bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY

SINGLE AUDIT

For the Year Ended September 30, 2019
Fiscal Year Audited Under GAGAS: 2019

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, Ohio 45638

We have reviewed the *Independent Auditor's Report* of the Ironton Metropolitan Housing Authority, Lawrence County, prepared by BHM CPA Group, Inc., for the audit period October 1, 2018 through September 30, 2019. 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 Ironton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

April 15, 2020

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Ironton Metropolitan Housing Authority
Table of Contents
For the Year Ended September 30, 2019

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bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Director and Board of Commissioners

Report on the Financial Statements

We have audited the accompanying financial statements of the Ironton Metropolitan Housing Authority, Lawrence County, Ohio (the Authority), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ironton Metropolitan Housing Authority, Lawrence County as of September 30, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The supplemental Financial Data Schedules presented on pages 40 through 42 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development are not required parted of the basic financial statements.

The Schedule of Federal Awards Expenditures provides additional analysis 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 and is not a required part of the basic financial statements.

The supplemental Financial Data Schedule, the PHA Statement of Certificate of Actual Modernization Costs and the Schedule of Federal Awards Expenditures are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the supplemental Financial Data Schedule, PHA Statement of Certificate of Actual Modernization Costs, and the Schedule of Federal Awards Expenditures to the auditing procedures we applied to the basic financial statements.

We also applied certain additional procedures, including comparing and reconciling this 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 Financial Data Schedule, PHA Statement of Certificate of Actual Modernization Costs and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
March 20, 2020

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements, which will begin on page 10.

FINANCIAL HIGHLIGHTS

- Total revenues decreased by $16,861 (or 0.7%) during 2019, and were $2,295,316 and $2,312,177 for 2019 and 2018, respectively.

- Total expenses decreased by $78,935 (or 3.2%). Total expenses were $2,403,161 and $2,482,096 for 2019 and 2018, respectively.

USING THIS ANNUAL REPORT

The following is a summary of the presentation of the Authority's financial statements:

MD&A ~ Management Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses, and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~

The focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broadens a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability.

BASIC FINANCIAL STATEMENTS

The basic financial statements, beginning on page 10, are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the Authority.

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

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets plus deferred outflows of resources, net of liabilities plus deferred inflows of resources, for the entire Authority. Net Position is reported in three broad categories (as applicable):

Net Investment in Capital Assets: This component of Net Position consists of all Net Capital Assets (net of accumulated depreciation).

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 basic financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (like an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position."

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

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

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

Capital Fund Program (CFP) – Substantially all additions to land, structures, and equipment are accomplished through modernization programs (included in the financial statements under the public housing program). Modernization funds replace or materially upgrade deteriorated portions of existing Authority property.

Housing Assistance Payments Program-Section 8 – The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

STATEMENT OF NET POSITION

The following table reflects the condensed Statement of Net Position compared to the prior year.

TABLE 1
STATEMENT OF NET POSITION

	2019	2018	Variance
Current Assets	$ 2,616,564	$ 2,332,609	$ 283,955
Noncurrent Assets	4,360,766	4,655,496	(294,730)
TOTAL ASSETS	6,977,330	6,988,105	(10,775)
Deferred Outflows of Resources - Pensions/OPEB	149,941	99,828	50,113
Current and Other Liabilities	126,040	120,357	5,683
Long-term liabilities	739,738	528,790	210,948
TOTAL LIABILITIES	865,778	649,147	216,631
Deferred Inflows of Resources - Pensions/OPEB	18,814	88,262	(69,448)
Net Position:			
Net Investment in Capital Assets	4,360,766	4,655,496	(294,730)
Restricted	6,367	15,586	(9,219)
Unrestricted	1,875,546	1,679,442	196,104
TOTAL NET POSITION	$ 6,242,679	$ 6,350,524	$ (107,845)

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

The net pension liability (NPL) is the largest single liability reported by the Authority at September 30, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27. GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). This is another significant liability reported by the Authority at September 30, 2019. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position. In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Current and other assets increased by $283,955 primarily due to an increase in cash. Capital assets, net decreased $294,730 due to depreciation expense which exceeded construction activity in 2019.

Long term liabilities increased $210,948 due to an increase in net pension liability and net OPEB liability.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table reflects the condensed Statement of Revenues, Expenses and Changes in Net Position compared to the prior year.

TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018	Variance
Revenues			
Tenant Revenue	$ 808,640	$ 813,333	$ (4,693)
Government Operating Grants	986,676	945,642	41,034
Capital Grants	355,499	402,732	(47,233)
Investment Income/Other Revenues	144,501	150,470	(5,969)
TOTAL REVENUE	2,295,316	2,312,177	(16,861)
Expenses			
Administrative	217,719	214,172	3,547
Tenant Services	1,473	2,157	(684)
Utilities	362,623	381,414	(18,791)
Ordinary Maintenance and Operation	839,921	863,259	(23,338)
General Expenses	81,984	77,268	4,716
Housing Assistance Payment	362,783	396,579	(33,796)
Depreciation Expense	536,658	547,247	(10,589)
TOTAL EXPENSES	2,403,161	2,482,096	(78,935)
NET INCREASE (DECREASE)	(107,845)	(169,919)	62,074
Net Position, Beginning of Year	6,350,524	6,520,443	(169,919)
Net Position, End of Year	$ 6,242,679	$ 6,350,524	$ (107,845)

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Government operating grants increased by $41,034 from 2018 to 2019 due to increased government subsidy of rents. Administrative expenses increased $3,547 from 2018. Utilities expense decreased from 2018 to 2019, due to decreased usage. Ordinary maintenance and operation expenses decreased $23,338 from 2018 to 2019 due to decreased maintenance required during 2019. General expenses increased $4,716 due in part to increased payments in lieu of taxes. Housing assistance payments decreased $33,796 from 2018 due to decreased subsidies required. Capital grants decreased by $47,233 from 2018 to 2019 due to a decrease in ongoing construction during 2019. Other than these changes the Authority operated consistently between the years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had $4,360,766 invested in a variety of capital assets (net of accumulated depreciation) as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of $294,730 from the end of last year.

TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	2019	2018
Construction in Progress	$ 5,214	$ 139,769
Land and Land Rights	500,242	500,242
Buildings and Improvements	16,073,995	15,718,496
Equipment	534,485	527,952
Accumulated Depreciation	(12,753,170)	(12,230,963)
	$ 4,360,766	$ 4,655,496

The following reconciliation summarizes the change in Capital Assets.

TABLE 4
CHANGE IN CAPITAL ASSETS

BEGINNING BALANCE	$ 4,655,496
Additions (Net)	241,928
Depreciation	(536,658)
ENDING BALANCE	$ 4,360,766

This year's major additions are:	
Capital improvements (CFP) still in progress at the Authority's Public Housing complexes	$ 219,493
Equipment, vehicles and other capital assets purchased by operations	22,435
TOTAL ADDITIONS	$ 241,928

See note 5 to the basic financial statements for more information regarding the Authority's capital assets.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

IN CONCLUSION

Ironton Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Jim Johnson, Executive Director of the Ironton Metropolitan Housing Authority at 740-532-8658.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
AS OF SEPTEMBER 30, 2019

	ENTERPRISE
Assets	
Current Assets:	
Cash and Cash Equivalents - Unrestricted	$ 2,431,566
Cash and Cash Equivalents - Restricted	6,367
Tenants - Dwelling Rents, net of allowance for doubtful accounts	142,414
Accrued Interest Receivable	2,520
Prepaid Expenses and Other Assets	33,697
Total Current Assets	2,616,564
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	505,456
Depreciable Capital Assets, Net of Accumulated Depreciation	3,855,310
Total Capital Assets	4,360,766
Total Noncurrent Assets	4,360,766
Total Assets	6,977,330
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension	124,699
Deferred Outflows of Resources - OPEB	25,242
Total Deferred Outflows of Resources	149,941
Total Assets and Deferred Outflows of Resources	$ 7,127,271
Liabilities	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	$ 12,207
Compensated Absences, Current Portion	4,135
Tenant Security Deposits	55,696
Intergovernmental Payable	38,764
Other Current Liabilities	15,238
Total Current Liabilities	126,040
Long Term Liabilities:	
Net Pension Liability	388,088
Net OPEB Liability	171,966
Compensated Absences	179,684
Total Long Term Liabilities	739,738
Total Liabilities	865,778
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pension	18,814
Total Deferred Inflows of Resources	18,814
Total Liabilities and Deferred Inflows of Resources	884,592
Net Position:	
Net Investment In Capital Assets	4,360,766
Restricted	6,367
Unrestricted	1,875,546
Total Net Position	6,242,679
Total Deferred Inflows of Resources, Liabilities and Net Position	$ 7,127,271

See accompanying notes to the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	ENTERPRISE
Operating Revenues	
Tenant Rental Revenues	$ 724,011
Tenant Revenue - Other	84,629
Government Operating Grants	986,676
Other	128,806
Total Operating Revenues	1,924,122
Operating Expenses	
Administrative:	
Administrative	217,719
Tenant Services	1,473
Utilities	362,623
Ordinary Maintenance & Operation	839,921
General Expenses	81,984
Housing Assistance Payments	362,783
Depreciation Expense	536,658
Total Operating Expenses	2,403,161
Operating Loss	(479,039)
Non-Operating Revenues:	
Capital Grants	355,499
Investment Income - Unrestricted	15,695
Total Non-Operating Revenues	371,194
Change in Net Position	(107,845)
Net Position, Beginning of Year	6,350,524
Net Position, End of Year	$ 6,242,679

See accompanying notes to the basic financial statements.

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	ENTERPRISE
Cash flows from operating activities:	
Receipts from tenants	$ 804,973
Receipts from operating grants	986,676
Other operating receipts	128,806
Housing assistance payments	(362,783)
Payments for general and administrative expense	(1,397,884)
Net cash provided by (used for) operating activities	159,788
Cash flows from capital and related financing activities:	
Construction and acquisitions of capital assets	(243,379)
Capital grants	355,499
Net cash flow used for capital and related financing activities	112,120
Cash flows from investing activities:	
Interest received on investments	18,415
Net cash provided by investing activities	18,415
Net increase in cash and cash equivalents	290,323
Cash and cash equivalents at beginning of year	2,147,610
Cash and cash equivalents at end of year	$ 2,437,933
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Loss	$ (479,039)
Adjustments to reconcile net gain/(loss) to net cash provided by (used for) operating activities:	
Depreciation Expense	536,658
(Increase)Decrease In:	
Accounts Receivable	(1,647)
Prepaid Expenses and Other Assets	6,746
Deferred Outflows of Resources - Pension	(52,183)
Deferred Outflows of Resources - OPEB	2,070
Increase (Decrease) In:	
Accrued Wages/Payroll Taxes Payable	3,536
Compensated Absences	6,523
Tenant Security Deposits	(2,020)
Intergovernmental Payable	1,993
Net Pension Liability	173,632
Net OPEB Liability	32,967
Deferred Inflows of Resources - Pension	(59,094)
Deferred Inflows of Resources - OPEB	(10,354)
Net Cash Provided By (Used For) Operating Activities	$ 159,788

See accompanying notes to the basic financial statements.

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

The Ironton Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code.

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

DESCRIPTION OF PROGRAMS:

A. *PUBLIC HOUSING PROGRAM*
The public housing program is designed to provide low-cost housing within Lawrence County. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

B. *CAPITAL FUND PROGRAM (CFP)*
The Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

C. *HOUSING ASSISTANCE PAYMENTS PROGRAM - SECTION 8*
The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Authority are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Authority. For the Authority, this includes general operations, public housing, Section 8, and modernization programs. Component units are legally separate organizations for which the Authority is financially accountable.

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ironton Metropolitan Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applies to governmental units. The Governmental Accounting Standards Board 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.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. For financial statement presentation purposes, the various programs of the Authority are grouped into the following fund type:

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

Enterprise Fund - The enterprise fund is used to account for operations 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services of the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type income statements represent increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

C. BASIS OF ACCOUNTING

Proprietary fund types use accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and measurable and expenses are recorded at the time liabilities are incurred, if measurable.

D. BUDGETARY DATA

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds deposited in checking accounts. Cash equivalents are stated at cost, which approximates market value.

The Authority has investments in the form of certificates of deposits. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, investments of the Authority with an original maturity of six months or less at the time they are purchased by the Authority are considered to be cash equivalents. Investments with an initial maturity of more than six months are reported as investments.

F. CAPITAL ASSETS

The capital asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated. The Authority uses a capitalization threshold of $200.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Enterprise Fund Capital Assets: Capital assets reflected in the enterprise fund are stated at historical cost (or estimated historical cost or acquisition value) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Lives
Buildings	20-40 years
Building Improvements	20 years
Equipment, Furniture and Fixtures	5-10 years
Other Equipment and Machinery	3-10 years

Capital assets acquired from resources externally restricted for capital acquisition (e.g. capital grants) are recorded as revenue in the benefiting proprietary fund. Depreciation on these assets is recorded as an expense.

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond September 30, 2019, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

H. TAX LIABILITY

The Authority is by law exempt from all federal, state, and local taxes and assessments. The Authority has elected to pay a Payment in Lieu of Taxes (PILOT) based principally on a percentage of tenant dwelling income received from HUD-assisted programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. COMPENSATED ABSENCES

In 1999, the Authority implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end. In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a fund liability.

J. INTERGOVERNMENTAL REVENUES

Grants, entitlements or shared revenues received for enterprise fund operating purposes are recognized in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as revenue.

K. USE OF ESTIMATES

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

L. NET POSITION

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Unrestricted net position represents the portion of net position not restricted.

M. MONIES HELD FOR MATURED BONDS AND INTEREST

The Authority received $15,238 during a prior period from a bank who was the fiscal agent for matured bonds and coupons from old debt issues. The Authority has recorded such monies as a liability as of September 30, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

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

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

O. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

3. DEPOSITS AND INVESTMENTS

Cash on Hand

At year end, the Authority had $300 in un-deposited cash on hand which is included on the financial statements of the Authority as part of "cash - unrestricted."

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $2,233,676 of the Authority's bank balance of $2,483,676 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the Federal Deposit Insurance Corporation.

The Authority does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

4. RECEIVABLES

Receivables at September 30, 2019, consisted of accounts receivable from tenants for rent and materials, miscellaneous receivables which includes late charges and utilities owed to the Authority by the tenants and accrued interest receivable.

5. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended September 30, 2019 follows:

	Balance - 09/30/18	Additions	Deletions	Balance - 09/30/19
Capital Assets Not Being Depreciated:				
Land and Land Rights	$ 500,242	$ -	$ -	$ 500,242
Construction in Progress	139,769	5,214	(139,769)	5,214
Total Capital Assets Not Being Depreciated	640,011	5,214	(139,769)	505,456
Capital Assets Being Depreciated:				
Buildings and Improvements	15,718,496	355,499	-	16,073,995
Equipment	527,952	22,435	(15,902)	534,485
Total Capital Assets Being Depreciated	16,246,448	377,934	(15,902)	16,608,480
Accumulated Depreciation:				
Buildings and Improvements	(11,806,940)	(512,677)	-	(12,319,617)
Equipment	(424,023)	(23,981)	14,451	(433,553)
Total Accumulated Depreciation	(12,230,963)	(536,658)	14,451	(12,753,170)
Net Capital Assets Being Depreciated	4,015,485	(158,724)	(1,451)	3,855,310
Net Capital Assets	$ 4,655,496	$ (153,510)	$ (141,220)	$ 4,360,766

6. DEFINED BENEFIT PENSION PLAN

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have

6. DEFINED BENEFIT PENSION PLAN (Continued)

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.

Plan Description - Ohio Public Employees Retirement System
The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/investmenst/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or 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:

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 01/01/13 or eligible to retire ten years after 01/01/13	**Group C** Members not in other Groups and members hired on or after 01/01/13
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 57 with 25 years of service credit or Age 62 with 5 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

6. DEFINED BENEFIT PENSION PLAN (Continued)

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. 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.

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the fiscal year ended September 30, 2019, the contribution rate for members in the state and local classification remained 10 percent. The Authority's contribution rate for members in state and local classifications for the fiscal year ended September 30, 2019 was 14.0 percent. State statute sets a maximum contribution rate for the Authority of 14.0 percent.

The Authority's contractually required contribution to OPERS was $26,662 for fiscal year 2019. The entire contribution has been made.

6. DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability reported as of September 30, 2019 was measured as of December 31, 2018 for OPERS, 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 contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional
Proportionate Share of the Net Pension Liability	$ 388,088
Proportion of the Net Pension Liability/Asset - Prior Year	0.001367%
Proportion of the Net Pension Liability/Asset - Current Year	0.001417%
Change in Proportion	0.000050%
Pension Expnese	$ 81,460

6. DEFINED BENEFIT PENSION PLAN (Continued)

At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERS
Deferred Outflows of Resources:	
Differences between expected and actual economic experience	$ 18
Differences between projected and actual investment earnings	52,674
Changes of assumptions	33,784
Changes in proportion	19,118
Contributions subsequent to the measurement date	19,105
Total	$ 124,699

	PERS
Deferred Inflows of Resources:	
Differences between expected and actual economic experience	$ 5,096
Changes in proportion	13,718
Total	$ 18,814

$19,105 reported as deferred outflows of resources related to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	PERS
Fiscal Year Ending September 30:	
2020	$ 38,767
2021	18,628
2022	4,886
2023	24,499
	$ 86,780

6. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – OPERS

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 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

Measurement and Valuation Date	December 31, 2018
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Wage Inflation	3.25 percent
Projected Salary increase	3.25 -10.75% (Traditional; 3.25% - 8.25% Combined)
Investment Rate of Return	7.20 percent
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3 percent simple Post-1/7/2013 Retirees: 3 percent simple through 2018, then 2.15% simple

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

Discount Rate

The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

6. DEFINED BENEFIT PENSION PLAN (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 following table displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation For 2018	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other Investments	18.00	5.50
Total	100.00 %	

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for 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 2.94% for 2018.

Sensitivity of The Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Authority's proportionate share of the net pension liability	$573,318	$388,088	$234,159

7. DEFINED BENEFIT OPEB PLANS

Net Other Postemployment Benefits (OPEB) Liability

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

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

Ohio Revised Code limits the Authority's obligation 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 they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting.

Ohio Public Employees Retirement System

Plan Description – 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.

7. DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. 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 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2019, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

The Authority's contractually required contribution for health care for the fiscal year ended September 30, 2019 was $0.

7. DEFINED BENEFIT OPEB PLANS (Continued)

Net Other Post Employment Benefit (OPEB) Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. for the defined benefit health care plans. In accordance with GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Member-Directed Plan health care is a defined benefit health care plan, although the pension plan is defined contribution. Interest of 4% is credited to member accounts as long as the Health Care portfolio earns a positive return. The Authoritys 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:

	PERS
Proportionate Share of the Net OPEB Liability	$ 171,966
Proportion of the Net OPEB Liability/Asset - Prior Year	0.001280%
Proportion of the Net OPEB Liability/Asset - Current Year	0.001319%
Change in Proportionate Share	-0.000039%
OPEB Expense	$ 24,683

At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PERS
Deferred Outflows of Resources:	
Differences between expected and actual economic experience	$ 58
Differences between projected and actual investment earnings	7,884
Changes of assumptions	5,545
Changes in proportion	11,755
Total	$ 25,242

There were no deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date since none were made subsequent to the measurement date.

7. DEFINED BENEFIT OPEB PLANS (Continued)

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

	PERS
Fiscal Year Ending September 30:	
2020	$ 15,961
2021	3,963
2022	1,348
2023	3,970
	$ 25,242

Actuarial Assumptions - PERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

7. Defined Benefit OPEB Plans (Continued)

Actuarial Assumptions – PERS (continued)

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

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation For 2018	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21 %
REITs	6.00	5.98 %
International Equities	22.00	7.83 %
Other Investments	17.00	5.57 %
Total	100.00 %	

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6% for 2018.

7. Defined Benefit OPEB Plans (Continued)

Discount Rate A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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% and a municipal bond rate of 3.71%. 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 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the OPEB liability calculated using the single discount rate of 3.96%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$220,009	$171,966	$133,760

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% 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 2019 is 10.00%. 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 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$165,297	$171,966	$179,648

8. OTHER EMPLOYEE BENEFITS

Compensated Absences: Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation on the employee's anniversary date. Vacation time can be carried over for one year, but must be taken in the year following the year earned. Employees are paid for earned, unused vacation leave at the time of termination.

Sick leave is earned at a rate of 4.60 hours per pay period (2 weeks). Employees who retire are paid for their earned, unused sick leave hours up to a maximum of 30 days, or the full balance may be transferred to another governmental agency. Such payment shall be based on the employee's rate of pay at the time of retirement. At September 30, 2019 the current amount of unpaid compensated absences was $4,135 and the noncurrent amount was $179,684.

The changes in the Authority's long-term liabilities during 2019 were as follows:

	Balance at 9/30/2018	Increase	Decrease	Balance at 9/30/2019	Amount Due In One Year
Compensated Absences	$177,296	$16,067	$9,544	$183,819	$4,135
Net Pension Liability	214,456	173,632	-	388,088	-
Net OPEB Liability	138,999	32,967	-	171,966	-
Total Long-Term Liabilities	$530,751	$222,666	$9,544	$743,873	$4,135

9 ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

10. 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. The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP. Premiums are paid monthly. The Authority also pays unemployment claims to the State of Ohio as incurred.

The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from coverage in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

11. CONTINGENCIES

A. Grants

The Authority received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at September 30, 2019.

B. Litigation

The Authority is not party to legal proceedings as of September 30, 2019.

12. NEW ACCOUNTING PRINCIPLES

For the fiscal year ended September 30, 2019, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations and Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs). The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Authority.

GASB Statement No. 88 establishes criteria to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the Authority.

Required Supplementary Information

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Six Years (1)

	2018	2017	2016	2015	2014	2013
Total plan pension liability	$ 108,264,577,647	$ 102,273,912,351	$99,817,932,954	$91,534,580,978	$89,017,348,266	$86,407,229,435
Plan net position	80,876,605,054	86,585,851,024	77,109,633,485	74,213,320,352	76,956,230,642	74,618,532,269
Net pension liability	$ 27,387,972,593	$ 15,688,061,327	$22,708,299,469	$17,321,260,626	$12,061,117,624	$11,788,697,166
Authority's proportion of the net pension liability	0.001417%	0.001367%	0.001105%	0.001427%	0.001488%	0.001488%
Authority's proportionate share of the net pension liability	$ 388,088	$ 214,456	$ 250,927	$ 247,174	$ 179,469	$ 175,416
Authority's covered payroll	$ 205,715	$ 149,231	$ 126,258	$ 183,233	$ 189,758	$ 217,842
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	188.65%	143.71%	198.74%	134.90%	94.60%	80.50%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.25%	81.10%	86.50%	86.40%

(1) Information prior to 2013 is not available.
Amounts presented as of the Authority's measurement
date which is the prior fiscal year.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Pension Contributions
Ohio Public Employees Retirement System
Last Ten Years (1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ 26,662	$ 26,743	$ 19,400	$ 15,151	$ 21,988	$ 22,771	$ 26,141	$ 34,578	$ 36,482	$ 31,689
Contributions in relation to the contractually required contribution	(26,662)	(26,743)	(19,400)	(15,151)	(21,988)	(22,771)	(26,141)	(34,578)	(36,482)	(31,689)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 190,443	$ 205,715	$ 149,231	$ 126,258	$ 183,233	$ 189,758	$ 217,842	$ 345,780	$ 364,820	$ 362,160
Contributions as a percentage of covered payroll	14.00%	13.00%	13.00%	12.00%	12.00%	12.00%	12.00%	10.00%	10.00%	8.75%

Notes to Required Supplementary Information - Pension

Changes to Benefit Terms: There were no changes in benefit terms affecting the OPERS plan for the plan year ended December 31, 2018.

Changes of Assumptions (OPERS): During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to RP-2014.

Ironton Metropolitan Housing Authority

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability

Ohio Public Employees Retirement System

Last Three Years (1)

	2018	**2017**	**2016**
Total plan OPEB liability	$ 24,290,625,123	$ 23,678,097,060	$ 21,980,827,536
Plan net position	11,252,985,702	12,818,833,665	11,880,487,863
Net OPEB liability	13,037,639,421	10,859,263,395	10,100,339,673
Authority's proportion of the net OPEB liability	0.00131900%	0.00128000%	0.00103000%
Authority's proportionate share of the net OPEB liability	$ 171,966	$ 138,999	$ 104,033
Authority's covered-employee payroll	$ 205,715	$ 149,231	$ 126,258
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	83.59%	93.14%	82.40%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	54.05%

(1) Information prior to 2016 is not available.
Amounts presented as of the Authority's measurement date which is the prior fiscal year.

Ironton Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's OPEB Contributions
Ohio Public Employees Retirement System
Last Four Years (1)

	2018	2017	2016	2015
Contractually required contribution	$ -	$ 1,616	$ -	$ -
Contributions in relation to the contractually required contribution	-	(1,616)	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Authority covered-employee payroll	$ 190,443	$ 205,715	$ 149,231	$ 126,258
Contributions as a percentage of covered-employee payroll	0.00%	1.08%	0.00%	0.00%

(1) Information prior to 2015 is not available.

Notes to Required Supplementary Information - OPEB

Changes to Benefit Terms: There were no changes in benefit terms affecting the OPERS plan for the plan year ended December 31, 2018.

Changes of Assumptions (OPERS): There were no changes in assumptions affecting the OPERS plan for the plan year ended December 31, 2018.

Supplementary Information

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF NET POSITION BY PROGRAM
PROPRIETARY FUND TYPE - ENTERPRISE FUND

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Assets				
Current Assets:				
Cash and Cash Equivalents - Unrestricted	$ 289,257	$ 2,142,309	$ -	$ 2,431,566
Cash and Cash Eqivalents - Restricted	6,367	-	-	6,367
Accounts Receivable:				
Tenants - Dwelling Rents, net of allowance for doubtful accounts	-	142,414	-	142,414
Accrued interest receivable	-	2,520	-	2,520
Prepaid Expenses and Other Assets	3,009	30,688	-	33,697
Total Current Assets	298,633	2,317,931	-	2,616,564
Noncurrent Assets:				
Capital Assets:				
Land	-	500,242	-	500,242
Building	-	16,073,995	-	16,073,995
Furniture, Equipment & Machinery - Dwellings	-	250,658	-	250,658
Furniture, Equipment & Machinery - Administration	1,560	282,267	-	283,827
Construction in Progress	-	-	5,214	5,214
Accumulated Depreciation	(1,560)	(12,751,610)	-	(12,753,170)
Capital Assets, Net of Accumulated Depreciation	-	4,355,552	5,214	4,360,766
Total Noncurrent Assets	-	4,355,552	5,214	4,360,766
Total Assets	298,633	6,673,483	5,214	6,977,330
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension	9,975	114,724	-	124,699
Deferred Outflows of Resources - OPEB	2,019	23,223	-	25,242
Total Deferred Outflows of Resources	11,994	137,947	-	149,941
Total Assets and Deferred Outflows of Resources	$ 310,627	$ 6,811,430	$ 5,214	$ 7,127,271
Liabilities				
Current Liabilities:				
Accrued Wages/Payroll Taxes Payable	$ 397	$ 11,810	$ -	$ 12,207
Compensated Absences, Current Portion	289	3,846	-	4,135
Tenant Security Deposits	-	55,696	-	55,696
Other Current Liabilities	-	15,238	-	15,238
Intergovernmental Payable	-	38,764	-	38,764
Total Current Liabilities	686	125,354	-	126,040
Long Term Liabilities:				
Net Pension Liabilities	31,047	357,041	-	388,088
Net OPEB Liabilities	13,757	158,209	-	171,966
Compensated Absences	12,579	167,105	-	179,684
Total Long Term Liabilities	57,383	682,355	-	739,738
Total Liabilities	58,069	807,709	-	865,778
Deferred Inflows of Resources				
Deferred Inflows of Resources - Pension	1,505	17,309	-	18,814
Deferred Inflows of Resources - OPEB	-	-	-	-
Total Deferred Inflows of Resources	1,505	17,309	-	18,814
Total Liabilities and Deferred Inflows of Resources	59,574	825,018	-	884,592
Net Position:				
Net Investment In Capital Assets	-	4,355,552	5,214	4,360,766
Restricted	6,367	-	-	6,367
Unrestricted	244,686	1,630,860	-	1,875,546
Total Net Position	251,053	5,986,412	5,214	6,242,679
Total Deferred Inflows of Resources, Liabilities and Net Position	$ 310,627	$ 6,811,430	$ 5,214	$ 7,127,271

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM
PROPRIETARY FUND TYPE - ENTERPRISE FUND

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Operating Revenues				
Tenant Rental Revenues	$ -	$ 724,011	$ -	$ 724,011
Tenant Revenue - Other	-	84,629	-	84,629
HUD PHA Grants/OperatingGrants	267,560	719,116	-	986,676
Other Revenue	128,806	-	-	128,806
Total Operating Revenues	396,366	1,527,756	-	1,924,122
Operating Expenses				
Administrative:				
Administrative Salaries	16,027	64,947	-	80,974
Auditing and Accounting Fees	1,285	9,420	-	10,705
Employee Benefit Contributions	9,226	71,097	-	80,323
Other Operating	3,486	42,231	-	45,717
Total Administrative	30,024	187,695	-	217,719
Tenant Services:				
Tenant Services- Other	-	1,473	-	1,473
Total Tenant Services	-	1,473	-	1,473
Utilities:				
Water	-	136,537	-	136,537
Electricity	266	194,654	-	194,920
Gas	-	31,166	-	31,166
Total Utilities	266	362,357	-	362,623
Ordinary Maintenance & Operation:				
Labor	-	116,932	-	116,932
Materials and Other	-	59,873	-	59,873
Contract Costs	5,704	514,013	-	519,717
Employee Benefit Contributions	15,393	128,006	-	143,399
Total Ordinary Maintenance & Operation	21,097	818,824	-	839,921
General Expenses:				
Insurance Premiums	-	39,401	-	39,401
Payments in Lieu of Taxes	-	38,764	-	38,764
Other	-	3,819	-	3,819
Total General Expenses	-	81,984	-	81,984
Housing Assistance Payments	362,783	-	-	362,783
Depreciation Expense	-	536,658	-	536,658
			-	
Total Operating Expenses	414,170	1,988,991	-	2,403,161
Operating Income/(Loss)	(17,804)	(461,235)	-	(479,039)
Other Non-Operating Revenues:				
Capital Grants	-	-	355,499	355,499
Investment Income - Unrestricted	1,490	14,205	-	15,695
Equity Transfers	-	490,054	(490,054)	-
Total Non-Operating Revenues	1,490	504,259	(134,555)	371,194
Net Increase (Decrease) in Net Position	(16,314)	43,024	(134,555)	(107,845)
Net Position, Beginning of the Year	267,367	5,943,388	139,769	6,350,524
Net Position, End of Year	251,053	5,986,412	5,214	6,242,679

IRONTON METROPOLITAN HOUSING AUTHORITY
LAWRENCE COUNTY
STATEMENT OF CASH FLOWS BY PROGRAM
PROPRIETARY FUND TYPE - ENTERPRISE FUND

	Section 8 Voucher	Public Housing	Capital Fund	TOTAL ENTERPRISE
Cash flows from operating activities:				
Receipts from tenants	$ -	$ 804,973	$ -	$ 804,973
Receipts from operating grants	267,560	719,116	-	986,676
Other operating receipts	128,806	-	-	128,806
Housing assistance payments	(362,783)	-	-	(362,783)
Payments for general and administrative expense	(44,122)	(1,353,762)	-	(1,397,884)
Net cash provided by (used for) operating activities	(10,539)	170,327	-	159,788
Cash flows from capital and related financing activities:				
Construction and acquisitions of capital assets	-	-	(243,379)	(243,379)
Equity transfer (to) from capital fund	-	112,120	(112,120)	-
Capital grants	-	-	355,499	355,499
Net cash flow used for capital and related financing activities	-	112,120	-	112,120
Cash flows from noncapital and related financing activities:				
Other non-operating receipts	-	-	-	-
Cash flows from investing activities:				
Interest received on investments	1,540	16,875	-	18,415
Net cash provided by investing activities	1,540	16,875	-	18,415
Net increase (decrease) in cash and cash equivalents	(8,999)	299,322	-	290,323
Cash and cash equivalents at beginning of year	304,623	1,842,987	-	2,147,610
Cash and cash equivalents at end of year	$ 295,624	$ 2,142,309	$ -	$ 2,437,933
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Operating Income (Loss)	$ (17,804)	$ (461,235)	$ -	$ (479,039)
Adjustments to reconcile net gain/(loss) to net cash provided by (used for) operating activities:				
Depreciation Expense	-	536,658	-	536,658
(Increase)Decrease In:				
Accounts Receivable	-	(1,647)	-	(1,647)
Prepaid Expenses and Other Assets	(255)	7,001	-	6,746
Deferred Outflows of Resources - Pension	(4,174)	(48,009)	-	(52,183)
Deferred Outflows of Resources - OPEB	166	1,904	-	2,070
Increase (Decrease) In:				
Accrued Wages/Payroll Taxes Payable	99	3,437	-	3,536
Compensated Absences	457	6,066	-	6,523
Tenant Security Deposits	-	(2,020)	-	(2,020)
Intergovernmental Payable	-	1,993	-	1,993
Net Pension Liability	13,891	159,741	-	173,632
Net OPEB Liability	2,637	30,330	-	32,967
Deferred Inflows of Resources - Pension	(4,728)	(54,366)	-	(59,094)
Deferred Inflows of Resources - OPEB	(828)	(9,526)	-	(10,354)
Net Cash Provided By (Used For) Operating Activities	$ (10,539)	$ 170,327	$ -	$ 159,788

ACTUAL MODERNIZATION COST CERTIFICATES

Modernization Project Number: OH16P019501-17

Original Funds Approved:	$	355,499
Funds Disbursed:	$	355,499
Funds Expended (Actual Modernization Cost:)	$	355,499
Amount to be Recaptured:	Not Applicable	
Excess of Funds Disbursed:	Not Applicable	

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Ironton Metropolitan Housing Authority
Lawrence County
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2019

Federal Grantor Pass-Through Grantor Program Title	Pass-Through Entity's Number	Federal CFDA Number	Disbursements
Direct from U.S. Department of Housing and Urban Development:			
Low Rent Public Housing		14.850	$ 719,116
Section 8 Housing Choice Vouchers		14.871	267,560
Public Housing Capital Fund		14.872	335,499
Total Federal Awards Expenditures			**$ 1,322,175**

See the accompanying notes to the schedule of expenditures of federal awards.

Ironton Metropolitan Housing Authority
Lawrence County

Notes to the Schedule of Expenditure of Federal Awards
For the Year Ended September 30, 2019

NOTE A – SIGNIFICANT ACCOUNITNG POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) includes the federal award activity of Ironton Metropolitan Housing Authority, Lawrence County, Ohio (the Authority) under programs of the federal government for the year ended September 30, 2019. The information on this Schedule is prepared 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 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 reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

To the Director and Board of Commissioners

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Ironton Metropolitan Housing Authority, Lawrence Coutny, (the Authority) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 20, 2020.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
March 20, 2020

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

Ironton Metropolitan Housing Authority
Lawrence County
720 Washington Street
Ironton, Ohio 45638

Report on Compliance for the Major Federal Program

We have audited the Ironton Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Ironton Metropolitan Housing Authority's major federal programs for the year ended September 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Authority's major program. However, our audit does not provide a legal determination of the Authority's compliance.

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Opinion on the Major Federal Program

In our opinion, the Ironton Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended September 30, 2019.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
March 20, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weakness in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR§ 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Housing Choice Vouchers CFDA #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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

IRONTON METROPOLITAN HOUSING AUTHORITY

LAWRENCE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 5, 2020

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