JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Directors
Jefferson Metropolitan Housing Authority
815 North Sixth Street
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Jefferson Metropolitan Housing Authority, Jefferson County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2019 through December 31, 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 Jefferson Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 15, 2020

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JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jefferson Metropolitan Housing Authority
Steubenville, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Jefferson Metropolitan Housing Authority, Ohio (the Authority) as of and for the year ended December 31, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Jefferson Metropolitan Housing Authority, Ohio, as of December 31, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with 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 that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Jefferson Metropolitan Housing Authority, Ohio's basic financial statements. The Statement of Modernization Costs - Completed and the Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of 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 Statement of Modernization Costs - Completed, the Financial Data Schedules, and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Modernization Costs - Completed, the Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, on our consideration of the Jefferson Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Jefferson Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgz@jgzcpa.com, c=US
Date: 2020.10.29 12:03:03 -04'00'

James G. Zupka, CPA, Inc.
Certified Public Accountants

October 15, 2020

The Jefferson Metropolitan Housing Authority ("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 activities, (c) identify changes in the Authority's financial position and (d) identify individual fund issues or concerns.

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

Financial Highlights

- The Authority's net position increased by $95,240 (0.63 percent) due to results from operations. Net position was $15,115,181 at December 31, 2019, and $15,019,941 at December 31, 2018.

- Revenues of the Authority decreased by $259,076 (2.65 percent) in 2019. Revenues were $9,763,739 in 2018 and $9,504,663 in 2019. The reason for the decrease in revenue is due to a decrease in HUD capital grant revenue earned during the year.

- Total expenses of the Authority increased by $388,139 (4.3 percent) in 2019. Total expenses were $9,409,423 in 2019 and $9,021,284 in 2018.

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority-wide) and the individual programs. Both perspectives (Authority-wide and individual programs) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all activities are consolidated into columns, which add to a total for the entire 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 and deferred outflows of resources, minus liabilities and deferred inflows of resources, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

Net Investment in Capital Assets: This component of Net Position consists of all capital assets reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantor, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets, or "Restricted Net Position". This account resembles the old operating reserves account.

The Authority-wide financial statements also include a *Statement of Revenues, Expenses, and Changes in Fund Net Position* (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Fund Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

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.

Fund Financial Statements

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by private sector accounting.

Accounting balances for many of the programs maintained by the Authority are segregated as required by the U.S. Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

The Authority's Programs

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Public Housing Agencies to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties.

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

Section 8 New Construction - Gaylord Towers - Under the Section 8 New Construction Program, the Authority rents units that it owns to elderly households. The Program is operated to allow the Authority to provide the housing at a rent based on 30 percent of household income.

Section 8 Moderate Rehabilitation - Single Room Only - The Authority administers Section 8 Rental Assistance Programs where HUD enters into an annual contribution contract with a private owner. The owner rents housing to eligible low-income individuals who typically pay rent of 30 percent of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the HAP contract. The Authority acts as the middleman between HUD and the private owner and ascertains that the owner is operating the Program in compliance with HUD requirements. The Authority earns an administration fee for these services rendered.

Capital Fund Program - The Capital Fund Program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

AUTHORITY-WIDE STATEMENT

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

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

	2019	2018
Assets and Deferred Outflows of Resources		
Assets		
Current and Other Assets	$ 6,496,033	$ 6,179,208
Non-Current Assets	15,937,250	16,582,549
Total Assets	22,433,283	22,761,757
Deferred Outflows	635,071	337,217
Total Assets and Deferred Outflows of Resources	$ 23,068,354	$ 23,098,974
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities	$ 1,010,002	$ 959,711
Non-Current Liabilities	6,614,884	6,376,583
Total Liabilities	7,624,886	7,336,294
Deferred Inflows of Resources	328,287	742,739
Net Position		
Invested in Capital Assets	12,016,144	12,249,018
Restricted Net Position	62,926	41,093
Unrestricted Net Position	3,036,111	2,729,830
Total Net Position	15,115,181	15,019,941
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 23,068,354	$ 23,098,974

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

Major Factors Affecting the Statement of Net Position

During 2019, current assets and other assets increased by $316,825. Current and other assets, primarily cash and investments, increased due to results from operations. Current liabilities increased by $50,291. This was mostly due to invoices that were outstanding at the end of the year.

Long term liabilities increased by $238,301. This increase was due to the change in net pension and OPEB liabilities.

During 2019, investment in capital assets decreased by $232,874, due primarily to net depreciation and current year purchases. Unrestricted net position increased by $306,281, and restricted net position increased by $21,833. These changes are due to the result of current year activities.

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

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

	2019	2018
Revenues		
Total Tenant Revenues	$ 1,170,916	$ 1,166,596
Operating Subsidies	7,476,749	7,970,397
Capital Grants	613,569	537,045
Investment Income	1,792	1,324
Other Revenues	241,637	88,377
Total Revenues	9,504,663	9,763,739
Expenses		
Administrative	1,197,368	1,010,116
Utilities	1,204,779	1,133,227
Maintenance	2,038,584	1,428,033
Protective Services	175,588	342,790
General, Insurance, and Interest Expenses	386,413	471,438
Housing Assistance Payments	3,069,778	3,198,777
Depreciation	1,336,913	1,436,903
Total Expenses	9,409,423	9,021,284
Net Increase	95,240	742,455
Beginning Net Position	15,019,941	14,277,486
Ending Net Position	$ 15,115,181	$ 15,019,941

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

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

Total revenues decreased by $259,076 (2.65 percent) in 2019. This decrease is main due to a decrease in HUD grant revenue for the year.

Total expenses increased $388,139 (4.3 percent) in 2019. The main cause of the increase was administrative and maintenance, net of a decrease in housing assistance payments and protection services.

The following table shows the change in net position of the Authority for the fiscal year ended December 31, 2019:

Table 3 - Changes in Unerstricted Net Position

	2019
Beginning Balance - December 31, 2018	$ 2,729,830
Results of Operations	95,240
Adjustments:	
Current Year Depreciation Expense	1,336,913
Capital Expenditure	(691,614)
Retirement of Debt	(412,425)
Transfer to Restricted	(21,833)
Ending Balance - December 31, 2019	$ 3,036,111

Capital Assets

As of year-end, the Authority had $15,937,250 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions, and depreciation) of $645,299 or 3.89 percent from the end of prior year.

The following is a condensed Statement of Changes in Capital Assets comparing the balance in capital assets at the year-end versus at the end of the prior year.

Table 4 - Condensed Statement of Changes in Capital Assets at Year End (Net of Depreciation)

	2019	2018
Land and Land Rights	$ 2,697,982	$ 2,697,982
Buildings	45,563,863	44,921,910
Dwelling Equipment	1,257,701	1,211,613
Administration Equipment	857,675	860,945
Construction in Progress	1,195,280	1,215,012
Accumulated Depreciation	(35,635,251)	(34,324,913)
Total Capital Assets, Net	$ 15,937,250	$ 16,582,549

The following reconciliation summarizes the change in capital assets.

Table 5 - Capital Assets at Year-End

Beginning Balance - December 31, 2018	$ 16,582,549
Current Year Additions	691,614
Current Year Depreciation Expense	(1,336,913)
Ending Balance - December 31, 2019	$ 15,937,250

Current year additions represented various capital improvements such as water heaters, sewer line replacement, security camera recorder, and electric door operator.

Debt Outstanding

As of year-end, the Authority had debt of $3,921,106 for the Energy Performance Contract. This is a decrease of $412,425 from prior year.

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - December 31, 2018	$ 4,333,531
Current Year Debt Retired	(412,425)
Ending Balance - December 31, 2019	$ 3,921,106

Economic Factors

Significant economic factors affecting the Authority are as follows:

1. Federal funding provided by Congress to the U.S. Department of Housing and Urban Development (HUD).
2. Local labor and demand, which can affect salary and wage rates.
3. Local inflationary, recessionary, and employment trends, which can affect resident incomes and, therefore, the amount of rental income.
4. Inflationary pressure on utility rates, supplies, and other costs.
5. Property condition.

Recommended

1. Keep expenses to a minimum.
2. Do not acquire any more debt.
3. Follow HUD recommendations for Security to extent possible financially, without incurring outlays.
4. Financial issues should become paramount to the Authority.

Financial Contact

Questions concerning this report or requests for additional information should be directed to Melody McClurg, Executive Director of the Jefferson Metropolitan Housing Authority, at (740) 282-0994.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 5,553,997
Cash and Cash Equivalents - Restricted	255,133
Accounts Receivable, Net	96,860
Inventories, Net	82,470
Prepaid Expenses and Other Assets	507,573
Total Current Assets	6,496,033
Non-Current Assets	
Non-depreciable Capital Assets	3,893,262
Depreciable Capital Assets, Net	12,043,988
Total Non-Current Assets	15,937,250
Total Assets	22,433,283
Deferred Outflows of Resources	
Pension	567,139
OPEB	67,932
Total Deferred Outflows of Resources	635,071
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 23,068,354
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	$ 266,255
Accrued Compensated Absences - Current	36,962
Accrued Liabilities	56,819
Tenant Security Deposits	145,761
Notes Payable - Current	439,826
Accured Interest Payable	64,379
Total Current Liabilities	1,010,002
Non-Current Liabilities	
Accrued Compensated Absences - Non-Current	75,529
Notes Payable - Net of Current Portion	3,481,280
Accrued Pension Liability	1,882,375
Accrued OPEB Liability	866,221
Other Non-Current Liabilities	309,479
Total Non-Current Liabilities	6,614,884
Total Liabilities	7,624,886
Deferred Inflow of Resources	
Pension	217,207
OPEB	111,080
Total Deferred Inflows of Resources	328,287
Net Position	
Investment in Captial Assets	12,016,144
Restricted Net Position	62,926
Unrestricted Net Position	3,036,111
Total Net Position	15,115,181
TOTAL LIABILITIES, DEFERED INFLOWS OF RESOURCES, AND NET POSITION	$ 23,068,354

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

Operating Revenues	
Tenant Revenue	$ 1,170,916
Government Operating Grants	7,476,749
Other Revenues	83,473
Total Operating Revenue	8,731,138
Operating Expenses	
Administrative	1,197,368
Utilities	1,204,779
Maintenance	2,038,584
Protection Services	175,588
General and Insurance	279,343
Housing Assistance Payment	3,069,778
Total Operating Expenses	7,965,440
Income Before Depreciation	765,698
Depreciation	1,336,913
Operating Income (Loss)	(571,215)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	1,792
Interest Expense	(107,070)
Insurance Proceeds	158,164
Capital Grant Revenue	613,569
Total Non-Operating Revenues (Expenses)	666,455
Change in Net Position	95,240
Total Net Position -Beginning of Year	15,019,941
Total Net Position - End of Year	$ 15,115,181

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows from Operating Activities	
Operating Grants Received	$ 7,476,310
Tenant Revenue Received	1,107,352
Other Revenue Received	110,778
Operating Expenses Paid	(4,996,604)
Housing Assistance Payments	(3,069,778)
Net Cash Provided (Used) by Operating Activities	628,058
Cash Flows from Investing Activities	
Interest Received	1,792
Net Cash Provided (Used) by Investing Activities	1,792
Cash Flows from Capital and Related Activities	
Capital Grant Funds Received	613,569
Capital Assets Purchased	(691,614)
Insurance Proceeds	158,164
Debt Principal Payments	(412,425)
Interest Payments	(107,070)
Net Cash Provided (Used) by Capital and Related Activities	(439,376)
Net Increase in Cash	190,474
Cash and Cash Equivalents - Beginning of Year	5,618,656
Cash and Cash Equivalents - End of Year	$ 5,809,130
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (571,215)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	1,336,913
(Increase) Decrease in:	
Accounts Receivable	(66,650)
Prepaid Assets	(8,430)
Inventory	(51,271)
Deferred Outflows of Resources	(297,854)
Increase (Decrease) in:	
Accounts Payable	35,294
Accrued Liabilities	13,406
Tenant Security Deposits	4,786
Pension Liability	670,315
OPEB Liability	59,378
Accrued Compensated Absences	(17,793)
Deferred Inflows	(414,452)
Accrued Interest Payable	(6,772)
Non-Current Liabilities - Other	(57,597)
Net Cash Provided by Operating Activities	$ 628,058

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

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

Basis of Presentation

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

The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

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

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

Fund Accounting

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

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

Proprietary Fund Types

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

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

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

Description of Programs

The Authority uses a single enterprise fund to maintain its financial records on the accrual basis. The following are the various programs which are included in the Enterprise Fund:

A. ***Public Housing Program***

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

B. ***Capital Fund Program***

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

C. ***Housing Choice Voucher Program***

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

D. ***New Construction***

Gaylord Tower is an apartment building owned by the Authority. The units are rented to elderly households. The building is operated under a Housing Assistance Payment (HAP) contract with HUD, and HUD provides subsidy to allow the Authority to provide the housing at a rent based on 30 percent of household income.

E. ***Section 8 Moderate Rehabilitation Program***

The Authority administers Section 8 rental assistance programs where HUD enters into annual contribution contracts with a private owner. The owner rents housing to eligible low-income families who typically pay rent of 30 percent of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the HAP contract. The Authority acts as the middleman between HUD and the private owner and ascertains that the owner is operating the Program in compliance with HUD requirements. The Authority earns an administration fee for these services rendered.

F. ***Business Activity***

Washington Square - Washington Square is an apartment building owned by the Authority. The apartments are rented to moderate income individuals for a set low income rent.

Investments

The provisions of HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2019 totaled $1,792.

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

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of $2,000 or more per unit. Depreciation is calculated using the straight-line method over the estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Furniture, Equipment, and Machinery	3-7 years

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

Operating Revenues and Expenses

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

Capital Contributions

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

Cash and Cash Equivalents

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

Compensated Absences

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

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

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

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

Net Position

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

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. Budgets are submitted to HUD and, once approved, are adopted by the Board of the Authority.

Estimates

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

Deferred Outflows/Inflows of Resources

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

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

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

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

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

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

At fiscal year end December 31, 2019, the carrying amount of the Authority's deposits totaled $5,809,130 (including $100 petty cash) and its bank balance was $5,912,561. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2019, $5,162,561 was exposed to custodial risk as discussed below, while $750,000 was covered by the Federal Depository Insurance Corporation.

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

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

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

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

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

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

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

The Authority had no investments December 31, 2019.

NOTE 3: **RESTRICTED CASH**

The restricted cash balance as of December 31, 2019 of $255,133 represents cash on hand for the following:

FSS Escrow Funds Held for Tenants	$	16,108
Housing Assistance Funds on Hand		62,926
Tenant Security Deposits		145,761
Due to HUD - PIH FSS Program		21,701
Due to HUD - Section 8 Moderate Rehabilitation SRO Program		8,637
Total Restricted Cash on Hand	$	255,133

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2019, by class is as follows:

	Balance 12/31/18	Adjustments	Additions	Deletions	Balance 12/31/19
Capital Assets Not Being Depreciated					
Land	$ 2,697,982	$ 0	$ 0	$ 0	$ 2,697,982
Construction in Progress	1,215,012	(633,301)	613,569	0	1,195,280
Total Capital Assets Not Being Depreciated	3,912,994	(633,301)	613,569	0	3,893,262
Capital Assets Being Depreciated					
Buildings and Improvements	44,921,910	633,301	8,652	0	45,563,863
Furniture, Machinery, and Equipment -					
Dwelling	1,211,613	4,954	41,134	0	1,257,701
Administration	860,945	(4,954)	28,259	(26,575)	857,675
Total Capital Assets Being Depreciated	46,994,468	633,301	78,045	(26,575)	47,679,239
Accumulated Depreciation					
Buildings and Improvements	(32,473,990)	0	(1,270,613)	0	(33,744,603)
Furniture, Machinery, and Equipment -					
Dwelling	(1,031,772)	0	(45,008)	0	(1,076,780)
Administration	(819,151)	0	(21,292)	26,575	(813,868)
Total Accumulated Depreciation	(34,324,913)	0	(1,336,913)	26,575	(35,635,251)
Capital Assets being Depreciated, Net	12,669,555	633,301	(1,258,868)	0	12,043,988
Total Capital Assets, Net	$ 16,582,549	$ 0	$ (645,299)	$ 0	$ 15,937,250

NOTE 5: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

Net Pension Liability (Continued)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

Final Average Salary (FAS) represents the average of the three highest years of earnings over a members' 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.

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

	State and Local
2019 Statutory Maximum and Actual Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-Employment Health Care Benefits	0.0 %
Total Employer	14.0

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for pension was $147,696 for fiscal year ending December 31, 2019.

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

The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan
Proportionate Share of the Net Pension Liability	$ 1,882,375
Percentage for Proportionate Share of Net Pension Liability	0.006873%
Change in Proportionate Share from Prior Measurement Date	-0.000853%
Pension Expense	$ 31,174

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 255,491
Change in Assumptions	163,864
Differences between expected and actual experience	88
Authority contributions subsequent to the measurement date	147,696
Total Deferred Outflows of Resources	$ 567,139
Deferred Inflows of Resources	
Difference between Expected and Actual Experience	$ 24,717
Changes in proportionate share	192,490
Total Deferred Inflows of Resources	$ 217,207

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

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

$147,696 reported as deferred outflows of resources related to pension resulting from Authority contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:		
2020	$	23,451
2021		36,262
2022		23,701
2023		118,822
Total	$	202,236

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

The total pension asset in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Information	Traditional Plan
Valuation Date	December 31, 2018
Experience Study	5 years ended 12/31/2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Return	7.20 percent
Wage Inflation	3.25 percent
Projected Salary Increase	3.25 to 8.25 percent (includes wage inflation at 3.25 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 percent simple

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

Actuarial Assumptions – OPERS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	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 %	5.95 %

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

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

Authority's proportionate share of the net pension liability -	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$ 2,780,816	$ 1,882,375	$ 1,135,763

NOTE 6: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

The net OPEB liability represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of 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. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accounts payable on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' 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. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 remained at 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

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

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

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

The Authority's contractually required contribution was $0 for fiscal year ending December 31, 2019.

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

The net OPEB liability and total OPEB liability 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. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of the Net OPEB Liability	$ 866,221
Proportion of the Net OPEB Liability	0.006644%
Change in the Proportion from Prior Measurement Date	-0.000786%

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Health Care Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 39,712
Assumption changes	27,927
Differences between expected and actual experience	293
Total Deferred Outflows of Resources	$ 67,932
Deferred Inflows of Resources	
Difference between expected and actual experience	$ 2,350
Change in proportionate share and difference between Employer contribution and proportionte share of contribution	108,730
Total Deferred Inflows of Resources	$ 111,080

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

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

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

	Health Care Plan
Year Ending December 31:	
2020	$ (48,054)
2021	(20,917)
2022	5,818
2023	20,005
Total	$ (43,148)

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 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:

Actuarial Information	
Wage Inflation	3.25%
Future Salary Increases, including inflation - 3.25%	3.25 - 10.75%
Single Discount Rate	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual Entry Age

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The 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 5.60 percent for 2018.

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

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

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	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 %	5.16 %

Discount Rate – A single discount rate of 3.96 percent 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 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 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 – The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.96 percent) or one percentage point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$ 1,108,219	$ 866,221	$ 673,768

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease (9.00%)	Single Discount Rate (10.00%)	1% Increase (11.00%)
Authority's proportionate share of the net OPEB liability	$ 832,626	$ 866,221	$ 904,913

NOTE 7: **LONG-TERM LIABILITIES**

Change in long-term liabilities:

	Restated Balance 12.31.2018	Issued	Retired	Balance 12/31/2019	Due Within One Year
Long-Term Debt	$ 4,333,531	$ 0	$ (412,425)	$ 3,921,106	$ 439,826
Compensated Absences	130,284	56,658	(74,451)	112,491	36,962
Other - FSS Escrow	64,752	7,744	(56,388)	16,108	0
Other - Payable to HUD	319,943	0	(8,234)	311,709	18,339
Net Pension Liability	1,212,060	670,315	0	1,882,375	N/A
Net OPEB Liaiblity	806,843	59,378	0	866,221	N/A
Total	$ 6,867,413	$ 794,095	$ (551,498)	$ 7,110,010	$ 495,127

On August 26, 2013, the Authority entered into an equipment lease-purchase agreement to acquire equipment under an energy performance contract in order to upgrade the heating and energy efficiency of several properties in the amount of $5,869,771. Annual principal payments began on May 15, 2014. The annual rate of interest is 2.267 percent with the agreement maturing on August 26, 2026.

NOTE 7: **LONG-TERM LIABILITIES** (Continued)

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2019:

Year	Principal	Interest	Total Payments
2020	$ 439,826	$ 103,007	$ 542,833
2021	468,445	91,453	559,898
2022	498,328	79,147	577,475
2023	529,523	66,056	595,579
2024	562,080	52,146	614,226
2025-2026	1,422,904	60,570	1,483,474
Total	$ 3,921,106	$ 452,379	$ 4,373,485

NOTE 9: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 2019, the Authority maintained comprehensive insurance coverage with private carriers for general liability, real property, building contents, and vehicles through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance pool comprised of thirty-nine (39) Ohio housing authorities, of which the Authority is one. Vehicle policies include liability coverage for bodily injury and property damage.

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

The Authority provides health care benefits to its employees via participation in a partially self-funded health care plan, OME-RESA Health Benefits Program. The Authority makes monthly payments to the Plan Administrator for claims paid by the Plan in the previous month. An estimated asset of $311,666 for excess funding was reported at December 31, 2019.

NOTE 10: **CONTINGENCIES**

The Office of Inspector General and the U.S. Department of Housing and Urban Development issued three reports in the prior audit period and subsequent to it in the current year (2015-CH-1004, 2015-CH-1007, and 2016-CH-1005) of audits it has completed of certain activities of the Authority. The reports contained audit findings that resulted in disallowed costs. On September 29, 2017, the Authority signed a repayment agreement whereas the Authority is to make repayment of $463,885 to the Operating Fund Reserves, $375,336 to the Housing Assistance Payment Reserve, and $39,445 to the Housing Assistance Administrative Fee Reserve over a period of no more than forty years. On April 26, 2018, the Agreement was amended to reflect the following repayment terms:

NOTE 10: **CONTINGENCIES** (Continued)

A. Reimburse the Operating Fund Reserves $463,885 from non-federal funds in thirty-nine equal installments of $11,598 and $11,563 in the fortieth year. Payment is due no later than November 30th of each year.

B. Reimburse the Housing Assistance Payment Reserve $329,328 from non-federal funds in thirty-nine equal installments of $8,234 and $8,202 in the fortieth year. Payment is due no later than November 30th of each year.

C. Reimburse the Administrative Fee Reserve $28,779 from non-federal funds in thirty-nine equal installments of $720 and $699 in the fortieth year. Payment is due no later than November 30th of each year.

The amount repaid and outstanding balance as of December 31, 2019 are as follows:

	Balance as of 12/31/2018	Payments to Federal Programs	Balance as of 12/31/2019
Operating Reserves	$ 399,085	$ (11,598)	$ 387,487
Housing Assistance Reserve	319,943	(8,234)	311,709
Admin. Fee Reserve	26,805	(720)	26,085
Total	$ 745,833	$ (20,552)	$ 725,281

NOTE 11: **SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a statement of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of Jefferson MHA. The investments of the pension and other postemployment benefit plan in which Jefferson MHA participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on Jefferson MHA's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

Traditional Plan	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.006873%	0.007726%	0.009498%	0.001168%	0.012994%	0.012994%
Authority's Proportionate Share of the Net Pension Liability	$ 1,882,375	$ 1,212,060	$ 2,156,834	$ 2,023,296	$ 1,567,218	$ 1,531,820
Authority's Covered Payroll	$ 1,095,150	$ 1,052,853	$ 1,260,376	$ 1,593,071	$ 1,531,414	$ 1,603,290
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.88%	115.12%	171.13%	127.01%	102.34%	95.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

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

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

See accompanying notes to the required supplementary information

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1)

Traditional Plan	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	$ 147,696	$ 131,754	$ 132,736	$ 147,343	$ 174,458	$ 191,169	$ 199,084	$ 160,329	$ 161,687	$ 148,182
Contributions in Relation to the Contractually Required Contribution	(147,696)	(131,754)	(132,736)	(147,343)	(174,458)	(191,169)	(199,084)	(160,329)	(161,687)	(148,182)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll	$ 1,055,757	$ 941,100	$ 1,021,043	$ 1,227,857	$1,453,814	$ 1,593,071	$ 1,531,414	$1,603,286	$ 1,616,871	$ 1,646,464
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%

(1) - Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

See accompanying notes to the required supplementary information

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

	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.006644%	0.007430%	0.009120%
Authority's Proportionate Share of the Net OPEB Liability	$ 866,221	$ 806,843	$ 921,151
Authority's Covered Payroll	$ 1,095,150	$ 1,052,860	$ 1,260,293
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	79.10%	76.63%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	68.52%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

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

See accompanying notes to the required supplementary information

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS (1)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution										
Pension	$ 153,321	$ 134,911	$ 135,916	$ 151,245	$ 176,422	$ 191,169	$ 199,084	$ 160,329	$ 161,687	$ 139,793
OPEB	0	0	11,483	25,196	29,404	31,861	15,314	64,131	88,928	90,712
Contributions in Relation to the Contractually Required Contribution	(153,321)	(134,911)	(147,399)	(176,441)	(205,826)	(223,030)	(214,398)	(224,460)	(250,615)	(230,505)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 1,095,150	$ 963,652	$ 1,052,853	$ 1,260,376	$ 1,593,071	$ 1,531,414	$ 1,603,290	$1,616,870	$ 1,553,256	$ 1,459,340
Contributions as a Percentage of Covered Payroll										
Pension	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%
OPEB	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.00%	4.00%	5.00%

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

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

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00%.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
STATEMENT OF MODERNIZATION COSTS - COMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2019

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

	OH12P014501-15
Funds Approved	$ 846,153
Funds Expended	846,153
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 846,153
Funds Expended	846,153
Excess (Deficiency) of Funds Advanced	$ 0

2. All modernization work in connection with the Capital Fund Program has been completed.

3. The entire actual modernization costs or liabilities incurred by the Authority have been fully paid.

4. There are no discharged mechanics, laborers, contractors, or material liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.182 N/C S/R Section 8 Programs	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	2,467,742	-	124,641	36,840	836,402	1,055,142	1,033,230	5,553,997	-	5,553,997
113 Cash - Other Restricted	-	21,701	79,034	8,637	-	-	-	109,372	-	109,372
114 Cash - Tenant Security Deposits	113,985	-	-	-	20,758	11,018	-	145,761	-	145,761
100 Total Cash	2,581,727	21,701	203,675	45,477	857,160	1,066,160	1,033,230	5,809,130	-	5,809,130
122 Accounts Receivable - HUD Other Projects	-	-	-	3,359	-	-	-	3,359	-	3,359
125 Accounts Receivable - Miscellaneous	400	-	1,212	-	-	31	-	1,643	-	1,643
126 Accounts Receivable - Tenants	104,547	-	-	-	15,453	812	-	120,812	-	120,812
126.1 Allowance for Doubtful Accounts -Tenants	-35,820	-	-	-	-3,427	-584	-	-39,831	-	-39,831
126.2 Allowance for Doubtful Accounts - Other	-1,314	-	-	-	-508	-	-	-1,822	-	-1,822
127 Notes, Loans, & Mortgages Receivable - Current	23,689	-	720	-	508	100	-	25,017	-12,318	12,699
120 Total Receivables, Net of Allowances for Doubtful Accounts	91,502	-	1,932	3,359	12,026	359	-	109,178	-12,318	96,860
142 Prepaid Expenses and Other Assets	194,484	-	1,378	61	16,937	4,959	289,754	507,573	-	507,573
143 Inventories	79,806	-	-	-	9,646	2,181	-	91,633	-	91,633
143.1 Allowance for Obsolete Inventories	-7,980	-	-	-	-965	-218	-	-9,163	-	-9,163
150 Total Current Assets	2,939,539	21,701	206,985	48,897	894,804	1,073,441	1,322,984	6,508,351	-12,318	6,496,033
161 Land	2,581,882	-	-	-	70,000	41,100	5,000	2,697,982	-	2,697,982
162 Buildings	41,067,826	-	-	-	3,802,760	558,900	134,377	45,563,863	-	45,563,863
163 Furniture, Equipment & Machinery - Dwellings	1,110,015	-	-	-	142,732	4,954	-	1,257,701	-	1,257,701
164 Furniture, Equipment & Machinery - Administration	450,343	-	35,059	-	94,975	-	277,298	857,675	-	857,675
166 Accumulated Depreciation	-31,262,430	-	-35,059	-	-3,959,162	-93,867	-284,733	-35,635,251	-	-35,635,251
167 Construction in Progress	859,795	-	-	-	335,485	-	-	1,195,280	-	1,195,280
160 Total Capital Assets, Net of Accumulated Depreciation	14,807,431	-	-	-	486,790	511,087	131,942	15,937,250	-	15,937,250
171 Notes, Loans and Mortgages Receivable - Non-Current	363,798	-	37,455	-	-	-	-	401,253	-401,253	-
180 Total Non-Current Assets	15,171,229	-	37,455	-	486,790	511,087	131,942	16,338,503	-401,253	15,937,250
200 Deferred Outflow of Resources	325,610	-	43,889	6,547	72,856	9,962	176,207	635,071	-	635,071
290 Total Assets and Deferred Outflow of Resources	18,436,378	21,701	288,329	55,444	1,454,450	1,594,490	1,631,133	23,481,925	-413,571	23,068,354
312 Accounts Payable <= 90 Days	148,579	-	294	1	36,610	6,531	7,450	199,465	-	199,465
321 Accrued Wage/Payroll Taxes Payable	14,969	-	2,301	354	3,788	501	34,906	56,819	-	56,819
322 Accrued Compensated Absences - Current Portion	35,213	-	-	-	1,465	284	-	36,962	-	36,962
325 Accrued Interest Payable	64,379	-	-	-	-	-	-	64,379	-	64,379
331 Accounts Payable - HUD PHA Programs	-	21,701	9,385	8,637	-	-	8,954	48,677	-	48,677
333 Accounts Payable - Other Government	9,896	-	-	-	-	8,217	-	18,113	-	18,113
341 Tenant Security Deposits	113,985	-	-	-	20,758	11,018	-	145,761	-	145,761
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	439,826	-	-	-	-	-	-	439,826	-	439,826
345 Other Current Liabilities	-	-	-	-	-	11,598	720	12,318	-12,318	-
310 Total Current Liabilities	826,847	21,701	11,980	8,992	62,621	38,149	52,030	1,022,320	-12,318	1,010,002

JEFFERSON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.182 N/C S/R Section 8 Programs	1 Business Activities	COCC	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	3,481,280	-	-	-	-	-	-	3,481,280	-	3,481,280
353 Non-current Liabilities - Other	-	-	16,108	-	-	363,799	330,825	710,732	-401,253	309,479
354 Accrued Compensated Absences - Non Current	25,846	-	3,986	1,214	15,370	1,562	27,551	75,529	-	75,529
357 Accrued Pension and OPEB Liabilities	1,409,245	-	189,951	28,336	315,322	43,112	762,630	2,748,596	-	2,748,596
350 Total Non-Current Liabilities	4,916,371	-	210,045	29,550	330,692	408,473	1,121,006	7,016,137	-401,253	6,614,884
300 Total Liabilities	5,743,218	21,701	222,025	38,542	393,313	446,622	1,173,036	8,038,457	-413,571	7,624,886
400 Deferred Inflow of Resources	168,318	-	22,688	3,384	37,661	5,149	91,087	328,287	-	328,287
508.4 Net Investment in Capital Assets	10,886,325	-	-	-	486,790	511,087	131,942	12,016,144	-	12,016,144
511.4 Restricted Net Position	-	-	62,926	-	-	-	-	62,926	-	62,926
512.4 Unrestricted Net Position	1,638,517	-	-19,310	13,518	536,686	631,632	235,068	3,036,111	-	3,036,111
513 Total Equity - Net Assets / Position	12,524,842	-	43,616	13,518	1,023,476	1,142,719	367,010	15,115,181	-	15,115,181
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	18,436,378	21,701	288,329	55,444	1,454,450	1,594,490	1,631,133	23,481,925	-413,571	23,068,354

JEFFERSON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.182 N/C S/R Section 8 Programs	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	753,472	-	-	-	291,712	122,745	-	1,167,929	-	1,167,929
70400 Tenant Revenue - Other	1,699	-	-	-	1,288	-	-	2,987		2,987
70500 Total Tenant Revenue	755,171	-	-	-	293,000	122,745	-	1,170,916	-	1,170,916
70600 HUD PHA Operating Grants	3,518,235	-	3,359,221	103,064	496,229	-	-	7,476,749	-	7,476,749
70610 Capital Grants	613,569	-	-	-	-	-	-	613,569	-	613,569
70710 Management Fee	-	-	-	-	-	-	473,596	473,596	-473,596	-
70720 Asset Management Fee	-	-	-	-	-	-	80,110	80,110	-80,110	-
70730 Book Keeping Fee	-	-	-	-	-	-	104,446	104,446	-104,446	-
70700 Total Fee Revenue	-	-	-	-	-	-	658,152	658,152	-658,152	-
71100 Investment Income - Unrestricted	1,302	-	94	15	-	-	381	1,792	-	1,792
71400 Fraud Recovery	-	-	4,864	-	-	-	-	4,864	-	4,864
71500 Other Revenue	189,053	-	24,705	79	4,416	2,985	15,535	236,773	-	236,773
70000 Total Revenue	5,077,330	-	3,388,884	103,158	793,645	125,730	674,068	10,162,815	-658,152	9,504,663
91100 Administrative Salaries	172,409	-	76,270	11,377	74,429	11,978	306,213	652,676	-	652,676
91200 Auditing Fees	13,470	-	1,800	1,400	1,600	300	631	19,201	-	19,201
91300 Management Fee	388,924	-	84,672	-	-	-	-	473,596	-473,596	-
91310 Book-keeping Fee	51,526	-	52,920	-	-	-	-	104,446	-104,446	-
91400 Advertising and Marketing	501	-	340	-	684	-	785	2,310	-	2,310
91500 Employee Benefit contributions - Administrative	87,171	-	-30,241	8,808	60,567	4,728	85,566	216,599	-	216,599
91600 Office Expenses	81,111	-	23,057	-	18,690	5,229	64,100	192,187	-	192,187
91700 Legal Expense	-	-	-	-	3,331	-	22,294	25,625	-	25,625
91800 Travel	10,776	-	763	3	887	-	1,056	13,485	-	13,485
91900 Other	21,361	-	25,824	115	8,234	389	19,362	75,285	-	75,285
91000 Total Operating - Administrative	827,249	-	235,405	21,703	168,422	22,624	500,007	1,775,410	-578,042	1,197,368
92000 Asset Management Fee	80,110	-	-	-	-	-	-	80,110	-80,110	-
92500 Total Tenant Services	-	-	-	-	-	-	-	-	-	-
93100 Water	291,409	-	-	-	59,317	14,123	1,262	366,111	-	366,111
93200 Electricity	412,867	-	-	-	88,317	16,309	3,700	521,193	-	521,193
93300 Gas	39,121	-	-	-	6,730	-	334	46,185	-	46,185
93600 Sewer	217,174	-	-	-	43,075	10,147	894	271,290	-	271,290
93000 Total Utilities	960,571	-	-	-	197,439	40,579	6,190	1,204,779	-	1,204,779
94100 Ordinary Maintenance and Operations - Labor	371,609	-	-	-	49,700	4,734	-	426,043	-	426,043
94200 Ordinary Maintenance and Operations - Materials and Other	241,826	-	24	-	17,895	683	5,372	265,800	-	265,800
94300 Ordinary Maintenance and Operations Contracts	800,866	-	-	2	135,028	18,048	6,500	960,444	-	960,444
94500 Employee Benefit Contributions - Ordinary Maintenance	185,284	-	-	-	40,980	1,869	-	228,133	-	228,133
94000 Total Maintenance	1,599,585	-	24	2	243,603	25,334	11,872	1,880,420	-	1,880,420
95100 Protective Services - Labor	21,827	-	-	-	2,480	598	-	24,905	-	24,905
95200 Protective Services - Other Contract Costs	112,617	-	-	-	21,039	3,707	-	137,363	-	137,363
95500 Employee Benefit Contributions - Protective Services	11,682	-	-	-	1,317	321	-	13,320	-	13,320

JEFFERSON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.182 N/C S/R Section 8 Programs	1 Business Activities	COCC	Subtotal	ELIM	Total
95000 Total Protective Services	146,126	-	-	-	24,836	4,626	-	175,588	-	175,588
96110 Property Insurance	139,539	-	-	-	6,856	2,901	524	149,820	-	149,820
96120 Liability Insurance	65,418	-	804	-	10,391	2,254	5,759	84,626	-	84,626
96100 Total insurance Premiums	204,957	-	804	-	17,247	5,155	6,283	234,446	-	234,446
96300 Payments in Lieu of Taxes	10,206	-	-	-	10	8,217	-	18,433	-	18,433
96400 Bad debt - Tenant Rents	36	-	-	-	-	-	-	36	-	36
96800 Severance Expense	8,584	-	874	335	5,246	741	10,648	26,428	-	26,428
96000 Total Other General Expenses	18,826	-	874	335	5,256	8,958	10,648	44,897	-	44,897
96720 Interest on Notes Payable (Short and Long Term)	107,070	-	-	-	-	-	-	107,070	-	107,070
96700 Total Interest Expense and Amortization Cost	107,070	-	-	-	-	-	-	107,070	-	107,070
96900 Total Operating Expenses	3,944,494	-	237,107	22,040	656,803	107,276	535,000	5,502,720	-658,152	4,844,568
97000 Excess of Operating Revenue over Operating Expenses	1,132,836	-	3,151,777	81,118	136,842	18,454	139,068	4,660,095	-	4,660,095
97200 Casualty Losses - Non-capitalized	158,164	-	-	-	-	-	-	158,164	-	158,164
97300 Housing Assistance Payments	-	-	2,978,568	79,354	-	-	-	3,057,922	-	3,057,922
97350 HAP Portability-In	-	-	11,856	-	-	-	-	11,856	-	11,856
97400 Depreciation Expense	1,255,135	-	-	-	60,616	14,893	6,269	1,336,913	-	1,336,913
90000 Total Expenses	5,357,793	-	3,227,531	101,394	717,419	122,169	541,269	10,067,575	-658,152	9,409,423
10010 Operating Transfer In	18,714	-	-	-	-	-	-	18,714	-18,714	-
10020 Operating transfer Out	-18,714	-	-	-	-	-	-	-18,714	18,714	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-280,463	-	161,353	1,764	76,226	3,561	132,799	95,240	-	95,240
11020 Required Annual Debt Principal Payments	439,826	-	-	-	-	-	-	439,826	-	439,826
11030 Beginning Equity	12,805,305	-	-117,737	11,754	947,250	1,139,158	234,211	15,019,941	-	15,019,941
11170 Administrative Fee Equity	-	-	-19,310	-	-	-	-	-19,310	-	-19,310
11180 Housing Assistance Payments Equity	-	-	62,926	-	-	-	-	62,926	-	62,926
11190 Unit Months Available	8,011	-	8,016	-	1,200	312	-	17,539	-	17,539
11210 Number of Unit Months Leased	6,870	-	7,056	-	1,089	301	-	15,316	-	15,316

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JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/ *Pass-Through Grantor/* Program/Title	**Federal CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Awards:		
Public and Indian Housing Program	14.850	$ 3,401,315
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	3,359,221
Total Housing Voucher Cluster		3,359,221
Public Housing Capital Fund	14.872	730,489
Section 8 Project Based Program Cluster:		
Section 8 New Construction and Substantial Rehabilitation	14.182	496,229
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	103,064
Total Section 8 Project Based Program Cluster		599,293
Total Direct Programs		8,090,318
Total U.S. Department of Housing and Urban Development		8,090,318
Total Expenditures of Federal Awards		$ 8,090,318

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Jefferson Metropolitan Housing Authority under programs of the Federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jefferson Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Jefferson Metropolitan Housing Authority.

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

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

NOTE 3: **INDIRECT COST RATE**

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

NOTE 4: **SUBRECIPIENTS**

The Authority provided no federal awards to subrecipients during the year ended December 31, 2019.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
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Garfield Hts., Ohio 44125

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Jefferson Metropolitan Housing Authority
Steubenville, Ohio

Regional Inspector General for Audit
Department of Housing and Urban Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Jefferson Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended December 31, 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 October 15, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Jefferson Metropolitan Housing Authority, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

__Compliance and Other Matters__

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

__Purpose of this Report__

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

James G. Zupka, CPA, President

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James G. Zupka, CPA, Inc.
Certified Public Accountants

October 15, 2020

JAMES G. ZUPKA, C.P.A., INC.
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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Jefferson Metropolitan Housing Authority
Steubenville, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Jefferson Metropolitan Housing Authority, Ohio's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Jefferson Metropolitan Housing Authority, Ohio's major federal program for the year ended December 31, 2019. The Jefferson Metropolitan Housing Authority, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance 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 express an opinion on compliance for the Jefferson Metropolitan Housing Authority, Ohio's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion on compliance for the Authority's major federal program. However, our audit does not provide a legal determination of the Jefferson Metropolitan Housing Authority, Ohio's compliance.

Opinion on Each Major Federal Program

In our opinion, the Jefferson Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Jefferson Metropolitan Housing Authority, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to 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.

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

James G. Zupka, CPA, President

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James G. Zupka CPA, Inc.
Certified Public Accountants

October 15, 2020

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2019

1. SUMMARY OF AUDITOR'S RESULTS

2019(i)	Type of Financial Statement Opinion	Unmodified
2019(ii)	Were there any material control weakness conditions reported at the fiancial statement level (GAGAS)?	No
2019(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2019(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2019(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2019(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2019(v)	Type of Major Programs' Compliance Opinion	Unmodified
2019(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2019(vii)	Major Programs (list):	
	Public and Indian Housing Program CFDA #14.850	
2019(viii)	Dollar Threshold: Type A\B Programs	Type A: $750,000 Type B: All Others
2019(ix)	Low Risk Auditee?	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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

The audit report for the fiscal year ending December 31, 2018, did not include any findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

OHIO AUDITOR OF STATE
KEITH FABER

JEFFERSON COUNTY METROPOLITAN HOUSING AUTHORITY

JEFFERSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/29/2020

88 East Broad Street, Columbus, Ohio 43215
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