

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY**

Single Audit

For the Calendar Year Ended December 31, 2024



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Board of Trustees
Jefferson Metropolitan Housing Authority
153 North 5th Avenue
Steubenville, Ohio 43952

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

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 29, 2025

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**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON, OHIO**

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INDEPENDENT AUDITOR'S REPORT

Jefferson Metropolitan Housing Authority
Jefferson County
153 North 5th Avenue
Steubenville, Ohio 43952

To the Board of Trustees

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the business-type activities, of the Jefferson Metropolitan Housing Authority, Jefferson County, Ohio, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Jefferson Metropolitan Housing Authority's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Jefferson Metropolitan Housing Authority, Jefferson County, Ohio as of December 31, 2024, and the respective changes in financial position and, cash flows thereof and for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am required to be independent of the Jefferson Metropolitan Housing Authority, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Supplemental Financial Data Schedules and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 13, 2025, on my consideration of the Jefferson Metropolitan Housing Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jefferson Metropolitan Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Metropolitan Housing Authority's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.
Cleveland, Ohio

July 13, 2025

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

The Jefferson Metropolitan Housing Authority (“the Authority”) management’s discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activities, (c) identify changes in the Authority’s financial position and (d) identify individual fund issues or concerns.

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

Financial Highlights

- The Authority’s net position increased by \$1,784,229 (8.22%) due to results from operation. Net position was \$23,443,713 on December 31, 2024, and \$21,659,484 at December 31, 2023.
- Total revenues of the Authority increased by \$1,113,759 (8.78%) in 2024. Revenues were \$12,685,080 in 2023 and \$13,798,839 in 2024. The reason for the increase in revenue is the additional grant money received from HUD during the year and interest earned.
- Total expenses of the Authority increased by \$467,083 (4.04%) in 2024. Total expenses were \$12,014,610 in 2024 and \$11,547,527 in 2023. The increase was mainly due to additional housing assistance payments made during the year and the change in pension and OPEB liabilities.

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

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all activities are consolidated into columns, which adds to a total for the entire Authority.

These statements include a *Statement of Net Position*, which is like a Balance Sheet. The Statement of Net Position reports on all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, equal “Net Position”, formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

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

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

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

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

The Authority-wide financial statement also includes a *Statement of Revenues, Expenses and Changes in Net Position* (like an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as Capital Grant revenue, investment income and interest expense.

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

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

Fund Financial Statements

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

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

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

The Authority's Programs

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

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

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

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

Resident Opportunities and Family Self-Sufficiency Program (ROSS) – In February 2024, the Authority was awarded the Resident Opportunities and Family Self-Sufficiency Program. The ROSS Program is intended to enable participants to make progress toward economic independence and housing self-sufficiency; reduce or eliminate the need for welfare assistance and increase earned income. Through needs assessments, case management, and referrals to community and web-based services, the Service Coordinator help each participant advance towards the above goals in ways that best fit their needs, personal priorities, and interest. The Authority used the funds to pay for the Service Coordinator salary and fringe benefits.

Blended Presented Component Units

During the current year, the Authority was the fiscal agent of Jefferson Housing Development Corporation (Corporation), a legally separate, non-profit organization. In accordance with the Governmental Accounting Standards Board (GASB) Statement 61, it was determined that Jefferson Development Corporation meet the requirement to be considered a component unit of the Authority. Therefore, the financial statements of the Authority include the Corporation financials as a blended component unit.

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

AUTHORITY-WIDE STATEMENT

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

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

	2024	Restated 2023
Current and Other Assets	\$ 11,947,414	\$ 11,775,074
Capital Assets	<u>15,477,823</u>	<u>14,096,213</u>
Total Assets	<u>27,425,237</u>	<u>25,871,287</u>
Deferred Outflows of Resources	<u>882,471</u>	<u>1,246,207</u>
 Total Assets and Deferred Outflows of Resources	 <u>\$ 28,307,708</u>	 <u>\$ 27,117,494</u>
 Current Liabilities	 <u>\$ 1,115,970</u>	 <u>\$ 1,011,013</u>
Non-current Liabilities	<u>3,689,932</u>	<u>4,404,773</u>
Total Liabilities	<u>4,805,902</u>	<u>5,415,786</u>
Deferred Inflows of Resources	<u>58,093</u>	<u>42,224</u>
 Net Position:		
Net Investment in Capital Assets	14,051,708	12,106,536
Restricted Net Position	84,195	8,947
Unrestricted Net Position	<u>9,307,810</u>	<u>9,544,001</u>
Total Net Position	<u>23,443,713</u>	<u>21,659,484</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 28,307,708</u>	 <u>\$ 27,117,494</u>

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

Major Factors Affecting the Statement of Net Position

During 2024 current assets and other assets increased by \$172,340. The current and other assets, primarily cash and investments, increased due to results from operation. Current liabilities increased by \$104,957. This was mostly due to invoices that were outstanding at the end of the year. Long Term Liabilities decreased by \$714,841. The increase was due to the result of the proportionate share change in pension and OPEB liabilities.

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

During 2024 Net Investment in Capital Assets increased by \$1,945,172 primarily due to net of depreciation and current year purchases. Unrestricted Net Position decreased by \$236,191 and Restricted Net Position increased by \$75,248. These changes are due to the result of current year activities.

The following is the **Statement of Revenues, Expenses and Changes in Net Position**. Jefferson Metropolitan Housing Authority is engaged only in business-type activities.

Table 2 - Condensed Statement of Revenue, Expenses & Changes in Net Position

	<u>2024</u>	<u>Restated 2023</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 1,502,441	\$ 1,607,351
Operating Subsidies	9,346,564	9,479,171
Capital Grants	2,483,857	1,455,423
Investment Income	230,858	114,200
Other Revenues	337,576	247,596
Loss on Disposition of Capital Assets	(102,457)	(218,661)
Total Revenues	<u>13,798,839</u>	<u>12,685,080</u>
<u>Expenses</u>		
Administrative	1,644,469	1,750,291
Tenant Services	53,607	2,949
Utilities	1,323,154	1,540,438
Maintenance	2,433,599	2,279,592
Protection Services	314,963	282,181
General, Insurance and Interest Expenses	712,322	602,016
Housing Assistance Payments	4,248,967	3,808,583
Depreciation & Amortization	1,283,529	1,281,477
Total Expenses	<u>12,014,610</u>	<u>11,547,527</u>
Net Increases (Decreases)	1,784,229	1,137,553
Beginning Net Position - Restated	21,659,484	20,521,931
Ending Net Position	<u>\$ 23,443,713</u>	<u>\$ 21,659,484</u>

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

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

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

Total revenues increased by \$1,113,759 (8.78 percent) in 2024. This increase is mainly due to HUD Grant Revenue received for the year.

Total expenses increased \$467,083 (4.04 percent) in 2024; the main reason of the increase was due to an increase in housing assistance payments. The following table shows the change in net position of the Authority for the year ended December 31, 2024:

	<u>Unrestricted</u>
Beginning Balance - December 31, 2023 Restated	\$ 9,544,001
Results of Operation	1,717,649
Adjustments:	
Current Year Depreciation / Amortization Expense (1)	1,280,134
Capital Expenditure (2)	(2,767,595)
Current year disposal, net of accum. depreciation	102,454
Retirement of Debt	(570,315)
Lease Liability net of Payment	<u>1,482</u>
Ending Balance - December 31, 2024	\$ <u>9,307,810</u>

Capital Assets

As of year-end, the Authority had \$15,477,823 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions, and depreciation) of \$1,381,610 or 9.80 percent from the end of prior year.

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

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

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

	<u>2024</u>	<u>2023</u>
Land	\$ 2,564,292	\$ 2,559,482
Buildings	45,847,127	44,995,099
Dwelling Equipment	1,303,857	1,215,718
Administration Equipment	873,563	830,016
Intangible Right-To-Use: leased Equipment	7,313	10,708
Construction in Progress	1,915,456	657,367
Accumulated Depreciation / Amortization	<u>(37,033,785)</u>	<u>(36,172,177)</u>
Total	<u>\$ 15,477,823</u>	<u>\$ 14,096,213</u>

The following reconciliation summarizes the change in Capital Assets.

Table 5 - Capital Assets at Year-End

Beginning Balance - December 31, 2023	\$ 14,096,213
Current year Additions	2,767,595
Current year disposal, net of accum. depreciation	(102,454)
Current year Depreciation/Amortization Expense	(1,283,529)
Rounding Adjustments	(2)
Ending Balance - December 31, 2024	<u>\$ 15,477,823</u>

The current year additions represented land, equipment and capital improvements. The equipment included a vehicle, mowers, and playground equipment.

Debt Outstanding

As of year-end, the Authority had debt of \$1,673,899 for the Energy Performance Contract. This decreases of \$570,315 from the previous year. In addition, there is a liability owed to HUD for a prior years IG audit finding.

Below is a summary of the change in the outstanding debt balance:

Jefferson Metropolitan Housing Authority
JEFFERSON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - December 31, 2023 Restated	\$ 2,244,214
Current Year Debt Retired	<u>(570,315)</u>
Ending Balance - December 31, 2024	<u><u>\$ 1,673,899</u></u>

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Recommendation

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

Financial Contact

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
December 31, 2024

ASSETS

Current assets

Cash and Cash Equivalents	\$11,153,606
Restricted Cash and Cash equivalents	143,534
Receivables, Net	104,807
Inventories, Net	70,733
Prepaid Expenses and Other Assets	390,539
Total Current Assets	11,863,219

Noncurrent Assets

Capital Assets	
Non-depreciable Capital Assets	4,479,748
Depreciable/Amortized capital assets, net	10,998,075
 Total Capital Assets	 15,477,823
 OPEB Asset	 84,195
Total Noncurrent Assets	15,562,018
Total Assets	\$27,425,237

Deferred Outflows of Resources

Pension	805,250
OPEB	77,221
 Total Deferred Outflows of Resources	 882,471
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$28,307,708

LIABILITIES

Current Liabilities

Accounts payable	\$126,564
Accrued Compensated Absences - Current Portion	103,371
Accrued Liabilities	116,677
Tenant Security Deposits	132,841
Notes Payable - Current Portion	601,946
Lease Payable - Current Portion	1,417
Accrued Interest Payable	24,920
Other Current Liabilities	8,234
Total Current Liabilities	1,115,970

See accompanying notes to the basic financial statements.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
December 31, 2024

Noncurrent Liabilities

Accrued Compensated Absences - Net of Current Portion	\$139,605
Lease Payable - Net of Current Portion	1,792
Notes Payable - Net of Current Portion	820,960
Net Pension Liability	2,474,835
Other Noncurrent Liabilities	<u>252,740</u>

Total Noncurrent Liabilities 3,689,932

TOTAL LIABILITIES \$4,805,902

Deferred Inflow of Resources

Pension	\$7,569
OPEB	<u>50,524</u>
Total Deferred Inflow of Resources	<u><u>\$58,093</u></u>

NET POSITION

Net Investment in Capital Assets	\$14,051,708
Restricted Net Position	84,195
Unrestricted Net Position	<u>9,307,810</u>
Total Net Position	<u><u>\$23,443,713</u></u>

**TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES,
AND NET POSITION** \$28,307,708

See accompanying notes to the basic financial statements.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

OPERATING REVENUES

Tenant Revenue	\$1,502,441
Government Operating Grants	9,346,564
Other Revenue	337,576
Total Operating Revenues	<u>11,186,581</u>

OPERATING EXPENSES

Administrative	1,644,469
Tenant Services	53,607
Utilities	1,323,154
Maintenance	2,433,599
Protection Services	314,963
General and Insurance	669,866
Housing Assistance Payment	4,248,967
Total Operating Expenses Before Depreciation	<u>10,688,625</u>
Income (Loss) Before Depreciation	<u>497,956</u>
Depreciation	1,282,047
Amortization	1,482
Operating Income (Loss)	<u>(785,573)</u>

NON-OPERATING REVENUES (EXPENSES)

Interest and Investment Revenue	230,858
Interest Expense	(42,456)
Capital Grant Revenue	2,483,857
Loss on Disposition of Capital Assets	(102,457)
Total Non-Operating Revenues (Expenses)	<u>2,569,802</u>
Change in Net Position	1,784,229
Total Net Position - Beginning of Year Restated	<u>21,659,484</u>
Total Net Position - End of Year	<u>\$23,443,713</u>

See accompanying notes to the basic financial statements.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$9,285,052
Tenant revenue received	1,493,991
Other revenue received	326,654
General and administrative expenses paid	(6,278,442)
Housing assistance payments	<u>(4,248,967)</u>
 Net Cash Provided (Used) by Operating Activities	<u>578,288</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned	<u>230,858</u>
 Net Cash Provided (Used) by Investing Activities	<u>230,858</u>

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

Capital Grant Funds Received	2,483,857
Capital Assets Purchased	(2,767,595)
Debt Principal Payments	(570,315)
Lease Liability Net of Payment	(1,482)
Interest Payments	<u>(42,456)</u>
 Net Cash Provided (Used) by Capital and Related Activities	<u>(897,991)</u>

Net Increase (Decrease) in Cash	(88,845)
Cash and Cash Equivalents - Beginning of Year	<u>11,385,985</u>

Cash and cash equivalents - End of year	<u>\$11,297,140</u>
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See accompanying notes to the basic financial statements.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$785,573)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation / Amortization	1,282,047
- Amortization	1,482
- (Increases) Decreases in Accounts Receivable	(59,183)
- (Increases) Decreases in Prepaid Assets	(108,842)
- (Increases) Decreases in Inventory	(8,965)
- (Increases) Decreases in OPEB Asset	(84,195)
- (Increases) Decreases in Deferred Outflows	363,736
- Increases (Decreases) in Accounts Payable	29,771
- Increases (Decreases) in Accrued Liabilities	9,450
- Increases (Decreases) in Tenant Security Deposits	(475)
- Increases (Decreases) in Pension Liability	(113,170)
- Increases (Decreases) in OPEB Liability	(53,821)
- Increases (Decreases) in Accrued Compensated Absences	98,253
- Increases (Decreases) in Deferred Inflows	15,869
- Increases (Decreases) in Accrued Interest Payable	(9,843)
- Increases (Decreases) in Noncurrent Liabilities - Other	<u>1,747</u>
Net Cash Provided (Used) by Operating Activities	<u>\$578,288</u>

See accompanying notes to the basic financial statements.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying Financial Statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 61, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

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

The primary government consists of all funds, agencies, departments, and offices that are not legally separate from the Authority. The preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. The following organizations are described due to their relationship to the Authority.

Blended Presented Component Units

The Jefferson Housing Development Corporation (Corporation) is a legally separate, non-profit organization served by five board of trustees. Two of the five board members are the board of commissioners of Jefferson Metropolitan Housing Authority (JMHA). In addition, the Executive Director of JMHA is also the Director of the Corporation.

Jefferson Metropolitan Housing Authority serves as the fiscal agent of the corporation.

Basis of Presentation

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

The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

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

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

Fund Accounting

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

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

Proprietary Fund Types

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

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

Description of Programs

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

A. **Public Housing Program**

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

B. **Capital Fund Program**

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

C. **Housing Choice Voucher Program**

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

D. **New Construction**

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

E. **Business Activity**

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

F. **PIH Family Self-Sufficiency (FSS) Program**

The FSS Program is to promote the development of local strategies to coordinate the public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in the year ended December 31, 2024, was \$230,858.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$5,000 or more per unit. Depreciation is calculated using the straight-line method over the estimated useful lives:

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

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

Operating Revenues and Expenses

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

Capital Contributions

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

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

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

Cash and Cash Equivalents

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

Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Agency's Personnel Policy. A liability for compensated absences that are attributable to services already rendered and that are not contingent on specific events that are outside the control of the Agency and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Agency and its employees are accounted for in the period in which such services are rendered or in which such an event takes place.

Net Position

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

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the HUD and once approved is adopted by the Board of the Housing Authority.

Estimates

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

Deferred Outflows/Inflows of Resources

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

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

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension/Other Postemployment Benefits (OPEB)

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

Change in Accounting Principle

GASB Statement No. 101, Compensated Absences The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated in the Authority's financial statements; however there was no effect on the beginning net position.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

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

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

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by Authority, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

Deposits (Continued)

At fiscal year-end December 31, 2024, the carrying amount of the Authority's deposits totaled \$11,297,140 (including \$100 petty cash) and its bank balance was \$11,752,092. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2024, \$11,252,092 was exposed to custodial risk as discussed below, while \$500,000 was covered by the Federal Depository Insurance Corporation.

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

Investments

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

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

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

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

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

The Authority had no investments on December 31, 2024.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 3: RESTRICTED CASH

The restricted cash balance as of December 31, 2024, of \$143,534 represents cash on hand for the following:

- Donations	\$712
- FSS Escrow	9,981
- Tenant Security Deposits	<u>132,841</u>
 Total Restricted Cash	 <u>\$ 143,534</u>

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2024, by class is as follows:

	Balance			Balance
	12/31/2023	Additions	Deletions	12/31/2024
Capital Assets Not Being Depreciated:				
Land	\$2,559,482	\$4,810	\$0	\$2,564,292
Construction in Progress	657,367	1,258,089	0	1,915,456
Total Capital Assets Not Being Depreciated	3,216,849	1,262,899	0	4,479,748
 Capital Assets Being Depreciated:				
Buildings	44,995,099	1,336,582	(484,554)	45,847,127
Furn, Mach. and Equip:				
- Dwelling	1,215,718	95,709	(7,570)	1,303,857
- Administration	830,016	72,405	(28,858)	873,563
- Intangible Right-To Use: Leased	10,708	0	(3,395)	7,313
Equipment				
Total Capital Assets Being Depreciated	47,051,541	1,504,696	(524,377)	48,031,860
 Accumulated Depreciation:				
Buildings	(34,857,182)	(1,128,176)	393,611	(35,591,747)
Furn, Mach. and Equip.				
- Dwelling	(765,208)	(81,437)	7,571	(839,074)
- Administration	(543,771)	(72,436)	17,346	(598,861)
- Intangible Right-To Use: Leased	(6,016)	(1,482)	3,395	(4,103)
Equipment				
Total Accumulated Depreciation	(36,172,177)	(1,283,531)	421,923	(37,033,785)
Total Capital Assets Being Depreciated, Net	10,879,364	221,165	(102,454)	10,998,075
Total Capital Assets, Net	\$14,096,213	\$1,484,064	(\$102,454)	\$15,477,823

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 5: DEFINED BENEFIT PENSION PLANS

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transaction—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.

The 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 the accrued liabilities 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 pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 5: DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS reference 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 after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit Formula: 2.2% of FAS multiplied by years of service from the first 30 years and 2.5% for service years in excess of 30	State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit Formula: 2.2% of FAS multiplied by years of service from the first 30 years and 2.5% for service years in excess of 30	State and Local Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit Formula: 2.2% of FAS multiplied by years of service from 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 members' career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those 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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

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

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

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

When a Traditional Pension Plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the COLA is 3 percent. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

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

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

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

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

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

2024 Statutory Maximum Contribution Rates:	<u>State and Local</u>
Employer	14.0%
Employee	10.0%

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 5: DEFINED BENEFIT PENSION PLANS (Continued)

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

Employer contribution rates are actuarially determined and are expressed as a percentage of the payroll covered. The Authority's contractual required contribution was \$254,884 for year ending December 31, 2024. Of this amount \$18,494 is reported within the accrued liabilities.

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

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

	Traditional Plan
Proportionate Share of Net Pension Liability	\$2,474,835
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.008761%
- Current Meassurement Date	<u>0.009453%</u>
Change in Proportion from Prior	<u>0.000692%</u>
Pension Expense	\$139,261

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

	Traditional Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$499,527
Difference between expected and actual experience	40,449
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	24,464
Authority contributions subsequent to the measurement date	<u>240,810</u>
Total Deferred Outflows of Resources	<u>\$805,250</u>

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

	Traditional Plan
Deferred Inflows of Resources	
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	<u>\$7,569</u>
Total Deferred Inflows of Resources	<u><u>\$7,569</u></u>

\$240,810 reported as deferred outflows of resources related to pension resulting from Authority contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

	Traditional Plan
Fiscal Year Ending December 31,: 	
2025	\$141,720
2026	167,513
2027	318,770
2028	<u>(71,132)</u>
Total	<u><u>\$556,871</u></u>

Actuarial Assumptions – OPERS

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

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

The most recent experience study was completed for the five-year period ended December 31, 2020.

The long-term 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 weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio.

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

Actuarial Assumptions – OPERS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

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

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

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	\$3,896,054	\$2,474,835	\$1,292,792

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NOTE 6: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

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

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

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

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

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

Net OPEB Liability (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed 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.

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(CONTINUED)

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2024. The OPERS Board is also authorized to establish rules for the retirees 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 2024 was 4.0 percent.

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

The Authority's contractually required contribution was \$3,287 for 2024.

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

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expenses:

	Health Care Plan
Proportionate Share of Net OPEB Liability / (Asset)	(\$84,195)
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.008536%
- Current Measurement Date	<u>0.009329%</u>
Change in Proportion from Prior	<u>0.000793%</u>
OPEB Income	\$10,847

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

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NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

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

	Health Care Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$50,565
Assumption Changes	21,676
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	4,980
Total Deferred Outflows of Resources	<u><u>\$77,221</u></u>
Deferred Inflows of Resources	
Assumption Changes	\$36,194
Difference between expected and actual experience	11,984
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	2,346
Total Deferred Inflows of Resources	<u><u>\$50,524</u></u>

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

	Health Care Plan
Fiscal Year Ending December 31:	
2025	\$497
2026	3,914
2027	39,360
2028	(17,074)
Total	<u><u>\$26,697</u></u>

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NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

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

Actuarial Assumptions - OPERS

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

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

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

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

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NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

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

The most recent experience study was completed for the five-year period ended December 31, 2020.

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 2023, 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 allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

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

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

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

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

	1% Decrease (4.70%)	Single Discount Rate (5.70%)	1% Increase (6.70%)
Authority's proportionate share of the net OPEB Liability/(Asset)	\$46,272	(\$84,195)	(\$192,271)

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

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NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

Retiree health care valuations use a 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 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	Current Health Care Cost Trend		
	1% Decrease	Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability/(Asset)	(\$87,693)	(\$84,195)	(\$80,229)

NOTE 7: LONG-TERM LIABILITIES

Change in Long-Term Liabilities:

Description	Balance 12/31/23	Issued	Retired	Balance 12/31/24	Due Within One Year
Long-Term Debt - Restated	\$ 1,984,987	\$ -	\$ 562,081	\$ 1,422,906	\$ 601,946
Compensated Absences	144,723	98,253	-	242,976	103,371
Other - Payable to HUD	259,227	-	8,234	250,993	8,234
Net Pension Liability	2,588,005	-	113,170	2,474,835	-
Net OPEB Liability	53,821	-	53,821	-	-
Leases Payable	4,691	-	1,482 *	3,209	1,417
Total	\$ 5,035,454	\$ 98,253	\$ 738,788	\$ 4,394,919	\$ 714,968

* The change in the compensated absences liability is presented as a net change.

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

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NOTE 7: LONG-TERM LIABILITIES (continued)

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2024:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	601,946	31,486	633,432
2026	631,494	21,721	653,215
2027	189,466	7,362	196,828
 Total	 <u>\$1,422,906</u>	 <u>\$60,569</u>	 <u>\$1,483,475</u>

NOTE 8: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 2023, the Authority maintained comprehensive insurance coverage with private carriers for general liability, real property, building contents, and vehicles through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance pool comprised of thirty-nine (39) Ohio Housing Authorities, of which Jefferson Metropolitan Housing Authority is a member. Vehicle policies include liability coverage for bodily injury and property damage.

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

The Authority provides health care benefits to its employees via participation in a partially funded health care plan, OME-RESA Health Benefits Program. The Authority makes monthly payments to the Plan Administrator based on single or family coverage.

NOTE 9: CONTINGENCIES

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

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(CONTINUED)

*

NOTE 9: CONTINGENCIES (continued)

- Reimburse the Operating Fund Reserves \$463,885 from non-federal funds in thirty-nine equal installments of \$11,598 and \$11,563 in the fortieth year. Payment is due no later than November 30th of each year. During the calendar year 2021, the balance for this repayment was forgiven.
- Reimburse the Housing Assistance Payment Reserve \$329,328 from non-federal funds in thirty-nine equal installments of \$8,234 and \$8,202 in the fortieth year. Payment is due no later than November 30th of each year.
- Reimburse the Administrative Fee Reserve \$28,779 from non-federal funds in thirty-nine equal installments of \$720 and \$699 in the fortieth year. Payment is due no later than November 30th of each year.

During the year the Authority made payments of \$8,954 leaving a balance of \$271,293 as of December 31, 2024, which is as follows:

Description	Balance 12/31/23	Forgiven	Retired	Balance 12/31/24	Due Within One Year
Housing Assistance Reserve	\$ 259,227	\$ -	\$ 8,234	\$ 250,993	\$ 8,234
Admin Fee Reserve	21,020	-	720	20,300	720
Total	\$ 280,247	\$ -	\$ 8,954	\$ 271,293	\$ 8,954

NOTE 10: LEASES

GASB Statement No. 87, Leases (GASB 87), is a comprehensive change by the governmental accounting standards board for lease arrangements. Previous GASB lease guidance, including GASB 13 and GASB 62, did not require all leases to be recognized on the statement of financial position. Instead, only those classified as capital leases were recognized and disclosed as assets and liabilities in the financial statements.

To improve the consistency and transparency of accounting and financial reporting for leases by governments, GASB 87 requires lessees to recognize an intangible right-to-use asset and liability for leases that were previously classified as operating leases and establishes a single classification model for leases going forward.

GASB 87 requires lessees to recognize a lease asset associated with their lease agreements. Therefore, one of the newly required quantitative disclosures is to disclose the total amount of lease assets and the related accumulated amortization, summarized by the major classifications of the underlying assets:

JEFFERSON METROPOLITAN HOUSING AUTHORITY
 JEFFERSON COUNTY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
 (CONTINUED)

NOTE 10: **LEASES** (continued)

PURPOSE	LEASE		TERM (YEARS)	LEASE END DATE	PAYMENT METHOD
	COMMENCE MENT DATE				
Postage Meter		May 1, 2022	5	April 30, 2027	Monthly

The table below report projects the undiscounted cash flows to be made in the future:

Fiscal Year Ending	Principal	Interest	Total
December 31, 2025	\$ 1,417	\$ 219	\$ 1,636
December 31, 2026	1,354	282	1,636
December 31, 2027	438	107	545
Total	\$ 3,209	\$ 608	\$ 3,817

NOTE 11: **BLENDED COMPONENT UNIT**

The Authority's financial statements included a blended component unit – Jefferson Housing Development Corporation. Description of the blended component is as follows:

The Corporation is organized exclusively for charitable and/or educational purposes within the meaning of Section 501©(3) of the Internal Revenue Code of 1986, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501©(3) of the Internal Revenue Code, the lessening of burdens of government, relieving the poor and distressed or underprivileged, and combatting community deterioration. Such purposes shall also include, without limitation, to assist local community and civic organizations with neighborhood revitalization.

Separate financial statement has been issued for the component unit and may be requested in writing from the Authority.

NOTE 12: **FDS SCHEDULE SUBMITTED TO HUD**

For the Calendar year ended December 31, 2024, the Authority electronically submitted an unaudited balance sheet summary, revenue and expense summary, and other data to HUD as required on the GAAP basis. The audited version of the entity wide balance sheet summary and entity wide revenue and expense summary are included as supplemental data. The schedules are presented in the manner prescribed by U. S. Department of Housing and Urban Development.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

NOTE 13: **SUBSEQUENT EVENTS**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through July 13, 2025, the date on which the financial statements were available to be issued.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
LAST TEN CALENDAR YEARS**

Traditional Plan	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.009453%	0.008761%	0.008981%	0.008918%	0.007504%	0.006873%	0.007726%	0.009498%	0.011681%	0.012994%
Authority's Proportionate Share of the Net Pension Liability	\$2,474,835	\$2,588,005	\$ 781,384	\$1,320,564	\$1,483,218	\$1,882,375	\$1,212,060	\$2,156,834	\$2,023,296	\$1,567,218
Authority's Covered Employee Payroll	\$1,555,995	\$1,365,305	\$1,303,348	\$1,354,542	\$1,311,386	\$1,095,150	\$1,052,853	\$1,260,376	\$1,593,071	\$1,531,414
Authority's Proportionate Share of the Net Pension Liability as a percentage of its covered employee payroll	159.05%	189.56%	59.95%	97.49%	113.10%	171.88%	115.12%	171.13%	127.01%	102.34%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

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

(2) - Amounts presented as of the Authority's plan measurement date, which is prior calendar year-end.

See accompanying notes to the required supplementary information.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)
LAST EIGHT CALENDAR YEARS

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.009329%	0.008536%	0.008686%	0.008592%	0.007249%	0.006644%	0.007430%	0.009120%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$ (84,195)	\$ 53,821	\$(272,059)	\$(153,073)	\$1,001,275	\$ 866,221	\$ 806,843	\$ 921,151
Authority's Covered Employee Payroll	\$1,465,935	\$1,365,305	\$1,303,348	\$1,320,562	\$1,311,386	\$1,095,150	\$1,052,860	\$1,260,293
Authority's Proportionate Share of the Net OPEB Liability as a percentage of its covered employee payroll	-5.74%	3.94%	-20.87%	-11.59%	76.35%	79.10%	76.63%	73.09%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

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

(2) - Amounts presented as of the Authority's plan measurement date, which is prior calendar year-end.

See accompanying notes to the required supplementary information.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PENSION
LAST TEN YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	\$ 240,810	\$ 220,409	\$ 191,379	\$ 189,636	\$ 176,990	\$ 147,696	\$ 131,754	\$ 132,736	\$ 147,343	\$ 174,458
Contributions in relation to the contractually required contribution	<u><u>\$240,810)</u></u>	<u><u>(\$220,409)</u></u>	<u><u>(\$191,379)</u></u>	<u><u>(\$189,636)</u></u>	<u><u>(\$176,990)</u></u>	<u><u>(\$147,696)</u></u>	<u><u>(\$131,754)</u></u>	<u><u>(\$132,736)</u></u>	<u><u>(\$147,343)</u></u>	<u><u>(\$174,458)</u></u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Authority covered-employee payroll	\$1,720,074	\$1,574,352	\$1,366,995	\$1,354,542	\$1,264,217	\$1,055,757	\$ 941,100	\$1,021,043	\$1,227,857	\$1,453,814
Contribution as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
LAST TEN YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required employer contribution										
OPEB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,483	\$ 25,196	\$ 29,404
Contributions in relation to the contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,483)	\$ (25,196)	\$ (29,404)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
Authority covered-employee payroll	\$1,720,074	\$1,574,352	\$1,366,995	\$1,320,562	\$1,264,217	\$1,095,150	\$963,652	\$ 1,052,853	\$1,260,376	\$1,593,071
Contribution as a percentage of covered-employee payroll										
OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.09%	2.00%	1.85%

See accompanying notes to the required supplementary information.

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

Ohio Public Employees' Retirement System

Net Pension Liability

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

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016 and 2023-2024.

For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.75% to 3.25% (b) future salary increases changed from 4.25% - 10.05% to 3.25% - 10.75%.

For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: the expected investment return was reduced from 7.50% to 7.20%.

For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018, then 2.15% simple to 1.40% simple through 2020, then 2.15% simple.

For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple though 2020, then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75% (b) future salary increases changed from 3.25% - 10.75% to 2.75% - 10.75% (c) the cost-of-living adjustments for post-1/7/2013 retirees was increase from 0.5% simple though 2021, then 2.15% simple to 3.0% simple through 2022 then 2.05% simple (d) Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub- 2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Net OPEB liability/asset

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020 and 2022-2024.

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

Changes in assumptions:

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

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

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

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

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

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

For 2024, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.70% (b) the municipal bond rate changed from 4.00% to 3.77%.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Section 8 Housing Assistance Payments	Business Activities
111	Cash - Unrestricted	\$ 6,116,273	\$ 1,212,374	\$ 920,998
113	Cash - Other Restricted	2,892		
114	Cash - Tenant Security Deposits	97,458	25,847	9,536
115	Cash - Restricted for Payment of Current Liabilities			
100	Total Cash	6,216,623	1,238,221	930,534
122	Acct. Rec. - HUD Othe Projects			
125	Acct. Rec. - Misc.			10,326
126	Acct. Rec. - Tenants	57,259	15,830	916
126.1	Allowance Doubtful Accts. - Tenants	(14,290)	(5,648)	(69)
127	Notes, Loans, & Mortgages Rec. - Current			
120	Net Total Receivables	42,969	10,182	11,173
142	Prepaid Expenses	284,081	24,378	7,214
143	Inventories	63,141	9,930	3,498
143.1	Allowance for Obsolete Inventories	(6,314)	(993)	(350)
144	Inter Program Due From			
150	Total Current Assets	6,600,500	1,281,718	952,069
161	Land	2,443,382	70,000	45,910
162	Buildings	41,078,889	4,196,269	558,900
163	Furniture, Equip. & Mach. - Dwellings	1,156,352	142,551	4,954
164	Furniture, Equip. & Mach. - Admin.	533,301	76,859	
166	Accumulated Depreciation	(32,653,765)	(4,055,046)	(165,638)
167	Construction in Progress	1,865,659	42,505	7,292
160	Net Fixed Assets	14,423,818	473,138	451,418
171	Notes, Loans, & Mortgages Rec. - Non Current			
174	Other Assets	47,884	10,923	1,212
200	Deferred Outflow of Resources	501,887	114,488	12,703
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 21,574,089	\$ 1,880,267	\$ 1,417,402

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Section 8 Housing Assistance Payments	Business Activities
312	A/P <= 90 days	\$ 35,595	\$ 28,936	\$ 3,036
321	Accrued Wage/Taxes Payable	42,047	10,824	1,236
322	Accrued Compensated Absences - Current Portion	29,390	7,477	510
325	Accrued Interest Payable	24,920		
341	Tenant Security Deposits	97,458	25,847	9,536
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.	601,946		
345	Other Current Liabilities			
347	Inter Program - Due to			
310	Total Current Liabilities	831,356	73,084	14,318
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,	820,960		
353	Non-current Liabilities - Other	2,892		
354	Accrued Compensated Absences - Non Current	63,073	21,306	3,401
357	Accrued Pension and OPEB Liabilities	1,407,503	321,076	35,625
	TOTAL Liabilities	3,125,784	415,466	53,344
400	Deferred Inflow of Resources	33,039	7,538	836
508.1	Invested in Capital Assets Net	13,000,912	473,138	451,418
511.1	Restricted Net Position	47,884	10,923	1,212
512.1	Unrestricted Net Position	5,366,470	973,202	910,592
513	TOTAL Equity/Net Position	18,415,266	1,457,263	1,363,222
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	\$ 21,574,089	\$ 1,880,267	\$ 1,417,402

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice	Component	Blended	COCC
		Voucher	Unit -		
111	Cash - Unrestricted	\$ 255,938	\$ 167,794	\$ 2,480,229	
113	Cash - Other Restricted	7,089			
114	Cash - Tenant Security Deposits				
115	Cash - Restricted for Payment of Current Liabilities		712		
100	Total Cash	263,027	168,506		2,480,229
122	Acct. Rec. - HUD Othe Projects	32,006			
125	Acct. Rec. - Misc.	672			
126	Acct. Rec. - Tenants				
126.1	Allowance Doubtful Accts. - Tenants				
127	Notes, Loans, & Mortgages Rec. - Current	720			
120	Net Total Receivables	33,398	-		-
142	Prepaid Expenses	1,722			73,144
143	Inventories				1,821
143.1	Allowance for Obsolete Inventories				
144	Inter Program Due From				7,805
150	Total Current Assets	298,147	168,506		2,562,999
161	Land				5,000
162	Buildings				13,069
163	Furniture, Equip. & Mach. - Dwellings				
164	Furniture, Equip. & Mach. - Admin.	40,028			230,688
166	Accumulated Depreciation	(33,429)			(125,907)
167	Construction in Progress				
160	Net Fixed Assets	6,599	-		122,850
171	Notes, Loans, & Mortgages Rec. - Non Current	19,580			
174	Other Assets	7,042			17,134
200	Deferred Outflow of Resources	73,810			179,583
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 405,178	\$ 168,506		\$ 2,882,566

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice	Component		COCC
		Voucher	Unit - Blended		
312	A/P <= 90 days	\$ 12,336	\$ 712	\$ 45,949	
321	Accrued Wage/Taxes Payable	7,602	707	54,261	
322	Accrued Compensated Absences - Current Portion			65,994	
325	Accrued Interest Payable				
341	Tenant Security Deposits				
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.			1,417	
345	Other Current Liabilities			8,954	
347	Inter Program - Due to				
310	Total Current Liabilities	19,938	1,419	176,575	
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,			1,792	
353	Non-current Liabilities - Other	7,089		262,339	
354	Accrued Compensated Absences - Non Current	6,401	217	45,207	
354	Accrued Comp. Abs. - Noncurrent	206,996		503,635	
	TOTAL Liabilities	240,424	1,636	989,548	
400	Deferred Inflow of Resources	4,859		11,821	
508.1	Invested in Capital Assets Net	6,599		119,641	
511.1	Restricted Net Position	7,042		17,134	
512.1	Unrestricted Net Position	146,254	166,870	1,744,422	
513	TOTAL Equity/Net Position	159,895	166,870	1,881,197	
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	\$ 405,178	\$ 168,506	\$ 2,882,566	

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	PIH Family Self- Sufficiency	Subtotal
111	Cash - Unrestricted	\$ -	\$ 11,153,606
113	Cash - Other Restricted		9,981
114	Cash - Tenant Security Deposits		132,841
115	Cash - Restricted for Payment of Current Liabilities		712
100	Total Cash	-	11,297,140
122	Acct. Rec. - HUD Othe Projects	7,805	39,811
125	Acct. Rec. - Misc.		10,998
126	Acct. Rec. - Tenants		74,005
126.1	Allowance Doubtful Accts. - Tenants		(20,007)
127	Notes, Loans, & Mortgages Rec. - Current		720
120	Net Total Receivables	7,805	105,527
142	Prepaid Expenses		390,539
143	Inventories		78,390
143.1	Allowance for Obsolete Inventories		(7,657)
144	Inter Program Due From		7,805
150	Total Current Assets	7,805	11,871,744
161	Land		2,564,292
162	Buildings		45,847,127
163	Furniture, Equip. & Mach. - Dwellings		1,303,857
164	Furniture, Equip. & Mach. - Admin.		880,876
166	Accumulated Depreciation		(37,033,785)
167	Construction in Progress		1,915,456
160	Net Fixed Assets	-	15,477,823
171	Notes, Loans, & Mortgages Rec. - Non Current		19,580
174	Other Assets		84,195
200	Deferred Outflow of Resources		882,471
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 7,805	\$ 28,335,813

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	PIH Family Self- Sufficiency	Subtotal
312	A/P <= 90 days	\$ -	\$ 126,564
321	Accrued Wage/Taxes Payable		116,677
322	Accrued Compensated Absences - Current Portion		103,371
325	Accrued Interest Payable		24,920
341	Tenant Security Deposits		132,841
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.		603,363
345	Other Current Liabilities		8,954
347	Inter Program - Due to	7,805	7,805
310	Total Current Liabilities	7,805	1,124,495
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,		822,752
353	Non-current Liabilities – Other		272,320
354	Accrued Compensated Absences - Non Current		139,605
354	Accrued Comp. Abs. – Noncurrent		2,474,835
	TOTAL Liabilities	7,805	4,834,007
400	Deferred Inflow of Resources		58,093
508.1	Invested in Capital Assets Net		14,051,708
511.1	Restricted Net Position		84,195
512.1	Unrestricted Net Position		9,307,810
513	TOTAL Equity/Net Position	-	23,443,713
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	\$ 7,805	\$ 28,335,813

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Elimination	Total
111	Cash - Unrestricted	\$ -	\$ 11,153,606
113	Cash - Other Restricted		9,981
114	Cash - Tenant Security Deposits		132,841
114	Cash - Tenant Security Deposits		712
100	Total Cash	-	11,297,140
122	Acct. Rec. - HUD Othe Projects		39,811
125	Acct. Rec. - Misc.		10,998
126	Acct. Rec. - Tenants		74,005
126.1	Allowance Doubtful Accts. - Tenants		(20,007)
129	Accrued Interest Receivable	(720)	-
120	Net Total Receivables	(720)	104,807
142	Prepaid Expenses		390,539
143	Inventories		78,390
143.1	Allowance for Obsolete Inventories		(7,657)
144	Inter Program Due From	(7,805)	-
150	Total Current Assets	(8,525)	11,863,219
161	Land		2,564,292
162	Buildings		45,847,127
163	Furniture, Equip. & Mach. - Dwellings		1,303,857
164	Furniture, Equip. & Mach. - Admin.		880,876
166	Accumulated Depreciation		(37,033,785)
167	Construction in Progress		1,915,456
160	Net Fixed Assets	-	15,477,823
171	Notes, Loans, & Mortgages Rec. - Non Current	(19,580)	-
174	Other Assets		84,195
200	Deferred Outflow of Resources		882,471
190	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ (28,105)	\$ 28,307,708

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Balance Sheet

December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Elimination	Total
312	A/P <= 90 days	\$ -	126,564
321	Accrued Wage/Taxes Payable		116,677
322	Accrued Compensated Absences - Current Portion		103,371
325	Accrued Interest Payable		24,920
341	Tenant Security Deposits		132,841
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.		603,363
345	Other Current Liabilities		8,954
357	Accrued Pension	(7,805)	-
310	Total Current Liabilities	(7,805)	1,116,690
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,		822,752
353	Non-current Liabilities – Other	(20,300)	252,020
354	Accrued Compensated Absences - Non Current		139,605
354	Accrued Comp. Abs. – Noncurrent		2,474,835
	TOTAL Liabilities	(28,105)	4,805,902
400	Deferred Inflow of Resources		58,093
508.1	Invested in Capital Assets Net		14,051,708
511.1	Restricted Net Position		84,195
512.1	Unrestricted Net Position		9,307,810
513	TOTAL Equity/Net Position	-	23,443,713
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	\$ (28,105)	\$ 28,307,708

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Statement of Revenues and Expenses

For the Year Ended December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line <u>item</u>	<u>Account Description</u>	Section 8 Housing Assistance		
		Public Housing	Payments	Business Activities
703	Net Tenant Rental Revenue	\$ 975,702	\$ 376,112	\$ 148,461
704	Tenant Revenue - Other	1,278	888	
705	Total Tenant Revenue	976,980	377,000	148,461
706	HUD PHA Operating Grants	3,920,101	569,650	
706.1	Capital Grants	2,483,857		
707.1	Management Fee			
707.2	Asset Management Fee			
707.3	Bookkeeping Fee			
707.4	Front Line Service Fee			
708	Other Government Grants	16,023	43,080	
711	Investment Income - Unrestricted	133,207	36,906	29,150
714	Fraud Recovery			
715	Other Revenue	66,759	51,326	49,395
716	Gain or Loss on Sale of Capital Assets			
700	TOTAL REVENUE	7,596,927	1,077,962	227,006
911	Admin Salaries	231,649	106,312	2,338
912	Audit	13,591	2,659	492
913	Management Fee	353,223		
913.1	Bookkeeping Fee	44,984		
914	Advertising and Marketing	226	129	
915	Employee Benefits	160,656	59,420	1,045
916	Office Expenses	62,069	12,534	7,290
917	Legal Expense	7,751	3,057	
918	Travel	20,796	1,209	149
919	Other	346,417	35,227	1,793
	Total Operating - Admin.	1,241,362	220,547	13,107
920	Asset Management Fee	63,600		
921	Tenant Services - Salaries	1,169		
923	Employee Benefit Contributions - Tenant Services			
924	Tenant Services - Other	3,249		
925	Total Tenant Services	68,018	-	-
931	Water	373,258	60,343	17,184
932	Electricity	382,085	99,345	22,499
933	Gas	17,605	5,739	
936	Sewer	288,167	44,264	12,665
930	Total Utilities	1,061,115	209,691	52,348

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Statement of Revenues and Expenses

For the Year Ended December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line			Section 8	
item	Account Description		Housing Assistance Payments	Business Activities
		Public Housing		
941	Ordinary Maint. & Operations - Labor	\$ 679,328	88,859	18,590
942	Ordinary Maint. & Operations - Materials & Other	279,376	42,471	8,144
943	Ordinary Maint. & Operations - Contracts	649,546	85,548	30,816
945	Employee Benefits Contributions - Ordinary Maint.	473,341	49,665	8,310
940	Total Maintenance	2,081,591	266,543	65,860
951	Protective Services - Labor	124,737	41,094	5,286
952	Protective Services - Other Contract Costs	17,429	3,966	1,821
953	Protective Services - Other	8,723		
955	Employee Benefit Contributions - Protective Services	86,186	23,256	2,465
950	Total Protective Services	237,075	68,316	9,572
961.1	Property Insurance	195,798	23,425	44,906
961.2	Liability Insurance	52,707	20,714	2,168
961.3	Workmen's Compensation	7,799	1,911	233
961.4	All Other Insurance	2,986		
961	Total Insurance	259,290	46,050	47,307
962.1	Compensated Absences	51,021		
963	Payments in Lieu of Taxes	14,540	9,617	2,011
964	Bad Debt - Tenant Rents	123,582	26,689	6
968	Severance Expense		7,515	701
960	Total Other General Expenses	189,143	43,821	2,718
967.2	Interest on Notes Payable (Short and Long Term)	42,302		-
967	Total Interest Expense and Amortization Cost	42,302	-	-
	TOTAL OPERATING EXPENSES	5,179,896	854,968	190,912
970	Excess Operating Revenue over Expenses	2,417,031	222,994	36,094
973	Housing Assistance Payments			
973.5	HAP Portability-In			
974	Depreciation Expense	1,203,127	32,411	14,044
900	TOTAL EXPENSES	6,383,023	887,379	204,956
1001	Operating Transfer In	67,699		
1002	Operating Transfer Out	(67,699)		
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 1,213,904	\$ 190,583	\$ 22,050

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Statement of Revenues and Expenses

For the Year Ended December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	<u>Account Description</u>	Housing Choice Voucher	Component Unit - Blended	Component COCC
703	Net Tenant Rental Revenue	\$ -	\$ -	\$ -
704	Tenant Revenue - Other			
705	Total Tenant Revenue	-	-	-
706	HUD PHA Operating Grants		4,748,659	
706.1	Capital Grants			
707.1	Management Fee			448,323
707.2	Asset Management Fee			63,600
707.3	Bookkeeping Fee			104,422
707.4	Front Line Service Fee			233,160
708	Other Government Grants			2,253
711	Investment Income - Unrestricted			31,595
714	Fraud Recovery	3,370		
715	Other Revenue	56,843	96,800	10,830
716	Gain or Loss on Sale of Capital Assets			(102,457)
700	TOTAL REVENUE	4,808,872	96,800	791,726
911	Admin Salaries	152,318	1,311	335,288
912	Audit	1,683	470	1,106
913	Management Fee	95,100		
913.1	Bookkeeping Fee	59,438		
914	Advertising and Marketing	579		680
915	Employee Benefits	47,902	708	(7,923)
916	Office Expenses	15,944		29,973
917	Legal Expense		141	12,430
918	Travel	1,511		2,582
919	Other	81,358	66	119,298
	Total Operating - Admin.	455,833	2,696	493,434
920	Asset Management Fee			
921	Tenant Services - Salaries		1,169	
923	Employee Benefit Contributions - Tenant Services			
924	Tenant Services - Other			
925	Total Tenant Services	1,169	-	-
931	Water			
932	Electricity			
933	Gas			
936	Sewer			
930	Total Utilities	-	-	-

See Auditor's Report.

Jefferson Metropolitan Housing Authority
 Statement of Revenues and Expenses
 For the Year Ended December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice	Component		
		Voucher	Unit - Blended	COCC	
941	Ordinary Maint. & Operations - Labor	\$ -	\$ 13,337	\$ -	
942	Ordinary Maint. & Operations - Materials & Other	24			913
943	Ordinary Maint. & Operations - Contracts	59			11,598
945	Employee Benefits Contributions - Ordinary Maint.	-			
940	Total Maintenance	83	13,337		12,511
951	Protective Services - Labor				
952	Protective Services - Other Contract Costs				
953	Protective Services - Other				
955	Employee Benefit Contributions - Protective Services	-			
950	Total Protective Services	-	-		-
961.1	Property Insurance				11,113
961.2	Liability Insurance	1,786	748		8,902
961.3	Workmen's Compensation	1,392	138		2,906
961.4	All Other Insurance				
961	Total Insurance	3,178	886		22,921
962.1	Compensated Absences	51	94		53,374
963	Payments in Lieu of Taxes				2
964	Bad Debt - Tenant Rents				
968	Severance Expense				
960	Total Other General Expenses	51	94		53,376
967.2	Interest on Notes Payable (Short and Long Term)				154
967	Total Interest Expense and Amortization Cost	-	-		154
	TOTAL OPERATING EXPENSES	460,314	24,217		572,261
970	Excess Operating Revenue over Expenses	4,348,558	72,583		219,465
973	Housing Assistance Payments	4,216,117			
973.5	HAP Portability-In	32,850			
974	Depreciation Expense	4,399			29,548
900	TOTAL EXPENSES	4,713,680	24,217		601,809
1001	Operating Transfer In				
1002	Operating Transfer Out				
1010	Total Other Financing Sources (Uses)	-	-		-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 95,192	\$ 72,583		\$ 189,917

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Statement of Revenues and Expenses

For the Year Ended December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	PIH Family			
		Self-Sufficiency	Subtotal	Elimination	Total
703	Net Tenant Rental Revenue	\$ -	\$ 1,500,275		\$ 1,500,275
704	Tenant Revenue - Other		2,166		2,166
705	Total Tenant Revenue	-	1,502,441	-	1,502,441
706	HUD PHA Operating Grants	49,051	9,238,410		9,238,410
706.1	Capital Grants		2,483,857		2,483,857
707.1	Management Fee		448,323	\$ (448,323)	-
707.2	Asset Management Fee		63,600	(63,600)	-
707.3	Bookkeeping Fee		104,422	(104,422)	-
707.4	Front Line Service Fee		233,160	(233,160)	-
708	Other Government Grants		61,356		61,356
711	Investment Income - Unrestricted		230,858		230,858
714	Fraud Recovery		3,370		3,370
715	Other Revenue		331,953		331,953
716	Gain or Loss on Sale of Capital Assets		(102,457)		(102,457)
700	TOTAL REVENUE	49,051	14,599,293	(849,505)	13,749,788
911	Admin Salaries		829,216		829,216
912	Audit		20,001		20,001
913	Management Fee		448,323	(448,323)	-
913.1	Bookkeeping Fee		104,422	(104,422)	-
914	Advertising and Marketing		1,614		1,614
915	Employee Benefits		261,808		261,808
916	Office Expenses		127,810		127,810
917	Legal Expense		23,379		23,379
918	Travel		26,247		26,247
919	Other		584,159	(233,160)	350,999
	Total Operating - Admin.	-	2,426,979	(785,905)	1,641,074
920	Asset Management Fee	32,975	63,600	(63,600)	-
921	Tenant Services - Salaries		2,338		2,338
923	Employee Benefit Contributions - Tenant Services	15,045	-		-
924	Tenant Services - Other		3,249		3,249
925	Total Tenant Services	48,020	69,187	(63,600)	5,587
931	Water		450,785		450,785
932	Electricity		503,929		503,929
933	Gas		23,344		23,344
936	Sewer		345,096		345,096
930	Total Utilities	-	1,323,154		1,323,154

See Auditor's Report.

Jefferson Metropolitan Housing Authority

Statement of Revenues and Expenses

For the Year Ended December 31, 2024

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	PIH Family Self-Sufficiency	Subtotal	Elimination	Total
941	Ordinary Maint. & Operations - Labor	\$ -	800,114	\$ -	\$ 800,114
942	Ordinary Maint. & Operations - Materials & Other		330,928		330,928
943	Ordinary Maint. & Operations - Contracts		777,567		777,567
945	Employee Benefits Contributions - Ordinary Maint.		531,316		531,316
940	Total Maintenance	-	2,439,925	-	2,439,925
951	Protective Services - Labor		171,117		171,117
952	Protective Services - Other Contract Costs		23,216		23,216
953	Protective Services - Other		8,723		8,723
955	Employee Benefit Contributions - Protective Services		111,907		111,907
950	Total Protective Services	-	314,963	-	314,963
961.1	Property Insurance		275,242		275,242
961.2	Liability Insurance		87,025		87,025
961.3	Workmen's Compensation		14,379		14,379
961.4	All Other Insurance		2,986		2,986
961	Total Insurance	-	379,632	-	379,632
962.1	Compensated Absences	1,031	104,540		104,540
963	Payments in Lieu of Taxes		26,170		26,170
964	Bad Debt - Tenant Rents		150,277		150,277
968	Severance Expense		8,216		8,216
960	Total Other General Expenses	1,031	289,203	-	289,203
967.2	Interest on Notes Payable (Short and Long Term)		42,456		42,456
967	Total Interest Expense and Amortization Cost	-	42,456		42,456
	TOTAL OPERATING EXPENSES	49,051	7,282,568	(849,505)	6,433,063
970	Excess Operating Revenue over Expenses	-	7,316,725		7,316,725
973	Housing Assistance Payments		4,216,117		4,216,117
973.5	HAP Portability-In		32,850		32,850
974	Depreciation Expense		1,283,529		1,283,529
900	TOTAL EXPENSES	49,051	12,815,064	(849,505)	11,965,559
1001	Operating Transfer In		67,699	(67,699)	-
1002	Operating Transfer Out		(67,699)	67,699	-
1010	Total Other Financing Sources (Uses)	-	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ -	\$ 1,784,229	\$ -	\$ 1,784,229

See Auditor's Report.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Housing and Urban Development		
Direct Programs		
Public Housing Operating Fund	14.850	\$ 3,581,491
Public Housing Capital Fund	14.872	2,822,467
PIH Family Self-Sufficiency	14.896	49,051
Housing Choice Voucher Program	14.871	4,748,659
N/C S/R Section 8 Programs	14.182	569,650
Total U.S. Department of Housing and Urban Development		<u>11,771,318</u>
Total Expenditures of Federal Awards		<u>\$ 11,771,318</u>

See accompanying notes to the basic financial statements.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

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

NOTE E – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

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



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

Jefferson Metropolitan Housing Authority
Jefferson County
153 North 5th Avenue
Steubenville, Ohio 43952

To the Board of Trustees

I have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities of the Jefferson Metropolitan Housing Authority, Jefferson County, (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated July 13, 2025.

Internal Control Over Financial Reporting

As part of my financial statement audit, I considered the Jefferson Metropolitan Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support my opinion(s) on the financial statements, but not to the extent necessary to opine on the effectiveness of the Jefferson Metropolitan Housing Authority's internal control. Accordingly, I 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 Jefferson Metropolitan Housing 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.

My 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, I did not identify any deficiencies in internal control that I consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Jefferson Metropolitan Housing 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 my audit and accordingly, I do not express an opinion. The results of my tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

I noted certain matters that I reported to management of the Authority's in a separate letter dated July 13, 2025.

Purpose of this Report

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

Kevin L. Penn, Inc.
Cleveland, Ohio

July 13, 2025



Certified Public Accountant
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Jefferson Metropolitan Housing Authority
Jefferson County
153 North 5th Avenue
Steubenville, Ohio 43952

To the Board of Trustees

Report on Compliance for each Major Federal Program

Opinion on each Major Federal Program

I have audited Jefferson Metropolitan Housing Authority's, Jefferson County, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Jefferson Metropolitan Housing Authority's major federal program for the year ended December 31, 2024. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In my opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2024.

Basis for Opinion on each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Kevin L. Penn, Inc.
Cleveland, Ohio

July 13, 2025

Jefferson Metropolitan Housing Authority

Schedule of Findings

December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant Deficiency(ies) identified

not considered to be material weaknesses?

No

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over compliance:

Material weakness(es) identified? No

Significant Deficiency(ies) identified

not considered to be material weaknesses?

None Reported

Type of auditor's report issued on compliance

for major program: Unmodified

Are there any reportable findings under 2 CFR Section 200.516(a)? No

Identification of major programs:

14.850

Public and Indian Housing

14.872

Public Housing Capital Fund

Dollar threshold used to distinguish

between Type A and Type B programs:

Type A: > \$750,000

Type B: all others

Auditee qualified as low-risk auditee?

Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings

No matters were reported.

Jefferson Metropolitan Housing Authority
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2024

There were no audit findings, during the 2023 Calendar year.

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OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON METROPOLITAN HOUSING AUTHORITY

JEFFERSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/8/2026

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

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