (\$39,590) | (\$22,252) | \$157,740 | \$166,751 | \$130,311 | \$124,583 |
| Authority's Covered-Employee Payroll | \$221,603 | \$207,027 | \$197,143 | \$188,855 | \$172,563 | \$185,486 | \$174,321 | \$134,032 |
| Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Employee Payroll | (5.11%) | 3.79% | (20.08%) | (11.78%) | 91.41% | 89.90% | 74.75% | 92.95% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 107.76% | 94.79% | 128.23% | 115.57% | 47.80% | 46.33% | 54.14% | 68.52% |

1) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year end.

2) Information prior to 2017 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

See accompanying notes to the required supplementary information.

Tuscarawas Metropolitan Housing Authority
 Required Supplementary Information
 Schedule of Authority's Contributions - OPEB Ohio Public Employees Retirement
 System For the Last Ten Fiscal Years

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | | | | | | | | | | |
| OPEB | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,743 | \$2,680 | \$3,621 | \$3,622 |
| Contributions in Relation to the | | | | | | | | | | |
| Contractually Required Contribution | 0 | 0 | 0 | 0 | 0 | 0 | (1,743) | (2,680) | (3,621) | (3,622) |
| Contribution Deficiency (Excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Authority's Covered-Employee Payroll | \$217,366 | \$209,026 | \$199,689 | \$190,051 | \$171,786 | \$195,971 | \$174,321 | \$134,032 | \$181,044 | \$181,090 |
| Contributions as a Percentage of | | | | | | | | | | |
| Covered-Employee Payroll | | | | | | | | | | |
| OPEB | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% | 2.00% | 2.00% | 2.00% |

See accompanying notes to the required supplementary information.

**TASCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED MARCH 31, 2024**

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2015-2024.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016 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 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.75% to 3.25% (b) future salary increases changed from 4.25% - 10.05% to 3.25% - 10.75%.

For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: 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, then 2.15% simple 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 was reduced from 1.40% simple through 2020, then 2.15% simple 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) wage inflation changed from 3.25% to 2.75% (b) future salary increases changed from 3.25% - 10.75% to 2.75% - 10.75% (c) the cost-of-living adjustments for post-1/7/2013 retirees was increase from 0.5% simple through 2021, then 2.15% simple to 3.0% simple through 2022 then 2.05% simple (d) Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub- 2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 the previously described tables, the base year is 2010 and mortality rates for a

TASCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2023, there were no OPERS pension plan amendments adopted or changes in assumptions used in the calculation of actuarial contributions.

Net OPEB liability/(asset)

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

The 2021, the following change was reflected: on January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

For 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced (c) the single discount rate changed from 3.85% to 3.96%. (d) the municipal bond rate changed from 3.31% to 3.71% (e) the healthcare cost trend rate changed from 7.5% initial, 3.25% ultimate in 2028 to 10.0% initial, 3.25% ultimate in 2029.

For 2020, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16% (b) the municipal bond rate changed from 3.71% to 2.75% (c) the healthcare cost trend rate changed from 10.0% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the healthcare cost trend rate changed from 10.5% initial, 3.5% ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

For 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate remained at 6.00% (b) the municipal bond rate changed from 2.00% to 1.84% (c) the projected salary increase changed from 3.25% - 10.75% to 2.75% - 10.75% (d) wage inflation changed from 3.25% to 2.75% (e) the healthcare cost trend rate changed from 8.5% initial, 3.5% ultimate in 2035 to 5.5% initial, 3.5% ultimate in 2034.

For 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22% (b) the municipal bond rate changed from 1.84% to 4.00% (c) the healthcare cost trend rate changed from 5.5% initial, 3.5% ultimate in 2034 to 5.5% initial, 3.5% ultimate in 2036.

Tuscarawas Metropolitan Housing Authority (OH063)

NEW PHILADELPHIA, OH

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2024

| | 14.EFA FSS Escrow Forfeiture Account | 6.1 Component Unit - Discretely Presented | 14.896 PIH Family Self-Sufficiency Program | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|--|---|--|--------------------------|-----------------------------------|--------------|------|--------------|
| 111 Cash - Unrestricted | \$0 | \$10,660 | \$0 | \$46,945 | \$267,586 | \$325,191 | \$0 | \$325,191 |
| 112 Cash - Restricted - Modernization and Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 113 Cash - Other Restricted | \$3,652 | \$110,221 | \$3,671 | \$0 | \$493,964 | \$611,508 | \$0 | \$611,508 |
| 114 Cash - Tenant Security Deposits | \$0 | \$15,619 | \$0 | \$0 | \$0 | \$15,619 | \$0 | \$15,619 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 100 Total Cash | \$3,652 | \$136,500 | \$3,671 | \$46,945 | \$761,550 | \$952,318 | \$0 | \$952,318 |
| 125 Accounts Receivable - Miscellaneous | \$0 | \$0 | \$0 | \$172,948 | \$0 | \$172,948 | \$0 | \$172,948 |
| 128 Fraud Recovery | \$0 | \$0 | \$0 | \$0 | \$42,001 | \$42,001 | \$0 | \$42,001 |
| 128.1 Allowance for Doubtful Accounts - Fraud | \$0 | \$0 | \$0 | \$0 | -\$42,001 | -\$42,001 | \$0 | -\$42,001 |
| 129 Accrued Interest Receivable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$0 | \$0 | \$0 | \$172,948 | \$0 | \$172,948 | \$0 | \$172,948 |
| 142 Prepaid Expenses and Other Assets | \$0 | \$11,370 | \$0 | \$0 | \$8,492 | \$19,862 | \$0 | \$19,862 |
| 150 Total Current Assets | \$3,652 | \$147,870 | \$3,671 | \$219,893 | \$770,042 | \$1,145,128 | \$0 | \$1,145,128 |
| 161 Land | \$0 | \$100,000 | \$0 | \$30,000 | \$0 | \$130,000 | \$0 | \$130,000 |
| 162 Buildings | \$0 | \$1,537,988 | \$0 | \$437,765 | \$0 | \$1,975,753 | \$0 | \$1,975,753 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$0 | \$87,042 | \$0 | \$0 | \$0 | \$87,042 | \$0 | \$87,042 |
| 164 Furniture, Equipment & Machinery - Administration | \$0 | \$0 | \$0 | \$70,087 | \$0 | \$70,087 | \$0 | \$70,087 |
| 165 Leasehold Improvements | \$0 | \$0 | \$0 | \$8,557 | \$21,915 | \$30,472 | \$0 | \$30,472 |
| 166 Accumulated Depreciation | \$0 | -\$872,928 | \$0 | -\$427,538 | -\$20,962 | -\$1,321,428 | \$0 | -\$1,321,428 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$852,102 | \$0 | \$118,871 | \$953 | \$971,926 | \$0 | \$971,926 |
| 174 Other Assets | \$0 | \$0 | \$0 | \$0 | \$11,327 | \$11,327 | \$0 | \$11,327 |
| 180 Total Non-Current Assets | \$0 | \$852,102 | \$0 | \$118,871 | \$12,280 | \$983,253 | \$0 | \$983,253 |
| 200 Deferred Outflow of Resources | \$0 | \$0 | \$0 | \$0 | \$94,409 | \$94,409 | \$0 | \$94,409 |
| 290 Total Assets and Deferred Outflow of Resources | \$3,652 | \$999,972 | \$3,671 | \$338,764 | \$876,731 | \$2,222,790 | \$0 | \$2,222,790 |
| 312 Accounts Payable <= 90 Days | \$0 | \$6,081 | \$0 | \$0 | \$2,688 | \$8,769 | \$0 | \$8,769 |
| 321 Accrued Wage/Payroll Taxes Payable | \$0 | \$1,881 | \$0 | \$0 | \$23,853 | \$25,734 | \$0 | \$25,734 |
| 322 Accrued Compensated Absences - Current Portion | \$0 | \$0 | \$0 | \$0 | \$1,656 | \$1,656 | \$0 | \$1,656 |
| 333 Accounts Payable - Other Government | \$0 | \$16,054 | \$0 | \$0 | \$0 | \$16,054 | \$0 | \$16,054 |
| 341 Tenant Security Deposits | \$0 | \$15,619 | \$0 | \$0 | \$0 | \$15,619 | \$0 | \$15,619 |
| 342 Unearned Revenue | \$0 | \$0 | \$3,671 | \$0 | \$283,742 | \$287,413 | \$0 | \$287,413 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | \$0 | \$33,542 | \$0 | \$12,500 | \$953 | \$46,995 | \$0 | \$46,995 |
| 345 Other Current Liabilities | \$0 | \$148,538 | \$0 | \$0 | \$0 | \$148,538 | \$0 | \$148,538 |

Tuscarawas Metropolitan Housing Authority (OH063)

NEW PHILADELPHIA, OH

Entity Wide Balance Sheet Summary

Fiscal Year End: 03/31/2024

| | 14.EFA FSS Escrow Forfeiture Account | 6.1 Component Unit - Discretely Presented | 14.896 PIH Family Self-Sufficiency Program | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|--|--|---|--|--------------------------|-----------------------------------|-------------|------|-------------|
| 310 Total Current Liabilities | \$0 | \$221,715 | \$3,671 | \$12,500 | \$312,892 | \$550,778 | \$0 | \$550,778 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | \$0 | \$1,211,977 | \$0 | \$122,600 | \$0 | \$1,334,577 | \$0 | \$1,334,577 |
| 353 Non-current Liabilities - Other | \$0 | \$0 | \$0 | \$0 | \$116,543 | \$116,543 | \$0 | \$116,543 |
| 354 Accrued Compensated Absences - Non Current | \$0 | \$0 | \$0 | \$0 | \$30,043 | \$30,043 | \$0 | \$30,043 |
| 357 Accrued Pension and OPEB Liabilities | \$0 | \$0 | \$0 | \$0 | \$352,388 | \$352,388 | \$0 | \$352,388 |
| 350 Total Non-Current Liabilities | \$0 | \$1,211,977 | \$0 | \$122,600 | \$498,974 | \$1,833,551 | \$0 | \$1,833,551 |
| 300 Total Liabilities | \$0 | \$1,433,692 | \$3,671 | \$135,100 | \$811,866 | \$2,384,329 | \$0 | \$2,384,329 |
| 400 Deferred Inflow of Resources | \$0 | \$0 | \$0 | \$0 | \$7,298 | \$7,298 | \$0 | \$7,298 |
| 508.4 Net Investment in Capital Assets | \$0 | -\$393,417 | \$0 | -\$16,229 | \$0 | -\$409,646 | \$0 | -\$409,646 |
| 511.4 Restricted Net Position | \$3,652 | \$110,221 | \$0 | \$0 | \$93,679 | \$207,552 | \$0 | \$207,552 |
| 512.4 Unrestricted Net Position | \$0 | -\$150,524 | \$0 | \$219,893 | -\$36,112 | \$33,257 | \$0 | \$33,257 |
| 513 Total Equity - Net Assets / Position | \$3,652 | -\$433,720 | \$0 | \$203,664 | \$57,567 | -\$168,837 | \$0 | -\$168,837 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$3,652 | \$999,972 | \$3,671 | \$338,764 | \$876,731 | \$2,222,790 | \$0 | \$2,222,790 |

Tuscarawas Metropolitan Housing Authority (OH063)

NEW PHILADELPHIA, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2024

| | 14.EFA FSS Escrow Forfeiture Account | 6.1 Component Unit - Discretely Presented | 14.896 PIH Family Self-Sufficiency Program | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|--|---|--|--------------------------|-----------------------------------|-------------|------|-------------|
| 70300 Net Tenant Rental Revenue | \$0 | \$189,333 | \$0 | \$0 | \$0 | \$189,333 | \$0 | \$189,333 |
| 70400 Tenant Revenue - Other | \$0 | \$9,492 | \$0 | \$0 | \$0 | \$9,492 | \$0 | \$9,492 |
| 70500 Total Tenant Revenue | \$0 | \$198,825 | \$0 | \$0 | \$0 | \$198,825 | \$0 | \$198,825 |
| 70600 HUD PHA Operating Grants | \$0 | \$0 | \$51,329 | \$0 | \$3,459,024 | \$3,510,353 | \$0 | \$3,510,353 |
| 70610 Capital Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70700 Total Fee Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71100 Investment Income - Unrestricted | \$0 | \$634 | \$0 | \$0 | \$90 | \$724 | \$0 | \$724 |
| 71400 Fraud Recovery | \$0 | \$0 | \$0 | \$0 | \$10,430 | \$10,430 | \$0 | \$10,430 |
| 71500 Other Revenue | \$1,362 | \$0 | \$0 | \$22,614 | \$2,232 | \$26,208 | \$0 | \$26,208 |
| 70000 Total Revenue | \$1,362 | \$199,459 | \$51,329 | \$22,614 | \$3,471,776 | \$3,746,540 | \$0 | \$3,746,540 |
| 91100 Administrative Salaries | \$0 | \$16,000 | \$0 | \$7,114 | \$171,363 | \$194,477 | \$0 | \$194,477 |
| 91200 Auditing Fees | \$0 | \$3,850 | \$0 | \$0 | \$11,706 | \$15,556 | \$0 | \$15,556 |
| 91400 Advertising and Marketing | \$0 | \$0 | \$0 | \$0 | \$61 | \$61 | \$0 | \$61 |
| 91500 Employee Benefit contributions - Administrative | \$0 | \$0 | \$0 | \$0 | \$112,966 | \$112,966 | \$0 | \$112,966 |
| 91600 Office Expenses | \$0 | \$0 | \$0 | \$0 | \$59,168 | \$59,168 | \$0 | \$59,168 |
| 91700 Legal Expense | \$0 | \$1,477 | \$0 | \$0 | \$1,263 | \$2,740 | \$0 | \$2,740 |
| 91800 Travel | \$0 | \$0 | \$0 | \$0 | \$3,791 | \$3,791 | \$0 | \$3,791 |
| 91900 Other | \$0 | \$21,463 | \$0 | \$635 | \$11,369 | \$33,467 | \$0 | \$33,467 |
| 91000 Total Operating - Administrative | \$0 | \$42,790 | \$0 | \$7,749 | \$371,687 | \$422,226 | \$0 | \$422,226 |
| 92100 Tenant Services - Salaries | \$0 | \$0 | \$40,987 | \$0 | \$0 | \$40,987 | \$0 | \$40,987 |
| 92300 Employee Benefit Contributions - Tenant Services | \$0 | \$0 | \$10,342 | \$0 | \$0 | \$10,342 | \$0 | \$10,342 |
| 92500 Total Tenant Services | \$0 | \$0 | \$51,329 | \$0 | \$0 | \$51,329 | \$0 | \$51,329 |
| 93100 Water | \$0 | \$29,329 | \$0 | \$0 | \$668 | \$29,997 | \$0 | \$29,997 |
| 93200 Electricity | \$0 | \$9,673 | \$0 | \$0 | \$3,779 | \$13,452 | \$0 | \$13,452 |
| 93300 Gas | \$0 | \$0 | \$0 | \$0 | \$1,239 | \$1,239 | \$0 | \$1,239 |
| 93000 Total Utilities | \$0 | \$39,002 | \$0 | \$0 | \$5,686 | \$44,688 | \$0 | \$44,688 |
| 94100 Ordinary Maintenance and Operations - Labor | \$0 | \$18,784 | \$0 | \$0 | \$0 | \$18,784 | \$0 | \$18,784 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$0 | \$10,489 | \$0 | \$0 | \$0 | \$10,489 | \$0 | \$10,489 |
| 94300 Ordinary Maintenance and Operations Contracts | \$0 | \$15,440 | \$0 | \$0 | \$8,320 | \$23,760 | \$0 | \$23,760 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 94000 Total Maintenance | \$0 | \$44,713 | \$0 | \$0 | \$8,320 | \$53,033 | \$0 | \$53,033 |
| 96110 Property Insurance | \$0 | \$10,087 | \$0 | \$0 | \$0 | \$10,087 | \$0 | \$10,087 |

Tuscarawas Metropolitan Housing Authority (OH063)

NEW PHILADELPHIA, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End: 03/31/2024

| | 14.EFA FSS Escrow Forfeiture Account | 6.1 Component Unit - Discretely Presented | 14.896 PIH Family Self-Sufficiency Program | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | ELIM | Total |
|---|--|---|--|--------------------------|-----------------------------------|-------------|------|-------------|
| 96120 Liability Insurance | \$0 | \$0 | \$0 | \$0 | \$1,464 | \$1,464 | \$0 | \$1,464 |
| 96130 Workmen's Compensation | \$0 | \$0 | \$0 | \$0 | \$1,339 | \$1,339 | \$0 | \$1,339 |
| 96100 Total insurance Premiums | \$0 | \$10,087 | \$0 | \$0 | \$2,803 | \$12,890 | \$0 | \$12,890 |
| 96210 Compensated Absences | \$0 | \$0 | \$0 | \$0 | -\$19,250 | -\$19,250 | \$0 | -\$19,250 |
| 96300 Payments in Lieu of Taxes | \$0 | \$16,054 | \$0 | \$0 | \$0 | \$16,054 | \$0 | \$16,054 |
| 96000 Total Other General Expenses | \$0 | \$16,054 | \$0 | \$0 | -\$19,250 | -\$3,196 | \$0 | -\$3,196 |
| 96710 Interest of Mortgage (or Bonds) Payable | \$0 | \$0 | \$0 | \$6,799 | \$0 | \$6,799 | \$0 | \$6,799 |
| 96720 Interest on Notes Payable (Short and Long Term) | \$0 | \$0 | \$0 | \$0 | \$838 | \$838 | \$0 | \$838 |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$6,799 | \$838 | \$7,637 | \$0 | \$7,637 |
| 96900 Total Operating Expenses | \$0 | \$152,646 | \$51,329 | \$14,548 | \$370,084 | \$588,607 | \$0 | \$588,607 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$1,362 | \$46,813 | \$0 | \$8,066 | \$3,101,692 | \$3,157,933 | \$0 | \$3,157,933 |
| 97300 Housing Assistance Payments | \$0 | \$0 | \$0 | \$0 | \$2,896,009 | \$2,896,009 | \$0 | \$2,896,009 |
| 97350 HAP Portability-In | \$0 | \$0 | \$0 | \$0 | \$3,830 | \$3,830 | \$0 | \$3,830 |
| 97400 Depreciation Expense | \$0 | \$47,289 | \$0 | \$12,523 | \$5,132 | \$64,944 | \$0 | \$64,944 |
| 90000 Total Expenses | \$0 | \$199,935 | \$51,329 | \$27,071 | \$3,275,055 | \$3,553,390 | \$0 | \$3,553,390 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$1,362 | -\$476 | \$0 | -\$4,457 | \$196,721 | \$193,150 | \$0 | \$193,150 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$33,542 | \$0 | \$12,500 | \$953 | \$46,995 | \$0 | \$46,995 |
| 11030 Beginning Equity | \$2,290 | -\$433,244 | \$0 | \$208,121 | -\$139,154 | -\$361,987 | \$0 | -\$361,987 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11170 Administrative Fee Equity | \$0 | \$0 | \$0 | \$0 | -\$36,112 | -\$36,112 | \$0 | -\$36,112 |
| 11180 Housing Assistance Payments Equity | \$0 | \$0 | \$0 | \$0 | \$93,679 | \$93,679 | \$0 | \$93,679 |
| 11190 Unit Months Available | 0 | 468 | 0 | 0 | 7,428 | 7,896 | 0 | 7,896 |
| 11210 Number of Unit Months Leased | 0 | 434 | 0 | 0 | 6,935 | 7,369 | 0 | 7,369 |

**Tuscarawas Metropolitan Housing Authority
Tuscarawas County
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2024**

| FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE | ASSISTANCE LISTING NUMBER | TOTAL FEDERAL EXPENDITURES |
|--|---------------------------------|----------------------------------|
| <u>U.S. Department of Agriculture</u> | | |
| Direct Program | | |
| Community and Facilities Loans and Grants Cluster: | | |
| Community Facilities Loans and Grants | 10.766 | \$ 147,000 |
| Total Community and Facilities Loans and Grants Cluster | | 147,000 |
| Total U.S. Department of Agriculture | | 147,000 |
| <u>U.S. Department of Housing and Urban Development</u> | | |
| Direct Program | | |
| Housing Voucher Cluster: | | |
| Housing Choice Voucher Program | 14.871 | 3,459,024 |
| Total Housing Voucher Cluster | | 3,459,024 |
| Family Self-Sufficiency Program | 14.896 | 51,329 |
| Total U.S. Department of Housing and Urban Development | | 3,510,353 |
| Total Expenditure of Federal Awards | | \$ 3,657,353 |

See accompanying notes to this schedule.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
TUSCARAWAS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED MARCH 31, 2024**

NOTE A – BASIS OF PRESENTATION

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

NOTE B –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with Generally Accepted Accounting Principles (GAAP). Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ending March 31, 2024.

NOTE E – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended March 31, 2024.

NOTE F – LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The federal loan programs listed below are administered directly by the Authority, and balances and transactions relating to these programs are included in the Authority’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding on March 31, 2024, consist of:

| AL Number | Program/Cluster Name | Outstanding Balance at March 31, 2024 |
|------------------|--|--|
| 10.766 | Community and Facilities Loans and Grants Cluster | \$135,100 |



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

Tuscarawas Metropolitan Housing Authority
Tuscarawas County
134 Second Street, SW
New Philadelphi, Ohio 44663

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 aggregate discretely presented component units of the Tuscarawas Metropolitan Housing Authority, Tuscarawas County, (the Authority) as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 23, 2024. Our report includes a reference to other auditors who audited the financial statements of the Tuscarawas Affordable Housing One LLC, one of the discretely presented component units of the Authority, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group, Inc.
Circleville, Ohio
September 23, 2024



**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**

Tuscarawas Metropolitan Housing Authority
Tuscarawas County
134 Second Street, SW
New Philadelphia, Ohio 44663

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Tuscarawas Metropolitan Housing Authority's, Tuscarawas 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 the Tuscarawas Metropolitan Housing Authority's major federal program for the year ended March 31, 2024. Tuscarawas 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, Tuscarawas 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 March 31, 2024.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



BHM CPA Group, Inc.

Circleville, Ohio

September 23, 2024

Tuscarawas Metropolitan Housing Authority

Tuscarawas County
Schedule of Findings
2 CFR § 200.515
March 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|--------------|--|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material weaknesses in internal control reported for major federal programs? | No |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| (d)(1)(vi) | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| (d)(1)(vii) | Major Programs (list): | Housing Choice Voucher Cluster, ALN 14.871 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$750,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee under 2 CFR § 200.520? | Yes |

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS COUNTY METROPOLITAN HOUSING AUTHORITY

TUSCARAWAS 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 11/21/2024

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

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