LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2019

LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY
DECEMBER 31, 2019

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OHIO AUDITOR OF STATE
KEITH FABER

One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Lucas Metropolitan Housing Authority
Lucas County
435 Nebraska Avenue
Toledo, Ohio 43604

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of Lucas Metropolitan Housing Authority, Lucas County, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lucas Metropolitan Housing Authority, Lucas County, Ohio as of December 31, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Financial Data Schedules present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents 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 financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2020, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State

Columbus, Ohio

October 12, 2020

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Introduction

This Management's Discussion and Analysis (MD&A) of the Lucas Metropolitan Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lucas Metropolitan Housing Authority for the year ended December 31, 2019. The Lucas Metropolitan Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2019, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Lucas Metropolitan Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows or resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the year ended December 31, 2019, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2019.

Program Information

Low Income Public Housing: The Authority owns 2,643 units in Lucas County, Ohio. Under the low income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on a percentage of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority's properties.

Section 8 Housing Choice Vouchers: The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing. The Authority currently administers 4,657 vouchers among the various Section 8 Programs, including Housing Choice Voucher, Mainstream 5, Mod Rehab and other programs.

Capital Funds Grants: The Authority receives additional funding from HUD for physical and management improvements to its units within the Low Income Public Housing Program, under the same Annual Contributions Contract. This program provides funding for large-scale improvements or unplanned emergencies that are not covered by the operating subsidy amount previously mentioned.

Resident Service Grants: The Authority administers this program through funding awarded by HUD to provide additional assistance to residents with special needs. The Authority also provides community outreach connections that provide such assistance, for improved quality of life within the Low Income Public Housing community.

Home Improvement Partnership Program: The Authority administers this program through funding awarded by the City of Toledo that passed through funding from HUD. The grant from the City of Toledo provided a portion of the mixed financing agreement related to the Collingwood Green Phase I construction project. The objective of the Home Improvement Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low and very low income Americans.

Non-HUD/Business Activities Programs: This area includes programs such as: contract administration, a consortium with other housing authorities in Ohio to manage site-based properties for HUD; the Veterans Fund, a discretionary pool of funding from a variety of activities; the Homeownership Funds, proceeds from the old Turnkey III program, utilized to provide opportunities for low-income families to become homeowners; and the Central Office Cost Center, the management entity related to the operation of the Housing Authority created through the implementation of the asset management program.

Health Profession Opportunity Grants (HPOG): The HPOG is administered by the Administration for Children and Families, U.S. Department of Health & Human Services, was created to provide education and training to TANF recipients and other low-income individuals for occupations in the health care field that pay well and are expected to either experience labor shortages or be in high demand. The LMHA has partnered with a third party to implement and manage a Northwest Ohio Pathways to Healthcare Careers Project, which utilizes the grant to fund Community and Success Coach positions that facilitate "Bridges Out of Poverty" trainings for LMHA resident clients participating in the Project.

Blended Component Units:
Westridge Apartments Development Corporation: Through the Westridge Apartments Development Corporation, the Authority owns and operates a 190-unit apartment complex as a component unit of the Agency. This is a market rate rental site.

Collingwood Green Phase I: Through the Collingwood Green Phase I, LP, a 65 unit mixed-finance and mixed income apartment community was constructed in 2013. The development includes 65 units of housing owned by Collingwood Green Phase I, LP, of which 33 units are public housing units developed using Capital Funds received by the Authority from HUD, and a mixed-finance amendment to the Annual Contributions Contract.

Collingwood Green Phase II: Through the Collingwood Green Phase II, LP, another mixed-finance and mixed income townhome community was constructed in 2015. This development consists of 66 housing units, owned by Collingwood Green Phase II, LP, of which 33 units are public housing and were developed using Capital Funds received by the Authority from HUD, and mixed-finance amendment to the Annual Contributions Contract.

Collingwood Green Phase III, LP, was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

Lucas Housing Services Corporation: Through the Lucas Housing Services Corporation, a wholly owned non-profit corporation, the Authority acquired 53 parcels in 2013, from the Lucas County Land Reutilization company for the purpose of rehabilitating the single family dwellings to be resold to buyers who are unable to obtain conventional mortgages.

Parqwood Apartments LP: In October 2014, the Authority was awarded a new Rental Assistance Demonstration (RAD) project from HUD. This was the first award made with this new funding source, which allowed the Authority to renovate a former public housing development and lease it under the PBRA Section 8 housing assistance program. The Parqwood Apartments LP was created to manage this newly renovated 136 unit apartment building.

Financial Highlights

- The Lucas Metropolitan Housing Authority's net position increased from $55,354,980 to $61,814,330, an increase of $6,459,350 or 12%. Total assets increased by $12,959,724 or 13%.

- Total revenue increased from $56,862,560 to $66,065,634, an increase of $9,203,074 or 16%.

- Total expenses increased by $3,101,785 or 6%, from $56,115,024 to $59,216,809 for the current year.

- At the end of the 2019 fiscal year, the Authority completed construction of certain units in the Collingwood Green III property. Units are currently being leased in the 2020 fiscal year.

Housing Authority Activities & Highlights

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended December 31, 2019, and December 31, 2018.

Summary Statement of Net Position
As of December 31, 2019 and 2018

Category	12/31/2019	12/31/2018	Change $	Change %
Current Assets	$ 22,118,960	$ 16,365,071	$ 5,753,889	35%
Noncurrent Assets	$ 91,985,910	$ 84,780,075	$ 7,205,835	8%
Total Assets	$ 114,104,870	$ 101,145,146	$ 12,959,724	13%
Deferred Outflow of Resources	$ 4,265,864	$ 2,226,745	$ 2,039,119	92%
Current Liabilities	$ 8,205,726	$ 4,607,944	$ 3,597,782	78%
Non Current Liabilities	$ 48,141,045	$ 41,300,258	$ 6,840,787	17%
Total Liabilities	$ 56,346,771	$ 45,908,202	$ 10,438,569	23%
Deferred Inflow of Resources	$ 209,633	$ 2,108,709	$ (1,899,076)	-90%
Unrestricted	$ (9,773,884)	$ (7,249,128)	$ (2,524,756)	35%
Restricted	$ 8,977,495	$ 6,790,955	$ 2,186,540	32%
Net Investment in Capital Assets	$ 62,610,719	$ 55,813,153	$ 6,797,566	12%
Total Net Position	$ 61,814,330	$ 55,354,980	$ 6,459,350	12%

Current Assets

Current assets increased by $5,753,889 during the current year. The majority of the increase was attributed to the increase in cash and investment balances which increased from a 2018 level of $14,862,348 to a 2019 level of $20,828,957, an increase of $5,966,609. Increases include cash balances accumulated in the Collingwood Green III for construction costs. In addition, operating profits generated by the Low Rent Program and transfers of funds (BLI 1406) from the Capital Fund Program had a direct impact to the increased cash balances.

Noncurrent Assets

Noncurrent assets increased from $84,780,075 to $91,985,910 during the current year. This will be discussed in further sections.

Current Liabilities

Current liabilities increased by $3,597,782 from the previous year. This increase is primarily due to the payable balance owed as of the end of the 2019 fiscal year for unpaid construction costs associated with Collingwood Green III totaling $3,741,933.

Noncurrent Liabilities

Noncurrent liabilities increased from a 2018 balance of $41,300,258 to a 2019 balance of $48,141,045, a net increase of $6,840,787. Notable variances from the previous year included the following items;

- The OPEB liability balance associated and managed by the Ohio Public Employees Retirement System increased by $954,456 from the previous 2018 fiscal year.

- The pension liability managed by the Ohio Public Employees Retirement System increased from a 2018 balance of $7,083,174 to a 2019 balance of $12,438,769, an increase of $5,355,595.

- Additional debt was incurred for the construction of the Collingwood Green III project in the amount of $1,520,190 during the 2019 fiscal year.

Net Position

The net position of the Authority increased by $6,459,350, or 12%, from the previous fiscal year.

The Authority's unrestricted component of net position changed from $(7,249,128) to $(9,773,884), a net decrease of $2,524,756, due primarily to the increase of the OPEB and Pension liability balances as noted above. The unrestricted component of net position represents the amount available for future appropriations.

The restricted component of net position increased by $2,186,540 or 32% from the previous fiscal year balance. The majority of the increase is due to the restricting of cash balances and reserves related to the Collingwood Green III's project.

Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended December 31, 2019 and 2018

Category	12/31/2019	12/31/2018	Change $	Change %
Revenues:				
Tenant Revenue	$ 7,854,695	$ 7,839,325	$ 15,370	0%
Government Operating Grants	$ 52,006,110	$ 41,120,449	$ 10,885,661	26%
Capital Grants/Contributions	$ 927,122	$ 2,449,083	$ (1,521,961)	-62%
Other Revenue	$ 5,153,867	$ 5,398,040	$ (244,173)	-5%
Interest Income	$ 123,840	$ 55,663	$ 68,177	122%
Total Revenue	$ 66,065,634	$ 56,862,560	$ 9,203,074	16%
Expenses:				
Administration	$ 9,629,423	$ 8,095,933	$ 1,533,490	19%
Tenant Services	$ 1,153,315	$ 1,344,504	$ (191,189)	-14%
Utilities	$ 3,654,014	$ 3,374,311	$ 279,703	8%
Ordinary Maintenance	$ 9,761,486	$ 8,419,499	$ 1,341,987	16%
Protective Services	$ 779,446	$ 286,435	$ 493,011	172%
General/Insurance Expense	$ 3,076,185	$ 3,266,081	$ (189,896)	-6%
Nonroutine Maintenance	$ 100,491	$ -	$ 100,491	N/A
Depreciation	$ 5,545,472	$ 5,825,073	$ (279,601)	-5%
Housing Assistance Payments	$ 24,432,463	$ 24,415,608	$ 16,855	0%
Interest Expense	$ 1,084,514	$ 1,087,580	$ (3,066)	0%
Total Expenses	$ 59,216,809	$ 56,115,024	$ 3,101,785	6%
Excess (Deficiency) Before Casualty Losses	$ 6,848,825	$ 747,536	$ 6,101,289	816%
Casualty Losses	$ -	$ 76,789	$ (76,789)	-100%
Change in Net Position	$ 6,848,825	$ 670,747	$ 6,178,078	921%
Net Position, Beginning of Year	$ 55,354,980	$ 59,927,879	$ (4,572,899)	-8%
Prior Period Adjustment	$ (389,475)	$ (5,243,646)	$ 4,854,171	-93%
Net Position, End of Year	$ 61,814,330	$ 55,354,980	$ 6,459,350	12%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue increased by $9,203,074 or 16% compared to the previous fiscal year. Significant changes in revenue accounts consist of the following items:

- The majority of the revenue increase was related to operating grants. A significant increase of operating grants related to the Public Housing and Capital Fund Program increased by $10,181,329. Of this amount, the Authority utilized $4,698,787 of Capital Fund Program funds to aid in the construction of the Collingwood Green III project.

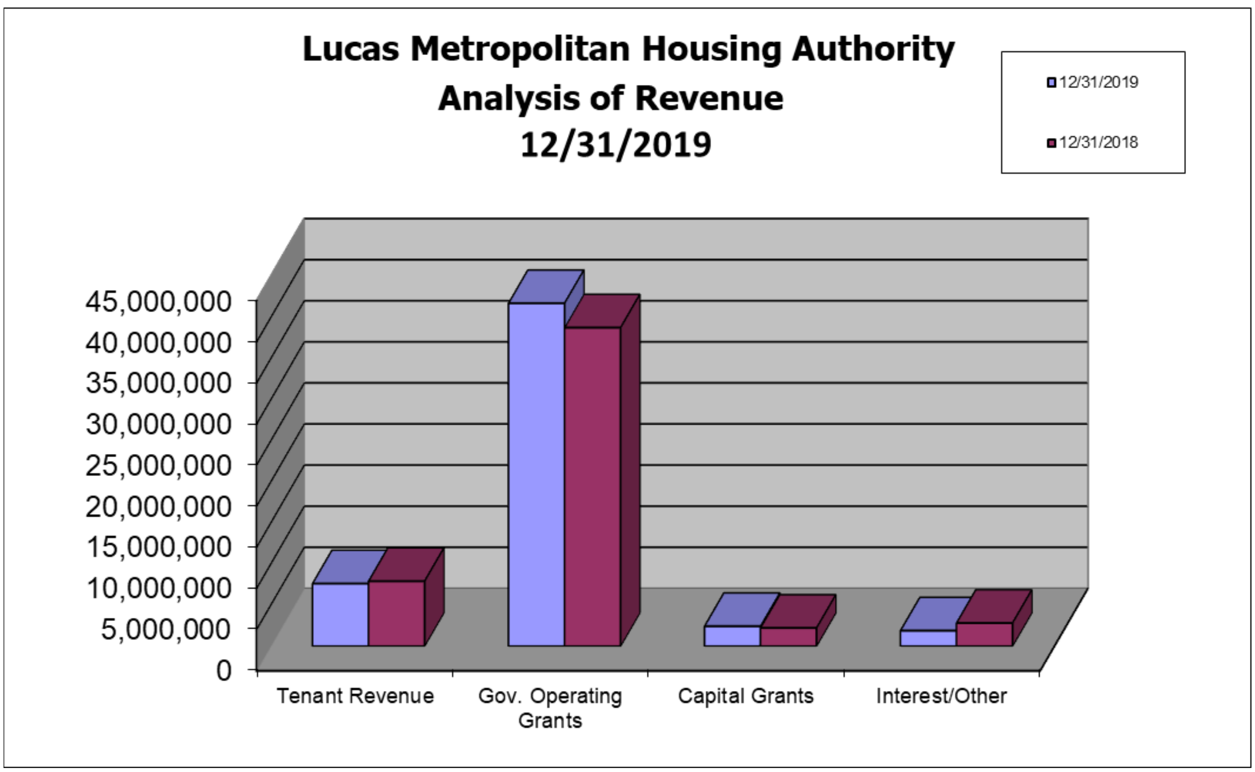
Total expenses increased by $3,101,785. Significant variances between the years include the following:

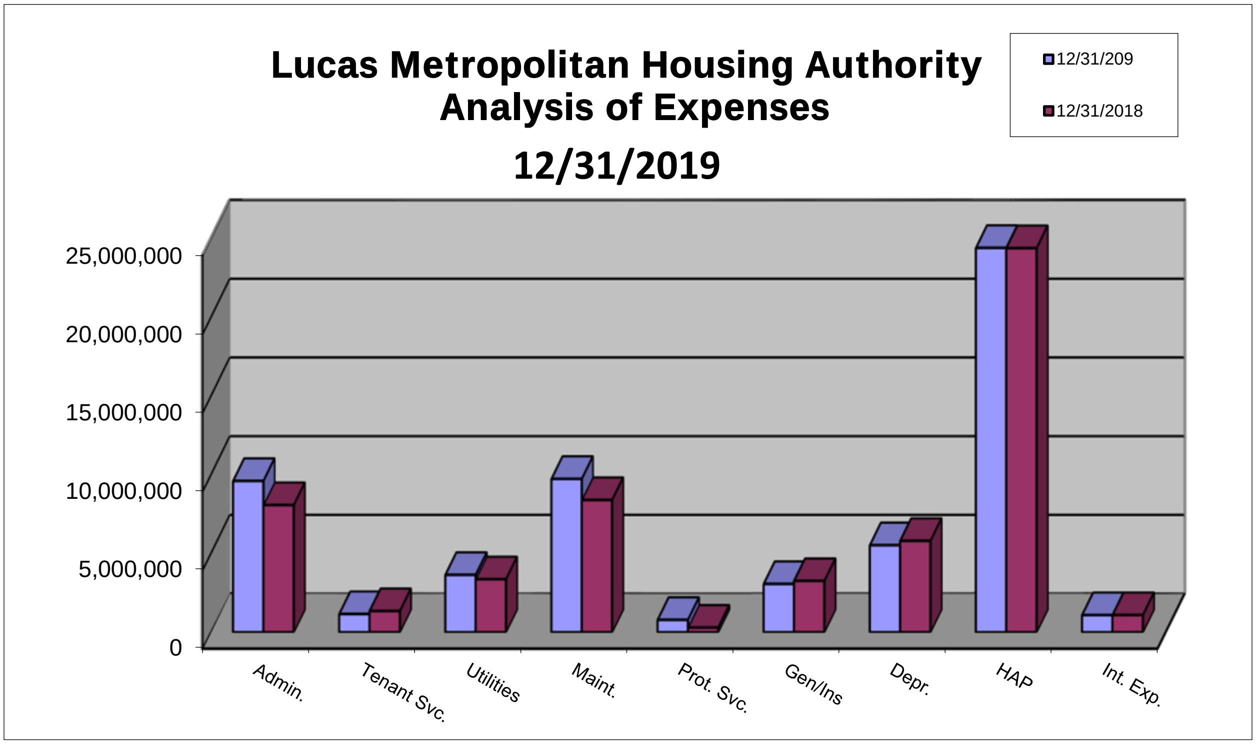
- Administration increased by $1,533,490 or 19%, from $8,095,933 in 2018 to $9,629,423. A large amount of the increase was related to employee benefits stemming from the increased costs related to OPERS. Administrative employee benefit costs increased by $985,831. Other administrative costs and office expense also increase by $582,856 since the previous year.

- Ordinary maintenance expense increased by $1,341,987 for the 2019 fiscal year. As noted in the administrative section, employee benefit costs also increased for the maintenance category by $808,051. Maintenance contract cost also increased by $490,181.

- Protective service expenses increased by $493,011 for the 2019 fiscal year due to a significant effort by the Authority to increase security services at the AMPs.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:





Capital Assets

As of December 31, 2019, the Authority's net investment in capital assets was $62,610,719. This investment includes land, building improvements, equipment, and construction in progress, net of accumulated depreciation and related debt.

Category	12/31/2019	12/31/2018	Change $	Change %
Land	$ 8,067,367	$ 8,067,695	$ (328)	0%
Buildings	$ 233,743,675	$ 218,056,184	$ 15,687,491	7%
Equipment	$ 3,342,018	$ 3,201,331	$ 140,687	4%
Construction in Progress	$ 826,806	$ 3,981,851	$ (3,155,045)	-79%
Accumulated Depreciation	$ (155,626,121)	$ (150,098,935)	$ (5,527,186)	4%
Total Net Capital Assets	$ 90,353,745	$ 83,208,126	$ 7,145,619	9%

- Buildings increased by $15,687,491 during the current fiscal year. This was related primarily to the construction cost incurred for the Collingwood Green III project.
- Equipment increased by $140,687, with most of the increase attributable to equipment for the Collingwood Green III project.

Long-Term Debt Activity

The Authority has incurred additional debt related to the funding of construction costs for the Collingwood Green III project in the amount of $1,520,190.

Subsequent Event

Due to the 2020 Congressional Appropriations, the Authority's operating subsidy provided by HUD for the Low Rent Housing Program is estimated to be 96.54% for the calendar year 2020.

The estimated amount of funding for the 2020 calendar year for the Housing Choice Voucher Program will include the proration of administrative fees at 81% and HAP funding at 99.4%.

Lucas Metropolitan Housing Authority received HUD's Jobs Plus Grant in the amount of $2.3 million to assist unemployed residents who live in the Ravine Park Village and Birmingham Terrace development communities. The residents will receive job readiness training, supportive services and barrier removal to jobs. The purpose of the Jobs Plus Program is to develop locally based, job-driven approaches to increase earnings and advance employment outcomes through work readiness, employer linkages, job placement, educational advancement technology skills, and financial literacy for residents of public housing. LMHA will partner with various community organizations to provide these services to residents.

Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program to aid in the preventing, preparing and responding to the COVID-19 virus. This funding, totaling $1,912,170, has been obligated to the Authority. CARES Act funding for the Housing Choice Voucher program was disbursed in the amount of $559,296. The supplemental funding must be spent by December 31, 2020.

Executive Director Change

Demetria Simpson resigned from her position as President/CEO on March 13th, 2020. On March 9th, 2020 Joaquin Cintron Vega was appointed President/CEO.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Lucas Metropolitan Housing Authority
Attn: Executive Director
435 Nebraska Avenue,
Toledo, OH 43604

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Unrestricted	$ 10,689,848
Restricted	9,868,828
Investments	
Restricted	270,281
Accounts Receivable (Net of Allowance)	
Grants	570,062
Tenant	342,025
Miscellaneous	97,784
Prepaid Items	280,132
Total Current Assets	22,118,960
Noncurrent Assets:	
Capital Assets	
Land & Construction in Progress	8,894,173
Other Capital Assets, Net of Depreciation	81,459,572
Total Capital Assets	90,353,745
Other Non-Current Assets	
Notes, Loans, and Mortgages Receivable	1,037,526
Other Assets	594,639
Total Other Non-Current Assets	1,632,165
Total Noncurrent Assets	91,985,910
Total Assets	114,104,870
DEFERRED OUTFLOW OF RESOURCES	
Deferred Outflow of Resources - Pension Plan/OPEB	4,265,864

See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION –CONT.
DECEMBER 31, 2019

LIABILITIES	
Current Liabilities:	
Accounts Payable	3,408,992
Accounts Payable - Other Government	192,726
Wages/Payroll Payable	688,690
Unearned Revenue	592,510
Accrued Employee Leave (current)	113,150
Interest Payable	247,875
Tenant Security Deposits	397,970
Bonds and Notes Payble (current)	1,539,000
Other Current Liabilities	1,024,813
Total Current Liabilities	8,205,726
Noncurrent Liabilities:	
Accrued Employee Leave (net of current)	922,074
Bonds and Notes Payable (net of current)	26,204,026
Pension Liability	12,438,769
OPEB Liability	6,166,903
Other	2,409,273
Total Noncurrent Liabilities	48,141,045
Total Liabilities	56,346,771
DEFERRED INFLOW OF RESOURCES	
Deferred Inflow of Resources - Pension Plan/OPEB	209,633
NET POSITION	
Net Investment in Capital Assets	62,610,719
Restricted Net Position	8,977,495
Unrestricted	(9,773,884)
Total Net Position	$ 61,814,330

See accompanying notes to the basic financial statements.

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

OPERATING REVENUES	
Tenant Revenue	$ 7,854,695
Operating Grants	52,006,110
Other Revenue	5,153,867
Total Operating Revenues	65,014,672
OPERATING EXPENSES	
Administrative	9,629,423
Tenant Services	1,153,315
Utilities	3,654,014
Maintenance	9,761,486
Protective Services	779,446
Insurance/General	3,076,185
Non-Routine Maintenance	100,491
Housing Assistance Payments	24,432,463
Depreciation	5,545,472
Total Operating Expenses	58,132,295
Net Operating Income	6,882,377
NONOPERATING REVENUES (EXPENSES)	
Interest Income	123,840
Interest Expense	(1,084,514)
Net Nonoperating Revenues (Expenses)	(960,674)
Net Income Before Contributions & Transfers	5,921,703
Capital Contributions (HUD Funding)	927,122
Change in Net Position	6,848,825
Net Position-Beginning of Year	55,354,980
Prior Period Adjustments (Net)	(389,475)
Net Position-End of Year	$ 61,814,330

See accompanying notes to the basic financial statements.

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Grantor	$	52,034,948
Cash Received from Tenants		7,940,786
Cash Received from Misc. Sources		7,853,047
Cash Payments to Employees		(7,359,429)
Cash Payments to Vendors		(20,940,224)
Cash Payments for Rental Assistance		(24,432,463)
Prior Year Adjustment		(189,609)
Net Cash Provided in Operating Activities		**14,907,056**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received		123,840
Net Cash Paid on Increase of Mortgages Receivable		(108,629)
Redemption/(Purchase) of Investments		486,513
Net Cash Provided by Investing Activities		**501,724**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grant Funding		927,122
Interest Paid on Long Term Debt		(1,081,809)
Issuance of Notes Payable		1,520,190
Principal Retirement on Long-Term Debt		(1,172,137)
Property and Equipment Purchased		(9,149,024)
Net Cash Used in Financing Activities		**(8,955,658)**
Net Increase in Cash		**6,453,122**
Cash and Cash Equivalents-Beginning of Year		14,105,554
Cash and Cash Equivalents-End of Year		**20,558,676**
Reconciliation to Cash Accounts:		
Cash Equivalents-Unrestricted		10,689,848
Cash Equivalents-Restricted		9,868,828
Total Cash Equivalents	**$**	**20,558,676**

LUCAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS – CONT.
FOR THE YEAR ENDED DECEMBER 31, 2019

RECONCILIATION OF NET OPERATING LOSS TO CASH PROVIDED IN OPERATING ACTIVITIES:

Net Operating Income	$	6,882,377
Adjustments to Reconcile Net Operating Income to Net Cash Provided in Operating Activities:		
Depreciation		5,545,472
Increase in Accounts Receivable (Operations)		(53,092)
Decrease in Prepaid Expenses		265,812
Decrease in Other Assets		48,413
Decrease in Accounts Payable (Operations)		(2,262,484)
Increase in Wages/Payroll Payable		296,949
Increase in Compensated Absences		84,299
Decrease in Tenant Security Deposits		(19,707)
Increase in Other Current Liabilities		885,584
Increase in Unearned Revenue (Operations)		471,244
Increase in Other Noncurrent Liabilities		579,942
Increase in Deferred Outflows		(2,039,119)
Increase in Pension Liability		6,310,051
Decrease in Deferred Inflows		(1,899,076)
Prior Year Adjustment (Operations)		(189,609)
Net Cash Provided in Operating Activities	**$**	**14,907,056**

Non-cash Transactions Affecting Financial Position

Acquisition of capital assets accrued as a liability at 12/31/19	**$**	**3,741,933**

NOTE 1 – REPORTING ENTITY

The financial statements of the Lucas Metropolitan Housing Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. The Governmental Accounting Standards Board ("GASB") is the governing standard-setting body for establishing governmental accounting and financial reporting standards. The most significant accounting policies of the Authority are described below.

Reporting Entity

The Authority was established under the Ohio Revised Code, Section 3735.27 and applicable federal laws established by the Department of Housing and Urban Development. The Mayor of the City of Toledo appoints the Chairman and the Vice Chairman of the five-member board of commissioners who have governance responsibility over all activities related to the Authority. Lucas County Probate Court appoints the Resident Commissioner. The other two Commissioners are appointed by the Lucas County Board and the Lucas County Court of Common Pleas. 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 Authority's basic financial statements include all organizations, activities, and functions that comprise the Housing Authority. Component units are legally separate entities for which the Housing Authority is financially accountable. The decision to include a component unit in the reporting entity is defined by applying the criteria identified by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 61, *The Financial Reporting Entity: Omnibus*.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Board of Commissioners of the Housing Authority or the component unit provides services entirely to the Housing Authority. These component units are blended into those of the Housing Authority by appropriate activity type to compose the primary government presentation.

These financial statements present the Authority and its blended component units; entities for which the Authority is considered to be financially accountable and which serve as the Authority's instruments to enhance its purpose to build and maintain affordable housing to low- and moderate-income families. All inter-entity balances and transactions are eliminated in the blending of financials statements.

NOTE 1 – REPORTING ENTITY – Continued

Blended Component Units

The *Westridge Apartments Development Corporation* (WADC), was formed in 2006 for the purpose of owning and operating a mixed-income apartment complex. WADC maintains a separate office and staff. The fiscal year end of WADC is December 31, 2019.

Collingwood Green Phase I, LP, was established as a wholly owned for-profit corporation which began operations in 2012 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Senior Complex, a 65 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA. Collingwood Green Phase I, LP, is managed by a third party agent and has fiscal year end of December 31, 2019.

Collingwood Green Phase II, LP, was established as a wholly owned for-profit corporation which began operations in 2014 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Townhouse Complex, a 66 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA.

Collingwood Green Phase III, LP, was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

Parqwood Apartments, LP, was established in 2014. This development is the product of the Rental Assistance Demonstration program (RAD) transferring the public housing project to a Project Based Rental Assistance (PBRA) funding stream. Parqwood Apartments, LP, consists of 134 units and is managed by a third party managing agent. The component unit has a fiscal year end of December 31, 2019.

Lucas Housing Services Corporation was established as a wholly owned non-profit corporation of the Authority in 2013 primarily for the purpose of purchasing and rehabilitating 53 single family dwelling units for subsequent resale to buyers who are unable to obtain conventional mortgages.

Separate financial statements have been issued for Parqwood Apartments, LP, Collingwood Green Phase I, LP, and Collingwood Green Phase II, LP, and may be requested in writing at the Lucas Metropolitan Housing Authority, P.O. Box 477, Toledo, Ohio, 43697-0477, to the attention of the Chief Financial Officer.

NOTE 1 – REPORTING ENTITY – Continued

Government-Wide Financial Statements

The Government-wide financial statements (the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows) report on the Authority as a whole. The statement of revenues, expenses, and the changes in net position demonstrates the degree to which the direct expenses of the Authority's function are offset by program revenues. Direct expenses are those that are clearly identifiable with the Authority's function. Program revenues include: 1) tenant revenue, 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of the Authority's programs, and 3) asset management fees. The statement of cash flows presents changes in cash resulting from operating, financing and investing activities.

This report includes the financial statements of the funds required to be accounted for and those activities and functions that are related to the Authority and are controlled by or depend upon the Authority's governing body, the Board of Commissioners. The Authority is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, *The Financial Reporting Entity*.

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

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

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

All of the activities of the Authority are reported as business-type activities as a proprietary fund. These funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority reports its various programs and activities as a single enterprise fund and

NOTE 1 – REPORTING ENTITY – Continued

its primary operations comprised a number of housing and grant programs. A summary of the significant programs administered by the Authority is provided below:

The properties are owned, maintained, and managed by the Authority. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals.

Public Housing Program – operates under HUD's Annual Contributions Contract and consists of the operations of low-rent public housing properties totaling 2,643 units. The purpose of the program is to provide decent, safe, and affordable housing to low-income families at reduced rents.

Section 8 Program – consists of different Section 8 housing programs including the Housing Choice Voucher (HCV) Program, Moderate Rehabilitation Program, and Mainstream. The HCV Program provides rental assistance payments on behalf of low-income families to units owned and managed by private landlords. Eligible units total 4,663 units.

Central Office Cost Center – consists of a business activity used to account for a fee-for-service model with the charging of management and bookkeeping fees based on rates established by HUD. Fees are charged to the various programs as a fee per unit leased or as a percentage of revenue.

Grant Programs - consists of various grants awarded to the Authority used to supplement services provided to residents related to self-sufficiency, resident services, and improvements of neighborhoods.

Component Units - The following component units have been blended into the Authority's overall financial statements.

- *Westridge Apartments Development Corporation (WADC);*
- *Parqwood Apartments, LP*
- *Collingwood Green Phase I, LP;*
- *Collingwood Green Phase II, LP;*
- *Collingwood Green Phase III, LP; and*
- *Lucas Housing Services Corporation.*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met and qualifying expenditures have occurred. Capital grant funds used to acquire or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met. The principal operating revenues of the Authority's proprietary funds are tenant rental revenue, government operating grants such as

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

HUD operating grants, and Housing Assistance Payments, since they are used to subsidize rents at Authority-owned properties.

B. Cash and Cash Equivalent

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less at the time of purchase are reported as cash equivalents on the financial statements.

C. Restricted Assets

Restricted cash and investments include assets to be used for debt servicing related to the Capital Fund Financing Program and the Energy Performance Contract, tenant security deposits, excess HAP funding, and Family Self Sufficiency ("FSS") funds held in escrow for families who successfully fulfill the program requirements.

D. Budget

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

E. Investments

Investments are reported at fair value which is based on quoted market prices. For investments in open-end money market mutual funds, fair value is determined by the fund's current share price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends are included in the statement of revenues, expenses, and changes in net position.

F. Tenant Receivables and Recognition of Bad Debts

Tenant receivables are stated at net rent amounts. Tenant accounts are generally collectible as long as the tenant is occupying the unit. Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

G. Capital Assets

Capital assets are recorded at cost. Costs in excess of $5,000 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Donated capital assets are valued at acquisition cost. Capital assets are depreciated using the straight-line method over the following useful lives:

- Buildings and improvements 15-40 years
- Land improvements 10-20 years
- Furniture and fixtures, equipment, and moving vehicles 5-7 years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

H. Capitalization of Interest

The Authority's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset.

I. 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.

Compensated absences are expensed when earned with the amount reported as a liability.

J. Deferred Inflow/Outflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows or resources are reported for pension related activities.

In addition to liabilities, the statement of financial 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 include pension. Deferred inflows of resources related to pension are reported on the statement of net position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

L. Operating Revenues and Expenses

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

M. Capital Contributions

Capital contributions arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

N. Pensions/OPEB Liability

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

O. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

P. Inter-Program Receivables and Payables
During the normal course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “inter-program due from” or “inter-program due to” on the balance sheet. Reimbursements between funds are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund being reimbursed.

NOTE 3 – CASH AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

NOTE 3 – CASH AND INVESTMENTS - Continued

4. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

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 (OPCS).

Deposits

At December 31, 2019, the carrying amount of the Authority's deposits was $20,558,676 (including $4,490 of petty cash). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2019, $21,027,524 of the Authority's bank balance of $21,027,524 was covered by Federal Depository Insurance and OPCS.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds.

Investments

HUD, state statute and board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority's investments at December 31, 2019 were as follows:

NOTE 3 – CASH AND INVESTMENTS - Continued

		Investment Maturities (in Years)
Investment Type	Fair Value	Less than 1 Year
Government Securities	$ 270,281	$ 270,281

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority's investment policy has no requirements beyond what the Ohio Revised Code requires.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has $270,281 of government agency securities that are invested in Federal Treasury Obligations, which are government-sponsored agencies, and of which the principal and interest are implicitly guaranteed by the United States government. The Standard and Poor's credit rating for the Federal Treasury Obligations securities held is AAA.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest with one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable balance consists of the following items as of December 31, 2019. All receivables are considered collectible in full.

Accounts Receivable Item	**Amount**
Tenants (Net of Allowance, $251,365)	$ 342,025
HUD (Operating Grants)	91,902
HUD (Capital Fund)	410,676
Other Government Grants Rec.	67,484
Notes Receivable (Current Portion)	21,308
Other	76,476

NOTE 5 – NOTES/MORTGAGE RECEIVABLE

(a) Other Than from Blended Component Units

Item	**Balance at December 31, 2019**	**Due within one year**
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	$502,731	$21,308
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	$60,367	$1,628

(b) Home Mortgages

Through the Lucas Housing Service Corporation, the Authority provides opportunities for qualified individuals to purchase homes by offering soft second mortgages for homes that have been rehabbed by the Authority along with a few first mortgages. As of December 31, 2019, the mortgage receivable balance was $472,800.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 is reported in the following table.

	Balance at 1/1/2019	Additions	Retirements	Adjustments	Balance at 12/31/19
Capital assets not being depreciated					
Land	$ 8,067,695	$ -	$ 328	$ -	$ 8,067,367
Construction in Progress	3,981,851	532,122	3,308,984	(378,183)	826,806
Total capital assets not being depreciated	12,049,546	532,122	3,309,312	(378,183)	8,894,173
Capital assets being depreciated					
Buildings and Improvements	218,056,184	16,223,693	522,334	(13,868)	233,743,675
Furniture and Equipment	3,201,331	150,046	9,359	-	3,342,018
Total capital assets, being depreciated	221,257,515	16,373,739	531,693	(13,868)	237,085,693
Less Accumulated depreciation for:					
Buildings and Improvements	147,825,256	5,403,205	8,927	-	153,219,534
Furniture and Equipment	2,273,679	142,267	9,359	-	2,406,587
Total Accumulated Depreciation	150,098,935	5,545,472	18,286	-	155,626,121
Total capital assets, being depreciated, net	71,158,580	10,828,267	513,407	(13,868)	81,459,572
Net Capital Assets	**$ 83,208,126**	**$ 11,360,389**	**$ 3,822,719**	**$ (392,051)**	**$ 90,353,745**

NOTE 7 – ACCRUED LEAVE

Vacation and sick leave policies are established by agreement between the Authority and the American Federation of State, County and Municipal Employees, AFL-CIO, for members of the bargaining unit, and by personnel policy for management employees not covered by the labor agreement.

For both union and nonunion employees, these agreements provide for two weeks of paid vacation after one year of service, with an additional week for every five years of service thereafter, to a maximum of six weeks per year. Vacation time relating to a maximum of two years of service may be accumulated before it is lost.

For union personnel, the labor agreement provides for sick leave pay to be credited at a rate of eight hours per month, up to a maximum of 249 days. By limiting the use of sick leave during the fiscal year, an employee may receive an incentive bonus, to a maximum of $500. Nonunion personnel have the same provisions under the personnel policies.

For union personnel, in the event of voluntary termination of employment after 10 consecutive years of service or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 204 days accumulated, with a maximum payout of 102 days). All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

For employees not covered under the labor agreement, in the event of voluntary termination of employment after five consecutive years of service, or due to retirement, such employees are entitled

NOTE 7 – ACCRUED LEAVE - Continued

to receive payment for one-half of their accumulated sick leave (maximum of 249 days accumulated, with a maximum payout of 124.5 days). All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

All employees hired prior to December 1, 2001 became eligible for longevity pay at the end of five years of service, at which time longevity pay begins to accrue from their anniversary date. Union personnel hired on December 1, 2001 and thereafter are not eligible for longevity pay. Union personnel receive longevity pay at tier 1995 pay levels at the rate of 2 percent, 4 percent, 6 percent, and 8 percent for five years, 10 years, 15 years, and 20 years, respectively, of service. All nonunion personnel are eligible for longevity pay and receive longevity pay at their current pay levels at the rate of 1 percent, 2 percent, 3 percent, and 4 percent for five years, 10 years, 15 years, and 20 years, respectively, of service.

At December 31, 2019, $1,035,224 of vested vacation, sick leave, and longevity was accrued by the Authority for both union and nonunion personnel. Of this amount, $113,150 is estimated as due within one year as and is reported as a current liability. Non-vested amounts are not material to the financial statements and have not been accrued. A change of $84,299 in the balance accrued at December 31, 2019 compared to December 31, 2018, represents amounts earned in 2019 was greater than amounts paid out.

Balance as of 1/1/19	Earned	Taken	Balance as of 12/31/19	Due Within 1 Year
$ 950,925	$ 491,190	$ 406,891	$ 1,035,224	$ 113,150

NOTE 8 – UNEARNED REVENUE

The Authority leased land to the Parqwood Apartments, LP, beginning in the 2014 fiscal year. The lease term is 98 years. Assets held for lease include land of $1,575,000.

Unearned lease payments are shown as unearned revenue on the statement of net position. The following schedule shows related unearned rental revenue as of December 31, 2019.

Entity	**Original Lease Amount**	**Unearned Revenue**
Parqwood Apartments, L.P.	$1,575,000	$1,491,964

Of this amount, $16,071 was classified as an unearned revenue under current liabilities as of December 31, 2019. The remaining amount of $1,475,893 has been classified as a noncurrent liability.

Other unearned revenue balances reported as current liabilities consist of tenant prepaid rents in the amount of $34,737 and unearned grant revenue related to the FSS Coordinator Program in the amount of $16,485, prepaid income reported in the blended component units of $31,473, and misc. amount of $22,500.

NOTE 9 – OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities in the amount of $2,409,273 consist of the following items as of December 31, 2019.

Item	**Amount**
Parqwood Apartments, LP ground lease (noncurrent portion)	$ 1,475,893
FSS Escrow Liability	421,955
Developer's Fee Liability (Parqwood)	511,425

NOTE 10 – DEBT

Changes in long-term debt for the year ended December 31, 2019 are as follows:

Program/Component Unit	Balance as of Jan. 1, 2019	Additions	Retirements	Balance as of Dec. 31, 2019	Due Within 1 Year	Maturity	Interest Rate
Westridge Apartments Development Corporation							
Mortgage Payable	$ 4,414,200	$ -	$ 186,000	$ 4,228,200	$ 245,404	March, 2021	Libor Rate plus 2.3%
Mortgage Payable	386,745	-	102,471	284,274	82,294	March, 2023	Libor Rate plus 1.71%
Public Housing Program							
Capital Fund Financing Program - Revenue Bonds, Series 2012	4,265,000	-	210,000	4,055,000	225,000	Year 2031	5.25%
Collingwood Green Phase II							
Capital Fund Financing Program - Revenue Bonds, Series 2014	4,670,000	-	185,000	4,485,000	195,000	Year 2033	5.00%
Notes Payable, Ohio Housing Finance Agency	350,000		-	350,000	N/A	March, 2060	2.00%
Notes Payable, Ohio Housing Finance Agency	751,129		118,963	632,166	121,387	April, 2024	2.00%
Parqwood Apartments, LP							
Notes Payable, Red Capital	1,645,178	-	20,491	1,624,687	15,805	Year, 2052	4.45%
Notes Payable, Ohio Housing Finance Agency	1,125,000		-	1,125,000	375,000	Year 2024	0.00%
Notes Payable, Housing Development Assistance Program (HDAP)	1,000,000			1,000,000	N/A	Year 2054	2.00%
Public Housing Program							
Capital Lease Payable	6,620,000	-	260,000	6,360,000	259,443	Year 2036	4.73%
Premium on Capital Lease	135,802	-	7,615	128,187	7,615	Year 2036	N/A
Lucas Housing Services Corporation							
Notes Payable, Local Initiatives Support Corporation (North River Project)	115,646	-	15,597	100,049	-	Year 2028	5.00%
Notes Payable, Local Initiatives Support Corporation (City Forest Project)	216,273	-	66,000	150,273	-	Year 2028	5.00%
Collingwood Green Phase III							
Notes Payable, Ohio Housing Finance Agency	-	765,000		765,000	-	Year 2028	
Notes Payable, Ohio Housing Finance Agency	-	735,000		735,000	-	Year 2028	
Notes Payable, Red Capital (Construction Loan)	1,700,000	20,190	-	1,720,190	12,052	N/A	4.98%
Total	**$ 27,394,973**	**$ 1,520,190**	**$ 1,172,137**	**$ 27,743,026**	**$ 1,539,000**		

Westridge Apartments Development Corporation

On February 29, 2016, the Westridge Apartments Development Corporation issued a term note payable in the amount of $4,905,000 to refinance the outstanding balance of a note issued during 2006 that funded the acquisition of the apartment complex (outstanding balance at December 31, 2015 of $5,021,254). The note carries a variable interest rate equal to the Libor rate plus 2.3%. The note matures on March 1, 2021 with the option of accelerated retirement by the Corporation.

Future minimum principal and interest payments related to the Westridge Apartments Development Corporation note payable are as follows:

NOTE 10 – DEBT - Continued

Year	**Principal Due**	**Interest Due**	**Total Payments**
FY 2020	$ 245,404	$ 177,584	$ 422,988
FY 2021	3,982,796	167,277	4,150,073
Total	$ 4,228,200	$ 344,861	$ 4,573,061

During 2013, the Authority obtained a loan for $925,545 to fund acquisition and improvements to the Westridge Apartments Development Corporation apartment complex. On March 21, 2016, the Westridge Apartments Development Corporation issued a term note payable in the amount of $717,298 to refinance the outstanding balance on a loan issued during 2013 that funded the acquisition and improvements to the apartment complex. The newly issued note carries a variable interest rate equal to the Libor rate plus 1.71%. The note matures on March 21, 2023, with the option of accelerated retirement by the Corporation.

Future minimum principal and interest payments related to the Westridge Apartments Development Corporation loan payable are as follows:

Year	**Principal Due**	**Interest Due**	**Total Payments**
FY 2020	$ 82,294	$ 10,262	$ 92,556
FY 2021	85,265	7,291	92,556
FY 2022	88,343	4,213	92,556
FY 2023	28,372	1,024	29,396
Total	$ 284,274	$ 22,790	$ 307,064

Collingwood Green Phase I, LP

During 2012, the Authority issued $5,475,000 of Capital Fund Housing Revenue Bonds, Series 2012, for the development of the Collingwood Green Senior Complex. The bonds mature on September 1, 2031, bear an interest rate of 5.25 percent and are secured with no more than 33 percent of LMHA's future capital funds, as addressed in Amendment 2012-01 to the Annual Contributions Contract (ACC) with HUD.

Future minimum principal and interest payments related to the Collingwood Green Phase I, LP Capital Fund Housing Revenue Bonds, Series 2012, are as follows:

NOTE 10 – DEBT-Continued

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ 225,000	$ 212,888	$ 437,888
FY 2021	235,000	201,075	436,075
FY 2022	250,000	188,738	438,738
FY 2023	260,000	175,613	435,613
FY 2024	275,000	161,963	436,963
FY 2025-2029	1,605,000	577,500	2,182,500
FY 2030-2031	1,205,000	106,298	1,311,298
Total	$ 4,055,000	$ 1,624,075	$ 5,679,075

Collingwood Green Phase II, LP

During 2014, the Authority issued $5,315,000 of Capital Fund Housing Revenue Bonds, Series 2014, for the development of the Collingwood Green II project. The bonds mature on September 1, 2033, and bear an interest rate of 5.00 percent.

Future minimum principal and interest payments related to the Collingwood Green Phase II, LP Capital Fund Housing Revenue Bonds, Series 2014, are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ 195,000	$ 224,250	$ 419,250
FY 2021	205,000	214,500	419,500
FY 2022	220,000	204,250	424,250
FY 2023	230,000	193,250	423,250
FY 2024	245,000	181,750	426,750
FY 2025-2029	1,455,000	710,000	2,165,000
FY 2030-2033	1,935,000	282,250	2,217,250
Total	$ 4,485,000	$ 2,010,250	$ 6,495,250

The Authority secured a mortgage payable from Ohio Housing Finance Agency (OHFA) in the amount of $1,000,000 for the Collingwood Green II Project. The loan carries an interest rate of 2.00%, with payments being due in annual installments of $134,256, maturing in April of 2024.

Future minimum principal and interest payments related to the Collingwood Green II project loan payable are as follows:

NOTE 10 – DEBT - Continued

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ 121,387	$ 12,869	$ 134,256
FY 2021	124,045	10,211	134,256
FY 2022	126,526	7,730	134,256
FY 2023	129,056	5,200	134,256
FY 2024	131,152	3,744	134,896
Total	$ 632,166	$ 39,754	$ 671,920

During 2016, the Authority secured a mortgage payable from Ohio Housing Finance Agency (OHFA) in the amount of $350,000 for the Collingwood Green II project. The loan carries an interest rate of 2.00% with payments being due in the amount of 50% of net cash flow as defined by the Partnership Agreements beginning in 2016. The entire balance of principal plus accrued interest is due March 1, 2060. A projection of future principal payments has not been presented due to the inability to predict future project cash flows.

Parqwood Apartments LP
Parqwood Apartments, LP, entered into a first mortgage payable to provide financing during construction. The loan has a balance as of December 31, 2019, in the amount of $1,645,178. The loan bears an interest rate of 4.55 percent. Fixed monthly payments in the amount of $7,432 are scheduled until the maturity in 2052.

Future minimum principal and interest payments related to the Parqwood Apartment, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ 15,805	$ 72,299	$ 88,104
FY 2021	16,509	71,595	88,104
FY 2022	17,243	70,861	88,104
FY 2023	18,011	70,093	88,104
FY 2024	18,812	69,292	88,104
FY 2025-2029	107,389	333,131	440,520
FY 2030-2034	133,506	307,014	440,520
FY 2035-2039	165,975	274,545	440,520
FY 2040-2044	206,341	234,179	440,520
FY 2045-2049	256,524	183,996	440,520
FY 2050-2054	668,572	56,906	725,478
Total	$ 1,624,687	$ 1,743,911	$ 3,368,598

During 2014, Parqwood Apartments, LP, issued a RTCAP note payable of $1,500,000 for the development of the Parqwood Apartments project. The interest free loan is payable in four equal installments through August 31, 2024.

Future minimum principal and interest payments related to the Parqwood Apartments, LP project loan payable are as follows:

NOTE 10 – DEBT - Continued

Year	Principal Due		Interest Due		Total Payments	
FY 2020	$	375,000	$	-	$	375,000
FY 2021		-		-		-
FY 2022		-		-		-
FY 2023		375,000		-		375,000
FY 2024		375,000		-		375,000
Total	$	1,125,000	$	-	$	1,125,000

During 2016, Parqwood Apartments, LP, entered into a Housing Development Assistance Program (HDAP) note payable of $1,000,000. The note bears interest at 2% with payments permitted by cash flows as defined in the Partnership Agreement. The HDAP note payable does not have an amortization schedule, all remaining outstanding principal is due at maturity in 2054.

Public Housing Program

During 2015, the Authority entered into a capital lease agreement with Grant Capital Management for the development of energy efficiencies within public housing units. The total value of the lease is $7,105,000, with payments beginning in year 2017 and ending in year 2036. The annual interest rate applicable to the lease is 4.73%.

Year	Principal Due		Interest Due		Total Payments	
FY 2020	$	259,443	$	300,828	$	560,271
FY 2021		270,996		288,556		559,552
FY 2022		283,989		275,738		559,727
FY 2023		293,965		262,306		556,271
FY 2024		308,391		248,401		556,792
FY 2025-2029		1,783,126		1,008,457		2,791,583
FY 2030-2034		2,236,751		545,624		2,782,375
FY 2035-2036		923,339		91,714		1,015,053
Total	$	6,360,000	$	3,021,624	$	9,381,624

As noted in the underwriting agreement, an original issue premium in the amount of $276,640 was recorded less a discount of $124,338 for a net premium amount of $152,302. The premium is amortized over a 20 year period. The balance reported as of December 31, 2019, is $128,187.

Lucas Housing Services Corporation

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the City Forest project. The acquisition cost financed was $216,273. The amount available from the loan is $625,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 10 years. Upon the sale of a rehabbed home, the Authority agrees to pay $25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the

NOTE 10 – DEBT - Continued

lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ -	$ 7,158	$ 7,158
FY 2021	15,666	7,158	22,824
FY 2022	16,468	6,356	22,824
FY 2023	17,310	5,514	22,824
FY 2024	18,196	4,628	22,824
FY 2025-2029	82,633	8,715	91,348
Total	$ 150,273	$ 39,529	$ 189,802

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the North River project. The acquisition cost financed was $115,646. The amount available from the loan is $520,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 8 years. Upon the sale of a rehabbed home, the Authority agrees to pay $25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ -	$ 4,765	$ 4,765
FY 2021	12,858	4,765	17,623
FY 2022	13,515	4,231	17,746
FY 2023	14,207	3,670	17,877
FY 2024	14,934	3,080	18,014
FY 2025-2029	44,535	5,791	50,326
Total	$ 100,049	$ 26,302	$ 126,351

Collingwood Green Phase III, LP
Collingwood Green Phase III, LP, entered into a mortgage payable with Red Mortgage Capital, LLC to provide financing during the construction phase of the project. As part of the closing, the initial draw and loan balance as of December 31, 2019 totaled $1,720,190.

NOTE 10 – DEBT - Continued

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ 12,052	$ 103,352	$ 115,404
FY 2021	35,649	79,755	115,404
FY 2022	37,335	78,069	115,404
FY 2023	39,101	76,303	115,404
FY 2024	40,951	74,453	115,404
FY 2025-2029	235,707	341,313	577,020
FY 2030-2034	296,980	280,040	577,020
FY 2035-2039	374,182	202,838	577,020
FY 2040-2044	471,453	105,567	577,020
FY 2045-2049	176,780	9,531	186,311
Total	$ 1,720,190	$ 1,351,221	$ 3,071,411

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling $101,137 due each on April 15th beginning in 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled $735,000.

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ -	$ -	$ -
FY 2021	66,372	34,766	101,137
FY 2022	69,511	31,626	101,137
FY 2023	72,799	28,338	101,137
FY 2024	76,242	24,895	101,137
FY 2025-2029	450,076	61,771	511,847
Total	$ 735,000	$ 181,395	$ 916,395

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling $105,265 due each on April 15th beginning 21 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled $765,000.

Year	Principal Due	Interest Due	Total Payments
FY 2020	$ -	$ -	$ -
FY 2021	69,081	36,184	105,265
FY 2022	72,348	32,917	105,265
FY 2023	75,770	29,495	105,265
FY 2024	79,354	25,911	105,265
FY 2025-2029	468,447	64,292	532,739
Total	$ 765,000	$ 188,799	$ 953,799

NOTE 11 – PENSION PLAN

Net Pension Liability

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

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

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

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 *intergovernmental* payable on the accrual basis of accounting.

Plan Description - Authority employees participate in the Ohio Public Employees' Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in the OPERS' traditional plan with a few employees being members of the combined or member-directed plans; therefore, the following disclosure focuses only on the traditional plan. OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary

NOTE 11 – PENSION PLAN – Continued

net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A	**Group B**	**Group C**
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirement	**Age and Service Requirement**	**Age and Service Requirement**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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:

NOTE 11 – PENSION PLAN – Continued

2019 Statutory Maximum Contribution Rates	
Employer	14.00%
Employee	10.00%
2019 Actual Contribution Rates	
Employer:	
Pension	14.00%
Post-Employment Health Care Benefits	2.00%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $964,804 for 2019. The full amount was contributed during the year.

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

The net pension liability was measured as of December 31, 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 the contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Item	Traditional
Proportionate Share of the Net Pension Liability	$12,438,769
Proportion of the Net Pension Liability (Traditional)	0.0456790%
Pension Expense	$ 2,770,839

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on pension plan investments	$ 7,596	$ 192,900
Changes of Assumptions	$ 1,105,253	$ ------
Net difference between expected and actual experience	$ 1,713,691	$ ------
Authority contributions subsequent to the measurement date	$ 955,689	$ ------
Total	$ 3,782,229	$ 192,900

The $955,689 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

NOTE 11 – PENSION PLAN – Continued

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, 2016, 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, 2019
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.2%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%
Cost of Living Adjustments	Pre - 1/7/13 retirees 3.0% Simple; Post – 1/7/13 retirees 1.4% Simple; through 2020, then 2.15% Simple

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

The *Discount Rate* used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and

NOTE 11 – PENSION PLAN – Continued

Member-Directed Plan 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 (asset)	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Traditional Plan	$ 18,375,661	$ 12,438,769	$ 7,505,136

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

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 2017 and the long-term expected real rates of return:

NOTE 11 – PENSION PLAN – Continued

Asset Class	Target Allocation	Expected Real Rate of Return
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%**

NOTE 12 - POST EMPLOYMENT BENEFITS

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.

Plan Description –

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

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.

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

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.

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 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 decreased to 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 2019 was 4.0 percent.

Related to OPEB-

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. 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

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

participating entities. Following is information related to the proportionate share and OPEB expense:

Proportionate Share of the OPEB Liability	$ 6,166,903
Proportion of the OPEB Liability	0.0473010%
OPEB Expense	$ 569,937

Actuarial Information	**Traditional Plan**
Actuarial Valuation Date	December 31, 2017
Rolled-Forward Measurement Date	December 31, 2018
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age normal
Actuarial Assumptions:	
Single Discount Rate	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%
Health Care Cost Trend Rate	10.0% initial, 3.25% ultimate in 2029

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on pension plan investments	$ 2,088	$ 16,733
Changes of Assumptions	$ 198,829	$ ------
Net difference between expected and actual experience	$ 282,717	$ ------
Total	$ 483,635	$ 16,733

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

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

The following table presents the Authority's proportionate share of the OPEB liability calculated using the single discount rate of 3.85 percent, and the expected net OPEB liability if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate.

Sensitivity of OPEB Liability to Changes in the Discount Rate			
As of December 31, 2018	1% Decrease (2.96%)	Discount Rate (3.96%)	1% Increase (4.96%)
Employers' Net OPEB Liability	$7,889,549	$6,166,903	$4,796,638

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

Sensitivity of OPEB Liability to Changes in the Health Care Cost Trend Rate			
As of December 31, 2017	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Employers' Net OPEB Liability	$5,927,568	$6,166,903	$6,442,186

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

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

Asset Class	Target Allocation	Expected Real Rate of Return
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%**

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60% for 2018.

NOTE 13 – OPERATING TRANSFERS

During the 2019 fiscal year the following adjustments were recorded between programs:

From	To	Amount	Purpose
Operating Transfers			
Homeownership/Turnkey	LHSC	$ 201,719	To transfer cost for rehabbing units for sale of homes
Capital Fund Program	Public Housing Operations	$ 3,640,840	To transfer funds from BLI Account # 1406 to Operations.
Project-Based Rental Assistance	Parqwood Apartments	$ 521,512	Reporting only to reflect federal award on the FDS

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The total amount of $389,475 was recorded as prior year adjustment to account for the following items:

- An adjustment in the amount of $(371,168) was recorded to remove the unsupported work in progress account balances brought forward from the accounting of previous development projects.

- An adjustment in the amount of $171,302 was recorded to bring the beginning equity balance of the blended component unit (Collingwood Green III) in line with tax credit cost certification.

- An adjustment in the amount of $(189,609) was recorded to write off unsupported account receivable balances brought forward from the prior years.

NOTE 15 – CONTRIBUTED CAPITAL

The construction of Collingwood Green III, LP (blended component unit) was partially financed through the issuing of debt from the Authority. The financing was obtained from grants received from the Capital Fund Program in the amount of $4,698,787.

As also note in the subsequent event note, the Authority had pledged an additional $900,000 to the project. Of this amount $300,000 is funded from the HOME funds granted from the City of Toledo and the remaining $600,000 funded from homeownership reserves maintained by the Authority.

NOTE 16 – RESTRICTED NET POSITION

A summary of restricted net position as of December 31, 2019 is as follows:

Restriction/Program	**Amount**
Homeownership Reserve	$ 1,837,063
Required Capital Reserves (CFFP Program)	1,047,094
Required Debt Service Funds (EPC Contract)	270,281
HCV Program – HAP Equity	418,185
Mainstream 5 Program – HAP Equity	165,777
Collingwood Green Phase I, LP – Operating, Replacement, and ACC Reserves	498,749
Collingwood Green Phase II, LP – Operating, and ACC Reserves	586,449
Collingwood Green Phase III, LP – Construction, and Escrow Funds	3,493,141
Parqwood Apartments, LP – Escrow, Replacement, and Operating Reserves	660,756
Total	$ 8,977,495

NOTE 17 – RISK MANAGEMENT

The Authority is exposed to various uncertainties for losses related to intentional and unintentional tort; theft or damage to and destruction of real and personal property, errors and omissions; catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the Authority carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in the past.

NOTE 18 – CONTINGENT LIABILITIES

The Authority receives significant financial assistance from federal, state, and local agencies in the form of grants and operating subsidies. HUD provided approximately 80% of the Authority's operating revenue in the current year. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies; therefore, to the extent that the Authority has not complied with rules and regulations governing the grants, if any, refunds of any money received may be required. Management believes there are no significant contingent liabilities relating to compliance with grant rules and regulations.

NOTE 19 – HUD-HELD RESERVE

For future use, HUD's policy is to retain and hold unobligated HAP funds from the Housing Choice Voucher Program for all PHAs that administer the program. Funds can be requested from HUD based on the need and use of providing additional rental assistance payment within staying within the established baseline number of unit months available in the calendar year. The balance in the HUD held reserve is $2,133,473 t December 31, 2019.

NOTE 20 – SUBSEQUENT EVENTS

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

Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program to aid in the preventing, preparing and responding to the COVID-19 virus. This funding, totaling $1,912,170 for the Low Rent Housing Program, $559,296 as supplemental administrative fees for the HCV Program, and $59,694 as supplemental administrative fees for the Mainstream Program have been obligated to the Authority. The supplemental funding must be spent by December 31, 2020.

NOTE 20 – SUBSEQUENT EVENTS - Continued

In March of 2020, the Executive Director resigned from the Authority, with a last day of 3/13/20. The Authority has hired a new Executive Director effective 3/9/20.

As referenced in Note 15, the Authority pledged $900,000 to the Collingwood Green III, LP for the financing of the project. The funds were transferred to the project in 2020.

REQUIRED SUPPLEMENTAL INFORMATION

LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Authority's proportion of the net pension liability	.0456%	.046%	0.047%	0.05%	0.05%	0.05%	N/A	N/A	N/A	N/A
Authority's proportionate share of the net pension liability	$12,438,769	$7,083,177	$10,744,203	$8,195,381	$8,083,379	$5,754,842	N/A	N/A	N/A	N/A
Authority's covered employee payroll	$6,826,358	$6,891,456	$6,233,947	$6,692,267	$5,837,642	$5,573,475	N/A	N/A	N/A	N/A
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	182.22%	102.78%	172.35%	120.79%	138.47%	103.25%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability (Traditional)	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%	N/A	N/A	N/A	N/A

* Previous year data was unavailable as 2014 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information.

LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$955,689	$964,804	$ 872,753	$ 936,917	$ 700,517	$ 690,417	$ 775,679	N/A	N/A	N/A
Contributions in relation to the contractually required contributions	$955,689	$964,804	$ 872,753	$ 936,917	$ 700,517	$ 690,417	$ 775,679	N/A	N/A	N/A
Contribution deficiency (excess)	$ -----	$ -----	$ -----	$ -----	$ -----	$ -----	$ -----	N/A	N/A	N/A
Authority's covered-employee payroll	$ 6,826,358	$6,891,456	$6,233,947	$6,692,267	$5,837,642	$5,573,475	$5,966,762	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	12.00%	12.00%	13.00%	N/A	N/A	N/A

* Previous year data was unavailable as 2013 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information.

LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Authority's proportion of the net OPEB liability	.0473010%	.0480%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability	$6,166,903	$5,212,447	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered employee payroll	$6,826,358	$6,891,456	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability as a percentage of its covered-employee payroll	90.34%	75.63%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	54.14%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75.

See accompanying Notes to the Required Supplementary Information.

LUCAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	$ -----	$ -----	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contributions	$ -----	$ -----	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	$ -----	$ -----	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered-employee payroll	$6,826,358	$6,891,456	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Previous year data was unavailable as 2019 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75.

See accompanying Notes to the Required Supplementary Information.

NOTE 1 - PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

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. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

NOTE 2- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

SUPPLEMENTAL INFORMATION

LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
	Balance Sheet							
111	Cash-unrestricted	4,678,840	3,209,755	1,744,457	1,056,796	10,689,848	0	10,689,848
112	Cash-restricted-modernization and development	0	0	0	2,521,143	2,521,143	0	2,521,143
113-010	Cash - Restricted - HAP Funds	0	418,185	0	0	418,185	0	418,185
113-020	Cash - Restricted - FSS Escrow Deposits	0	382,250	0	0	382,250	0	382,250
113-030	Cash - Restricted - Other	1,047,094	1,837,063	0	2,717,952	5,602,109	0	5,602,109
113	**Cash-other restricted**	**1,047,094**	**2,637,498**	**0**	**2,717,952**	**6,402,544**	**0**	**6,402,544**
114	Cash-tenant security deposits	265,608	5,500	0	126,862	397,970	0	397,970
115-010	Cash - Restricted - HAP Funds	0	162,830	0	0	162,830	0	162,830
115-020	Cash - Restricted - FSS Escrow Deposits	0	84,341	0	0	84,341	0	84,341
115-030	Cash - Restricted - Other	0	300,000	0	0	300,000	0	300,000
115	**Cash - Restricted for payment of current liability**	**0**	**547,171**	**0**	**0**	**547,171**	**0**	**547,171**
100	**Total Cash**	**5,991,542**	**6,399,924**	**1,744,457**	**6,422,753**	**20,558,676**	**0**	**20,558,676**
121	Accounts receivable - PHA projects	0	0	0	0	0	0	0
122-010	Accounts receivable - HUD other projects - Operating Subsidy	0	0	0	0	0	0	0
122-020	Accounts receivable - HUD other projects - Capital fund	410,676	0	0	0	410,676	0	410,676
122-030	Accounts receivable - HUD other projects - Other	0	0	0	0	0	0	0
122	**Accounts receivable - HUD other projects**	**410,676**	**91,902**	**0**	**0**	**502,578**	**0**	**502,578**
124	Account receivable - other government	0	67,484	0	0	67,484	0	67,484
125-010	Account receivable - miscellaneous - Not For Profit	0	0	0	0	0	0	0
125-020	Account receivable - miscellaneous - Partnership	0	0	0	0	0	0	0
125-030	Account receivable - miscellaneous - Joint Venture	0	0	0	0	0	0	0
125-040	Account receivable - miscellaneous - Tax Credit	0	0	0	0	0	0	0
125-050	Account receivable - miscellaneous - Other	15,137	0	8,240	0	23,377	0	23,377
125-060	Other - Comment	0	0	0	0	0	0	0
125	**Account receivable - miscellaneous**	**15,137**	**2,858,913**	**8,240**	**51,418**	**2,933,708**	**(2,857,765)**	**75,943**
126	Accounts receivable - tenants	211,696	0	0	157,693	369,389	0	369,389
126.1	Allowance for doubtful accounts - tenants	(55,638)	0	0	(29,858)	(85,496)	0	(85,496)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0	0
127	Notes, Loans, & Mortgages Receivable - Current	12,512,687	7,701,835	0	0	20,214,522	(20,193,214)	21,308
128	Fraud recovery	2,842	221,159	0	0	224,001	0	224,001
128.1	Allowance for doubtful accounts - fraud	0	(165,869)	0	0	(165,869)	0	(165,869)
129	Accrued interest receivable	330,940	218,716	0	0	549,656	(549,123)	533
120	**Total receivables, net of allowance for doubtful accounts**	**13,428,340**	**10,994,140**	**8,240**	**179,253**	**24,609,973**	**(23,600,102)**	**1,009,871**
131	Investments - unrestricted	0	0	0	0	0	0	0
132-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0
132-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0
132-030	Investments - restricted - Other	270,281	0	0	0	270,281	0	270,281
132	**Investments - restricted**	**270,281**	**0**	**0**	**0**	**270,281**	**0**	**270,281**
135-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0
135-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0
135-030	Investments - restricted - Other	0	0	0	0	0	0	0
135	**Investments - Restricted for payment of current liability**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
142	Prepaid expenses and other assets	19,956	2,369	108,976	148,831	280,132	0	280,132
143	Inventories	0	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0
144	Inter program - due from	4,070,742	359,657	12,862	81,953	4,525,214	(4,525,214)	0
145	Assets held for sale	0	0	0	0	0	0	0
150	**Total Current Assets**	**23,780,861**	**17,756,090**	**1,874,535**	**6,832,790**	**50,244,276**	**(28,125,316)**	**22,118,960**

LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
161	Land	6,614,318	11,000	47,320	1,394,729	8,067,367	0	8,067,367
162	Buildings	166,034,955	559,010	4,562,015	62,587,695	233,743,675	0	233,743,675
163	Furniture, equipment and machinery - dwellings	0	0	0	1,178,400	1,178,400	0	1,178,400
164	Furniture, equipment and machinery - administration	563,570	122,456	1,314,491	163,101	2,163,618	0	2,163,618
165	Leasehold improvements	0	0	0	0	0	0	0
166	Accumulated depreciation	(139,570,412)	(384,371)	(5,257,001)	(10,414,337)	(155,626,121)	0	(155,626,121)
167	Construction in progress	826,806	0	0	0	826,806	0	826,806
168	Infrastructure	0	0	0	0	0	0	0
160	**Total capital assets, net of accumulated depreciation**	**34,469,237**	**308,095**	**666,825**	**54,909,588**	**90,353,745**	**0**	**90,353,745**
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	0	0	0	0	0	0	0
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	0	0	0	0	0	0	0
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	0	0	0	0	0	0	0
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	0	0	0	0	0	0	0
171-050	Notes, Loans, & mortgages receivable - Non-current - Other	0	0	0	0	0	0	0
171-060	Other - Comment	0	0	0	0	0	0	0
171	**Notes, Loans, & mortgages receivable – Non-current**	**0**	**502,731**	**0**	**534,795**	**1,037,526**	**0**	**1,037,526**
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - Not For	0	0	0	0	0	0	0
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	0	0	0	0	0	0	0
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	0	0	0	0	0	0	0
172-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	0	0	0	0	0	0	0
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	0	0	0	0	0	0	0
172-060	Other - Comment	0	0	0	0	0	0	0
172	**Notes, Loans, & mortgages receivable – Non-current - past due**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
173	Grants receivable – Non-current	0	0	0	0	0	0	0
174-010	Other assets - Not For Profit	0	0	0	0	0	0	0
174-020	Other assets - Partnership	0	0	0	0	0	0	0
174-030	Other assets - Joint Venture	0	0	0	0	0	0	0
174-040	Other assets - Tax Credit	0	0	0	0	0	0	0
174-050	Other assets - Other	0	0	0	0	0	0	0
174-060	Other - Comment	0	0	0	0	0	0	0
174	**Other assets**	**0**	**0**	**0**	**594,639**	**594,639**	**0**	**594,639**
176-010	Investment in Joint venture - Not For Profit	0	0	0	0	0	0	0
176-020	Investment in Joint venture - Partnership	0	0	0	0	0	0	0
176-030	Investment in Joint venture - Joint Venture	0	0	0	0	0	0	0
176-040	Investment in Joint venture - Tax Credit	0	0	0	0	0	0	0
176-050	Investment in Joint venture - Other	0	0	0	0	0	0	0
176-060	Other - Comment	0	0	0	0	0	0	0
176	**Investment in joint venture**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
180	**Total Non-current Assets**	**34,469,237**	**810,826**	**666,825**	**56,039,022**	**91,985,910**	**0**	**91,985,910**
190	**Total Assets**	**58,250,098**	**18,566,916**	**2,541,360**	**62,871,812**	**142,230,186**	**(28,125,316)**	**114,104,870**
200	Deferred Outflow of Resources	1,855,940	506,719	1,903,205	0	4,265,864	0	4,265,864
290	**Total Assets and Deferred Outflow of Resources**	**60,106,038**	**19,073,635**	**4,444,565**	**62,871,812**	**146,496,050**	**(28,125,316)**	**118,370,734**

LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
311	Bank overdraft	0	0	0	0	0	0	0
312	Accounts payable <= 90 days	312,158	182,574	250,286	3,958,738	4,703,756	(1,419,947)	3,283,809
313	Accounts payable > 90 days past due	0	0	0	0	0	0	0
321	Accrued wage/payroll taxes payable	0	0	686,562	2,128	688,690	0	688,690
322	Accrued compensated absences - current portion	54,111	15,883	43,156	0	113,150	0	113,150
324	Accrued contingency liability	0	0	0	0	0	0	0
325	Accrued interest payable	194,365	25,320	0	577,313	796,998	(549,123)	247,875
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	4,764	0	0	0	4,764	0	4,764
331-020	Accounts payable - HUD PHA Programs - Capital fund	0	0	0	0	0	0	0
331-030	Accounts payable - HUD PHA Programs - Other	0	0	0	0	0	0	0
331	**Accounts payable - HUD PHA Programs**	**4,764**	**1,627**	**0**	**0**	**6,391**	**0**	**6,391**
332	Accounts payable - PHA Projects	0	0	0	0	0	0	0
333	Accounts payable - other government	76,180	2,837	0	113,709	192,726	0	192,726
341	Tenant security deposits	265,608	5,500	0	126,862	397,970	0	397,970
342-010	Unearned revenue - Operating Subsidy	0	0	0	0	0	0	0
342-020	Unearned revenue - Capital fund	0	0	0	0	0	0	0
342-030	Unearned revenue - Other	277,136	0	0	0	277,136	0	277,136
342	**Unearned revenue**	**277,136**	**300,000**	**0**	**15,374**	**592,510**	**0**	**592,510**
343-010	CFFP	420,000	0	0	0	420,000	0	420,000
343-020	Capital Projects/ Mortgage Revenue	267,058	0	0	0	267,058	0	267,058
343	**Current portion of long-term debt - capital projects/mortgage**	**687,058**	**0**	**0**	**851,942**	**1,539,000**	**0**	**1,539,000**
344	Current portion of long-term debt - operating borrowings	0	0	0	0	0	0	0
345	Other current liabilities	14,384	84,341	0	21,119,302	21,218,027	(20,193,214)	1,024,813
346	Accrued liabilities - other	0	0	100,889	17,903	118,792	0	118,792
347	Inter program - due to	8,986	974,095	1,738,237	1,803,896	4,525,214	(4,525,214)	0
348-010	Loan liability - current - Not For Profit	0	0	0	0	0	0	0
348-020	Loan liability - current - Partnership	0	0	0	0	0	0	0
348-030	Loan liability - current - Joint Venture	0	0	0	0	0	0	0
348-040	Loan liability - current - Tax Credit	0	0	0	0	0	0	0
348-050	Loan liability - current - Other	0	0	0	0	0	0	0
348-060	Other - Comment	0	0	0	0	0	0	0
348	**Loan liability - current**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
310	**Total Current Liabilities**	**1,894,750**	**1,592,177**	**2,819,130**	**28,587,167**	**34,893,224**	**(26,687,498)**	**8,205,726**
351-010	Long-term debt - CFFP	8,120,000	0	0	0	8,120,000	0	8,120,000
351-020	Long-term - Capital Projects/ Mortgage Revenue	6,221,129	0	0	0	6,221,129	0	6,221,129
351	**Capital Projects/ Mortgage Revenue Bonds**	**14,341,129**	**1,350,000**	**0**	**11,950,715**	**27,641,844**	**(1,437,818)**	**26,204,026**
352	Long-term debt, net of current - operating borrowings	0	0	0	0	0	0	0
353	Non-current liabilities - other	1,515,598	382,250	0	511,425	2,409,273	0	2,409,273
354	Accrued compensated absences- Non-current	374,434	102,858	444,782	0	922,074	0	922,074
355-010	Loan liability - Non-current - Not For Profit	0	0	0	0	0	0	0
355-020	Loan liability - Non-current - Partnership	0	0	0	0	0	0	0
355-030	Loan liability - Non-current - Joint Venture	0	0	0	0	0	0	0
355-040	Loan liability - Non-current - Tax Credit	0	0	0	0	0	0	0
355-050	Loan liability - Non-current - Other	0	0	0	0	0	0	0
355-060	Other - Comment	0	0	0	0	0	0	0
355	**Loan liability – Non-current**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
356	FASB 5 Liabilities	0	0	0	0	0	0	0
357-10	Pension Liability	5,595,018	1,523,041	5,320,710	0	12,438,769	0	12,438,769
357-20	OPEB Liability	2,573,218	690,170	2,903,515	0	6,166,903	0	6,166,903
357	**Accrued Pension and OPEB Liabilities**	8,168,236	2,213,211	8,224,225	0	18,605,672	0	18,605,672
350	**Total Non-current liabilities**	**24,399,397**	**4,048,319**	**8,669,007**	**12,462,140**	**49,578,863**	**(1,437,818)**	**48,141,045**
300	**Total Liabilities**	**26,294,147**	**5,640,496**	**11,488,137**	**41,049,307**	**84,472,087**	**(28,125,316)**	**56,346,771**
400	**Deferred Inflow of Resources**	156,180	53,453	0	0	209,633	0	209,633
508.4	Net Investment in Capital Assets	19,441,050	(1,041,905)	666,825	43,544,749	62,610,719	0	62,610,719
511.4	Restricted Net Position	1,317,375	2,421,025	0	5,239,095	8,977,495	0	8,977,495
512.4	Unrestricted Net Position	12,897,286	12,000,566	(7,710,397)	(26,961,339)	(9,773,884)	0	(9,773,884)
513	**Total Equity - Net Assets / Position**	**33,655,711**	**13,379,686**	**(7,043,572)**	**21,822,505**	**61,814,330**	**0**	**61,814,330**
600	**Total Liabilities, Deferred Inflow, and Equity - Net Assets**	**60,106,038**	**19,073,635**	**4,444,565**	**62,871,812**	**146,496,050**	**(28,125,316)**	**118,370,734**

LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
70300	Net tenant rental revenue	4,965,477	500	0	2,587,258	7,553,235	0	7,553,235
70400	Tenant revenue - other	249,580	800	0	51,080	301,460	0	301,460
70500	**Total Tenant Revenue**	**5,215,057**	**1,300**	**0**	**2,638,338**	**7,854,695**	**0**	**7,854,695**
70600-010	Housing assistance payments	0	23,913,518	0	0	23,913,518	0	23,913,518
70600-020	Ongoing administrative fees earned	0	2,814,679	0	0	2,814,679	0	2,814,679
70600-030	Hard to house fee revenue	0	0	0	0	0	0	0
70600-031	FSS Coordinator	0	0	0	0	0	0	0
70600-040	Actual independent public accountant audit costs	0	0	0	0	0	0	0
70600-050	Total preliminary fees earned	0	0	0	0	0	0	0
70600-060	All other fees	0	0	0	0	0	0	0
70600-070	Admin fee calculation description	0	0	0	0	0	0	0
70600	**HUD PHA operating grants**	**22,790,317**	**28,983,233**	**0**	**0**	**51,773,550**	**0**	**51,773,550**
70610	Capital grants	927,122	0	0	0	927,122	0	927,122
70710	Management Fee	0	0	3,655,782	0	3,655,782	(3,655,782)	0
70720	Asset Management Fee	0	0	307,520	0	307,520	(307,520)	0
70730	Book-Keeping Fee	0	0	614,325	0	614,325	(614,325)	0
70740	Front Line Service Fee	0	0	2,591,263	0	2,591,263	(2,591,263)	0
70750-010	Other Fees - from PHA Administered Programs	0	0	0	0	0	0	0
70750-020	Other Fees - from Third / Outside Party	0	0	0	0	0	0	0
70750	**Other Fees**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
70700	**Total Fee Revenue**	**0**	**0**	**7,168,890**	**0**	**7,168,890**	**(7,168,890)**	**0**
70800	Other government grants	0	232,560	0	0	232,560	0	232,560
71100-010	Housing Assistance Payment	0	0	0	0	0	0	0
71100-020	Administrative Fee	0	3,348	0	0	3,348	0	3,348
71100	**Investment income - unrestricted**	**871**	**53,708**	**627**	**38,707**	**93,913**	**0**	**93,913**
71200	Mortgage interest income	90,604	50,001	0	1,234	141,839	(140,604)	1,235
71300	Proceeds from disposition of assets held for sale	0	0	0	284,194	284,194	0	284,194
71310	Cost of sale of assets	0	0	0	(516,460)	(516,460)	0	(516,460)
71400-010	Housing Assistance Payment	0	85,181	0	0	85,181	0	85,181
71400-020	Administrative Fee	0	85,183	0	0	85,183	0	85,183
71400	**Fraud recovery**	**0**	**171,328**	**0**	**0**	**171,328**	**0**	**171,328**
71500	Other revenue	229,352	1,630,062	472,126	2,883,265	5,214,805	0	5,214,805
71600	Gain or loss on disposition of capital assets	0	0	0	0	0	0	0
72000-010	Housing Assistance Payment	0	0	0	0	0	0	0
72000-020	Administrative Fee	0	0	0	0	0	0	0
72000	**Investment income - restricted**	**28,692**	**0**	**0**	**0**	**28,692**	**0**	**28,692**
70000	**Total Revenue**	**29,282,015**	**31,122,192**	**7,641,643**	**5,329,278**	**73,375,128**	**(7,309,494)**	**66,065,634**

LUCAS METROPOLITAN HOUSING AUTHORITY

FINANCIAL DATA SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
95100	Protective services - labor	0	0	12,972	0	12,972	0	12,972
95200	Protective services - other contract costs	903,802	0	324,538	0	1,228,340	(475,407)	752,933
95300	Protective services - other	0	0	0	8,469	8,469	0	8,469
95500	Employee benefit contributions - protective services	0	0	5,072	0	5,072	0	5,072
95000	**Total Protective Services**	**903,802**	**0**	**342,582**	**8,469**	**1,254,853**	**(475,407)**	**779,446**
96110	Property Insurance	493,592	4,904	2,843	154,234	655,573	0	655,573
96120	Liability Insurance	217,171	230	4,222	98,347	319,970	0	319,970
96130	Workmen's Compensation	78,085	16,178	77,544	2,168	173,975	0	173,975
96140	All other Insurance	41,973	3,606	53,811	3,251	102,641	0	102,641
96100	**Total Insurance Premiums**	**830,821**	**24,918**	**138,420**	**258,000**	**1,252,159**	**0**	**1,252,159**
96200	Other general expenses	310,339	218,008	43,702	103,796	675,845	0	675,845
96210	Compensated absences	167,897	46,999	276,294	0	491,190	0	491,190
96300	Payments in lieu of taxes	172,645	5,602	0	285,389	463,636	0	463,636
96400	Bad debt - tenant rents	102,617	2,876	0	6,323	111,816	0	111,816
96500	Bad debt - mortgages	0	0	0	0	0	0	0
96600	Bad debt - other	0	81,539	0	0	81,539	0	81,539
96800	Severance expense	0	0	0	0	0	0	0
96000	**Total Other General Expenses**	**753,498**	**355,024**	**319,996**	**395,508**	**1,824,026**	**0**	**1,824,026**
96710	Interest of Mortgage (or Bonds) Payable	737,354	0	0	459,451	1,196,805	(140,604)	1,056,201
96720	Interest on Notes Payable (Short and Long Term)	0	0	0	0	0	0	0
96730	Amortization of Bond Issue Costs	0	0	0	28,313	28,313	0	28,313
96700	**Total Interest Expense and Amortization Cost**	**737,354**	**0**	**0**	**487,764**	**1,225,118**	**(140,604)**	**1,084,514**
96900	**Total Operating Expenses**	**20,428,876**	**3,857,210**	**8,593,636**	**3,568,155**	**36,447,877**	**(7,309,494)**	**29,138,383**
97000	**Excess Revenue Over Operating Expenses**	**8,853,139**	**27,264,982**	**(951,993)**	**1,761,123**	**36,927,251**	**0**	**36,927,251**
97100	Extraordinary maintenance	84,155	0	0	0	84,155	0	84,155
97200	Casualty losses- Non-capitalized	0	0	0	16,336	16,336	0	16,336
97300-010	Mainstream 1 year	0	0	0	0	0	0	0
97300-020	Home-Ownership	0	322,960	0	0	322,960	0	322,960
97300-025	Litigation	0	0	0	0	0	0	0
97300-030	Hope IV	0	0	0	0	0	0	0
97300-040	Tenant Protection	0	709,299	0	0	709,299	0	709,299
97300-041	Portability-Out	0	242,600	0	0	242,600	0	242,600
97300-045	FSS Escrow Deposits	0	118,204	0	0	118,204	0	118,204
97300-049	Other Special Vouchers	0	2,106,626	0	0	2,106,626	0	2,106,626
97300-050	All Other	0	20,040,055	0	0	20,040,055	0	20,040,055
97300	**Housing assistance payments**	**0**	**24,432,463**	**0**	**0**	**24,432,463**	**0**	**24,432,463**
97350	**HAP Portability-in**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
97400	Depreciation expense	3,539,901	44,881	138,854	1,821,836	5,545,472	0	5,545,472
97500	Fraud losses	0	0	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0	0	0
90000	**Total Expenses**	**24,052,932**	**28,334,554**	**8,732,490**	**5,406,327**	**66,526,303**	**(7,309,494)**	**59,216,809**

LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
95100	Protective services - labor	0	0	12,972	0	12,972	0	12,972
95200	Protective services - other contract costs	903,802	0	324,538	0	1,228,340	(475,407)	752,933
95300	Protective services - other	0	0	0	8,469	8,469	0	8,469
95500	Employee benefit contributions - protective services	0	0	5,072	0	5,072	0	5,072
95000	**Total Protective Services**	**903,802**	**0**	**342,582**	**8,469**	**1,254,853**	**(475,407)**	**779,446**
96110	Property Insurance	493,592	4,904	2,843	154,234	655,573	0	655,573
96120	Liability Insurance	217,171	230	4,222	98,347	319,970	0	319,970
96130	Workmen's Compensation	78,085	16,178	77,544	2,168	173,975	0	173,975
96140	All other Insurance	41,973	3,606	53,811	3,251	102,641	0	102,641
96100	**Total Insurance Premiums**	**830,821**	**24,918**	**138,420**	**258,000**	**1,252,159**	**0**	**1,252,159**
96200	Other general expenses	310,339	218,008	43,702	103,796	675,845	0	675,845
96210	Compensated absences	167,897	46,999	276,294	0	491,190	0	491,190
96300	Payments in lieu of taxes	172,645	5,602	0	285,389	463,636	0	463,636
96400	Bad debt - tenant rents	102,617	2,876	0	6,323	111,816	0	111,816
96500	Bad debt - mortgages	0	0	0	0	0	0	0
96600	Bad debt - other	0	81,539	0	0	81,539	0	81,539
96800	Severance expense	0	0	0	0	0	0	0
96000	**Total Other General Expenses**	**753,498**	**355,024**	**319,996**	**395,508**	**1,824,026**	**0**	**1,824,026**
96710	Interest of Mortgage (or Bonds) Payable	737,354	0	0	459,451	1,196,805	(140,604)	1,056,201
96720	Interest on Notes Payable (Short and Long Term)	0	0	0	0	0	0	0
96730	Amortization of Bond Issue Costs	0	0	0	28,313	28,313	0	28,313
96700	**Total Interest Expense and Amortization Cost**	**737,354**	**0**	**0**	**487,764**	**1,225,118**	**(140,604)**	**1,084,514**
96900	**Total Operating Expenses**	**20,428,876**	**3,857,210**	**8,593,636**	**3,568,155**	**36,447,877**	**(7,309,494)**	**29,138,383**
97000	**Excess Revenue Over Operating Expenses**	**8,853,139**	**27,264,982**	**(951,993)**	**1,761,123**	**36,927,251**	**0**	**36,927,251**
97100	Extraordinary maintenance	84,155	0	0	0	84,155	0	84,155
97200	Casualty losses- Non-capitalized	0	0	0	16,336	16,336	0	16,336
97300-010	Mainstream 1 year	0	0	0	0	0	0	0
97300-020	Home-Ownership	0	322,960	0	0	322,960	0	322,960
97300-025	Litigation	0	0	0	0	0	0	0
97300-030	Hope IV	0	0	0	0	0	0	0
97300-040	Tenant Protection	0	709,299	0	0	709,299	0	709,299
97300-041	Portability-Out	0	242,600	0	0	242,600	0	242,600
97300-045	FSS Escrow Deposits	0	118,204	0	0	118,204	0	118,204
97300-049	Other Special Vouchers	0	2,106,626	0	0	2,106,626	0	2,106,626
97300-050	All Other	0	20,040,055	0	0	20,040,055	0	20,040,055
97300	**Housing assistance payments**	**0**	**24,432,463**	**0**	**0**	**24,432,463**	**0**	**24,432,463**
97350	**HAP Portability-in**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
97400	Depreciation expense	3,539,901	44,881	138,854	1,821,836	5,545,472	0	5,545,472
97500	Fraud losses	0	0	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0	0	0
90000	**Total Expenses**	**24,052,932**	**28,334,554**	**8,732,490**	**5,406,327**	**66,526,303**	**(7,309,494)**	**59,216,809**

LUCAS METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

Line Item	Description	Project Totals	Program Totals	COCC	Component Units	Subtotal	Elimination	Total
10010	Operating transfer in	3,640,840	0	0	521,512	4,162,352	(4,162,352)	0
10020	Operating transfer out	(3,640,840)	(521,512)	0	0	(4,162,352)	4,162,352	0
10030-010	Not For Profit	0	0	0	0	0	0	0
10030-020	Partnership	0	0	0	0	0	0	0
10030-030	Joint Venture	0	0	0	0	0	0	0
10030-040	Tax Credit	0	0	0	0	0	0	0
10030-050	Other	0	0	0	0	0	0	0
10030-060	Other - Comment	0	0	0	0	0	0	0
10030	**Operating transfers from / to primary government**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
10040	Operating transfers from / to component unit	0	(201,719)	0	201,719	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0	0
10080	Special items, net gain/loss	0	0	0	0	0	0	0
10091	Inter Project Excess Cash Transfer In	0	0	0	0	0	0	0
10092	Inter Project Excess Cash Transfer Out	0	0	0	0	0	0	0
10093	Transfers between Programs and Projects - in	0	0	0	0	0	0	0
10094	Transfers between Programs and Projects - out	0	0	0	0	0	0	0
10100	**Total other financing sources (uses)**	**0**	**(723,231)**	**0**	**723,231**	**0**	**0**	**0**
10000	**Excess (Deficiency) of Revenue Over (Under) Expenses**	**5,229,083**	**2,064,407**	**(1,090,847)**	**646,182**	**6,848,825**	**0**	**6,848,825**
11020	Required Annual Debt Principal Payments	954,992	0	0	694,522	1,649,514	0	1,649,514
11030	Beginning equity	28,814,637	11,342,373	(6,241,237)	21,439,207	55,354,980	0	55,354,980
11040-010	Prior period adjustments and correction of errors - Editable	(288,512)	0	288,512	0	0	0	0
11040-020	Prior period adjustments and correction of errors - Editable	0	0	0	171,302	171,302	0	171,302
11040-030	Prior period adjustments and correction of errors - Editable	0	0	0	0	0	0	0
11040-040	Prior period adjustments and correction of errors - Editable	0	(371,168)	0	(189,609)	(560,777)	0	(560,777)
11040-050	Prior period adjustments and correction of errors - Editable	0	0	0	0	0	0	0
11040-060	Prior period adjustments and correction of errors - Editable	0	0	0	0	0	0	0
11040-070	Equity Transfers - Editable	(99,497)	0	0	99,497	0	0	0
11040-080	Equity Transfers - Editable	0	344,074	0	(344,074)	0	0	0
11040-090	Equity Transfers - Editable	0	0	0	0	0	0	0
11040-100	Equity Transfers - Editable	0	0	0	0	0	0	0
11040-110	Equity Transfers - Editable	0	0	0	0	0	0	0
11040	**Prior period adjustments, equity transfers, and correction of**	**(388,009)**	**(27,094)**	**288,512**	**(262,884)**	**(389,475)**	**0**	**(389,475)**
11170	**Administrative Fee Equity**	**0**	**(1,094,992)**	**0**	**0**	**(1,094,992)**	**0**	**(1,094,992)**
11180	**Housing Assistance Payments Equity**	**0**	**418,185**	**0**	**0**	**418,185**	**0**	**418,185**
11190-210	Total ACC HCV Units	0	53,928	0	0	53,928	0	53,928
11190-220	Unfunded Units	0	0	0	0	0	0	0
11190-230	Other Adjustments	0	0	0	0	0	0	0
11190	**Unit Months Available**	**31356**	**56,292**	**0**	5,484	93,132	**0**	**93,132**
11210	**Unit Months Leased**	**30332**	**52,122**	**0**	**5,071**	**87,525**	**0**	**87,525**
11270	**Excess Cash**	**19,014,755**	**0**	**0**	**0**	**19,014,755**	**0**	**19,014,755**
11610	Land Purchases	0	0	0	0	0	0	0
11620	Building Purchases	532,122	0	0	0	532,122	0	532,122
11630	Furniture & Equipment-Dwelling Purchases	0	0	0	0	0	0	0
11640	Furniture & Equipment-Administrative Purchases	0	0	0	0	0	0	0
11650	Leasehold Improvements Purchases	0	0	0	0	0	0	0
11660	Infrastructure Purchases	0	0	0	0	0	0	0
13510	CFFP Debt Service Payments	845,691	0	0	0	845,691	0	845,691
13901	Replacement Housing Factor Funds	0	0	0	0	0	0	0

LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs			
Public and Indian Housing	14.850		$ 12,390,280
Housing Voucher Cluster			
Section 8 Housing Choice Voucher Program	14.871		26,728,197
Mainstream vouchers (MS5)	14.879		914,822
Total Housing Voucher Cluster			27,643,019
Section 8 Project-Based Cluster			
Section 8 Housing Assistance Payments Program			
Parqwood Apartments, LP (Component Unit)	14.195		521,512
Lower Income Housing Assistance Program			
Section 8 Moderate Rehabilitation	14.856		272,032
Total Section 8 Project-Based Cluster			793,544
Public Housing Capital Fund	14.872		11,327,159
Resident Opportunity and Supportive Services - Service Coordinators	14.870		309,038
Family Self-Sufficiency Program	14.896		237,632
Total Direct Programs			52,700,672
Total U.S. Department of Housing and Urban Development			**52,700,672**
U.S. DEPARTMENT OF HEALTH AND URBAN DEVELOPMENT			
Passed Through the Zepf Center Grant			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	90-FX0042-01-00	232,560
Total U.S. Department of Health and Urban Development			**232,560**
Total Expenditures of Federal Awards			**$ 52,933,232**

The accompanying notes are an integral part of this schedule.

LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance as the Authority uses a fee service approach as required by the U.S. Department of HUD.

NOTE D – SUBRECIPIENTS

The Authority did not provide funds to subrecipients during the audit period.

NOTE E – HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAM

The Home Investment Partnerships Program funds (CFDA 14.239) were provided to the Authority for a rehabilitation project administered by the Lucas Housing Services Corporation. The grant was provided by the City of Toledo, Department of Neighborhoods as a pass-through award of funds received from HUD. The grant documents do not provide a pass through entity identification number.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE F – PUBLIC HOUSING CAPITAL FUNDS (CFDA NUMBER 14.872)

Expenditures for the Public Housing Capital Fund were from the following grants:

OH12P006501-12	$ 593,935
OH12P006501-15	1,143,651
OH12P006501-16	1,764,722
OH12P006501-17	1,377,301
OH12P006501-18	4,633,864
OH12P006501-19	1,813,686
Total	$ 11,327,159

OHIO AUDITOR OF STATE
KEITH FABER

One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Lucas Metropolitan Housing Authority
Lucas County
435 Nebraska Avenue
Toledo, Ohio 43604

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Lucas Metropolitan Housing Authority, Lucas County, 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 12, 2020 wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State

Columbus, Ohio

October 12, 2020

OHIO AUDITOR OF STATE
KEITH FABER

One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

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

Lucas Metropolitan Housing Authority
Lucas County
435 Nebraska Avenue
Toledo, Ohio 43604

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited Lucas Metropolitan Housing Authority, Lucas County, Ohio's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could directly and materially affect the Lucas Metropolitan Housing Authority's major federal program for the year ended December 31, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Lucas Metropolitan Housing Authority, Lucas County, Ohio, complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2019.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Keith Faber
Auditor of State

Columbus, Ohio

October 12, 2020

LUCAS METROPOLITAN HOUSING AUTHORITY
LUCAS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Public Housing Capital Fund CFDA #14.872
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $1,587,997 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

Lucas Metropolitan Housing Authority
435 Nebraska Avenue, PO Box 477
Toledo, Ohio 43697-0477
419-259-9400 Fax 419-259-9494
TRS: Dial 711
www.lucasmha.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	Significant deficiency due to errors in financial reporting and monitoring the financial statements resulting in audit adjustments.	Partially corrected and reissued in the Management Letter.	This comment reoccurred due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period. The Authority is implementing procedures to correct these errors for the future.

OHIO AUDITOR OF STATE
KEITH FABER

LUCAS METROPOLITAN HOUSING AUTHORITY

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 11/5/2020

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