

JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON COUNTY

Single Audit

For the Fiscal Year Ended December 31, 2023

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Jefferson Metropolitan Housing Authority
815 North Sixth Street
Steubenville, OH 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, 2023 through December 31, 2023. 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.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

August 08, 2024

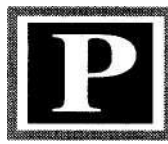
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**JEFFERSON METROPOLITAN HOUSING AUTHORITY
JEFFERSON, OHIO**

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Penn, Inc.

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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, 2023, 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, 2023, 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 June 20, 2024, 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
June 20, 2024

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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

Financial Highlights

- The Authority’s net position increased by \$1,147,040 (5.59%) due to results from operation. Net position was \$21,668,971 on December 31, 2023 and \$20,521,931 at December 31, 2022.
- Total revenues of the Authority increased by \$634,684 (5.27%) in 2023. Revenues were \$12,050,396 in 2022 and \$12,685,080 in 2023. The reason for the increase in revenue is due to additional grant money received from HUD during the year, increase in tenants rent and interest earned.
- Total expenses of the Authority increased by \$828,566 (7.74%) in 2023. Total expenses were \$11,538,040 in 2023 and \$10,709,474 in 2022. 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 add 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 all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, equal “Net Position”, formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

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

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

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

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

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

The Authority-wide financial statements also include a *Statement of Revenues, Expenses and Changes in 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 fund. 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.

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.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

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 the housing at a rent based on 30 percent of household income.

Section 8 Moderate Rehabilitation - Single Room Only - The Authority administers Section 8 rental assistance programs where The U.S. Department of Housing and Urban Development (HUD) enters into an annual contribution contract with a private owner. The owner rents housing to eligible low-income individuals who typically pay rent of 30 percent of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the Housing Assistance Payment (HAP) contract. The Authority acts as the middleman between HUD and the Private Owner and ascertains that the owner is operating the program in compliance with HUD requirements. The Authority earns an administration fee for these services rendered.

During the calendar year 2021 the Authority contract ended for this program. The program was closed, and all remaining assets were transferred into the Housing Choice Voucher Program.

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.

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 met 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 11,775,074	\$ 8,872,056
Capital Assets	<u>14,096,213</u>	<u>16,536,798</u>
Total Assets	<u>25,871,287</u>	<u>25,408,854</u>
Deferred Outflows of Resources	<u>1,246,207</u>	<u>433,366</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 27,117,494</u>	<u>\$ 25,842,220</u>
Current Liabilities	\$ 1,001,526	\$ 975,256
Non-current Liabilities	<u>4,404,773</u>	<u>3,114,361</u>
Total Liabilities	<u>5,406,299</u>	<u>4,089,617</u>
Deferred Inflows of Resources	<u>42,224</u>	<u>1,230,672</u>
Net Position:		
Net Investment in Capital Assets	12,106,536	14,022,290
Restricted Net Position	8,947	43,427
Unrestricted Net Position	<u>9,553,488</u>	<u>6,456,214</u>
Total Net Position	<u>21,668,971</u>	<u>20,521,931</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 27,117,494</u>	<u>\$ 25,842,220</u>

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

Major Factors Affecting the Statement of Net Position

During 2023 current assets and other assets increased by \$2,903,018. The current and other assets, primarily cash and investments, increased due to results from operation and cash proceeds received from the sale of public housing units. Current liabilities increased by \$26,270. This was mostly due to invoices that were outstanding at the end of the year. Long Term Liabilities increased by \$1,290,412. The increase was due to change in GASB 68 & 75 liabilities.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

During 2023 Net Investment in Capital Assets decreased by \$1,915,754 primarily due to net of depreciation and current year purchases. Unrestricted Net Position increased by \$3,097,274 and Restricted Net Position decreased by \$34,480. 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>2023</u>	<u>2022</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 1,607,351	\$ 1,509,573
Operating Subsidies	9,479,171	8,877,878
Capital Grants	1,455,423	1,067,356
Investment Income	114,200	35,076
Other Revenues	247,596	493,235
Loss on Disposition of Capital Assets	<u>(218,661)</u>	<u>67,278</u>
Total Revenues	<u>12,685,080</u>	<u>12,050,396</u>
<u>Expenses</u>		
Administrative	1,750,291	1,637,732
Tenant Services	2,949	4,715
Utilities	1,540,438	1,461,251
Maintenance	2,279,592	2,002,440
Protection Services	282,181	184,419
General, Insurance and Interest Expenses	602,016	794,853
Housing Assistance Payments	3,799,096	3,461,472
Depreciation & Amortization	<u>1,281,477</u>	<u>1,162,592</u>
Total Expenses	<u>11,538,040</u>	<u>10,709,474</u>
Net Increases (Decreases)	1,147,040	1,340,922
Beginning Net Position - Restated	<u>20,521,931</u>	<u>19,181,009</u>
Ending Net Position	<u>\$ 21,668,971</u>	<u>\$ 20,521,931</u>

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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 \$634,684 (5.27 percent) in 2023. This increase is mainly due to HUD Grant Revenue received for the year.

Total expenses increased \$828,566 (7.74 percent) in 2023; the main reason of the increases was due to change in GASB proportionate share of liability, increase in depreciation and amortization expenses due to additional assets. The following table shows the change in net position of the Authority for the year ended December 31, 2023:

Table 3 - Changes of Unrestricted Net Position

		<u>Unrestricted</u>
Beginning Balance - December 31, 2022	\$	6,456,214
Results of Operation		1,197,587
Adjustments:		
Current Year Depreciation / Amortization Expense (1)		1,281,477
Capital Expenditure (2)		(3,205,985)
Current year disposal, net of accum. depreciation		4,365,093
Retirement of Debt		(542,448)
Lease Liability net of Payment		<u>1,550</u>
Ending Balance - December 31, 2023	\$	<u><u>9,553,488</u></u>

Capital Assets

As of year-end, the Authority had \$14,096,213 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions, and depreciation) of \$2,440,585 or 14.76 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

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

	<u>2023</u>		<u>2022</u>
Land	\$ 2,559,482	\$	2,697,982
Buildings	44,995,099		46,834,391
Dwelling Equipment	1,215,718		974,273
Administration Equipment	830,016		778,216
Intangible Right-To-Use: leased Equipment	10,708		10,708
Construction in Progress	657,367		1,593,192
Accumulated Depreciation / Amortization	<u>(36,172,177)</u>		<u>(36,351,964)</u>
Total	<u>\$ 14,096,213</u>	\$	<u>16,536,798</u>

The following reconciliation summarizes the change in Capital Assets.

Table 5 - Capital Assets at Year-End

Beginning Balance - December 31, 2022	\$ 16,536,798
Current year Additions	3,205,985
Current year disposal, net of accum depreciation	(4,365,093)
Current year Depreciation/Amortization Expense	<u>(1,281,477)</u>
Ending Balance - December 31, 2023	<u>\$ 14,096,213</u>

The current year additions represented various capital improvements such as: elevator renovations, new furnaces, and window replacements.

Debt Outstanding

As of year-end, the Authority had debt of \$1,980,294 for the Energy Performance Contract. This is a decrease of \$534,214 from prior year. In addition, there is a liability owed to HUD for an prior years IG audit finding.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

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

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - December 31, 2022	\$	2,781,969
Current Year Debt Retired		<u>(542,448)</u>
Ending Balance - December 31, 2023	\$	<u><u>2,239,521</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.
6. Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic

Recommended

- 1) Keep expenses to a minimum.
- 2) Do not acquire any more debt.
- 3) Follow HUD recommendations for security to extent possible financially, without incurring outlays.
- 4) Financial issues should become paramount to 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, 2023

ASSETS

Current Assets

Cash and Cash Equivalents - Unrestricted (Note 2)	\$ 11,243,722
Restricted cash and cash equivalents	142,263
Receivables, net of allowance	45,624
Inventory, net of allowance	61,768
Prepaid expenses and other assets	<u>281,697</u>
Total Current Assets	11,775,074

Non-Current Assets

Capital Assets: (Note 4)	
Non depreciable Capital Assets	3,216,849
Depreciable Capital Assets, net of depreciation	<u>10,879,364</u>
Total Capital Assets	<u>14,096,213</u>
Total Non-Current Assets	14,096,213

TOTAL ASSETS	<u><u>\$ 25,871,287</u></u>
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Deferred Outflow of Resources

Pension	1,073,550
OPEB	<u>172,657</u>
Total Deferred Outflow Resources	<u>1,246,207</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u><u>\$ 27,117,494</u></u>

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

LIABILITIES DEFERRED INFLOW OF RESOURCES AND NET POSITION

Current Liabilities

Accounts Payable	\$ 73,839
Accrued Compensated Absences	58,884
Accrued Liabilities	107,227
Tenant Security Deposits	133,316
Notes Payable	562,080
Accrued Interest Payable	34,763
Lease Payable - Current Portion	1,482
Intergovernmental Payable	21,701
Current Liabilities	<u>8,234</u>
Total Current Liabilities	1,001,526

Non-Current Liabilities

Accrued Compensated Absences - Non-Current	85,839
Notes Payable - Net of Current Portion	1,422,906
Lease Payable - Net of Current Portion	3,209
Net Pension Liability	2,588,005
Net OPEB Liability	53,821
Noncurrent Liabilities – Other	<u>250,993</u>
Total Non-Current Liabilities	<u>4,404,773</u>
Total Liabilities	<u>\$ 5,406,299</u>

Deferred Inflow of Resources

Pension	23,436
OPEB	<u>18,788</u>
Total Deferred Inflow of Resources	\$42,224

Net Position

Net Investment in Capital Assets	\$ 12,106,536
Restricted	8,947
Unrestricted	<u>9,553,488</u>
Total Net Position	<u>21,668,971</u>

TOTAL LIABILITIES DEFERRED INFLOW OF RESOURCES AND NET POSITION

\$ 27,117,494

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenue:

Tenant Revenue	\$ 1,607,351
Government Operating Grants	9,479,171
Other Revenue	<u>247,596</u>
Total Operating Revenue	11,334,118

Operating Expenses:

Administrative	1,750,291
Tenant Services	2,949
Utilities	1,540,438
Maintenance	2,279,592
Protective Services	282,181
General and Insurance	545,147
Housing Assistance Payments	<u>3,799,096</u>
Total Operating Expenses Before Depreciation	<u>10,199,694</u>
Income (Loss) Before Depreciation	1,134,424
Depreciation Expense	1,279,927
Amortization Expense	<u>1,550</u>
Operating Income (Loss)	(147,053)

Non-Operating Revenues (Expenses)

Interest and Investment Revenue	114,200
Interest Expense	(56,869)
Capital Grant Revenue	1,455,423
Gain on Disposition of Capital Assets	<u>(218,661)</u>
Total Non-Operating Revenues (Expenses)	<u>1,294,093</u>
Change in Net Position	1,147,040

Net Position - Beginning of Year	<u>20,521,931</u>
Net Position - End of Year	<u>\$ 21,668,971</u>

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities:	
Operating Grants Received	\$ 9,479,171
Tenant Revenue Received	1,652,576
Other Revenue Received	292,441
General and Administrative Expenses Paid	(6,336,586)
Housing Assistance Payments	<u>(3,799,096)</u>
Net Cash Provided (Used) by Operating Activities	1,288,506
Cash Flows From Capital and Related Financing Activities:	
Capital Grant Funds Received	1,455,423
Interest Payments	(56,869)
Proceeds from Disposal of Assets	2,500,634
Property and Equipment Acquisitions	(1,563,187)
Debt Principal Payments	(534,214)
Lease Liability Net of Payment	<u>(1,550)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	1,800,237
Cash Flows From Investing Activities:	
Interest Income	<u>114,200</u>
Net Cash Provided (Used) by Investing Activities	114,200
Increase (Decrease) in Cash and Cash Equivalents	3,202,943
Cash and Cash Equivalents - Beginning of Year	<u>8,183,042</u>
Cash and Cash Equivalents - End of Year	<u>\$ 11,385,985</u>

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:

Operating Income (Loss)	\$ (147,053)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:	
Depreciation	1,279,927
Amortization	1,550
(Increase) decrease in:	
- (Increases) Decreases in Accounts Receivable	55,738
- (Increases) Decreases in Prepaid Assets	(33,351)
- (Increases) Decreases in Inventory	5,479
- (Increases) Decreases in OPEB Asset	272,059
- (Increases) Decreases in Deferred Outflow of Resources	(812,841)
- Increases (Decreases) in Accounts Payable	(5,747)
- Increases (Decreases) in Accrued Liabilities	4,999
- Increases (Decreases) in Tenant Security Deposits	(13,394)
- Increases (Decreases) in Pension Liability	1,806,621
- Increases (Decreases) in OPEB Liability	53,821
- Increases (Decreases) in Accrued Compensated Absences	18,421
- Increases (Decreases) in Deferred Inflow of Resources	(1,188,448)
- Increases (Decreases) in Accrued Interest Payable	(9,275)
Net cash used in operating activities	<u>\$ 1,288,506</u>

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Reporting Entity (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 a 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.

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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Fund Accounting (continued)

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 the accrual basis. The following are the various programs which are included in the enterprise fund:

A. **Public Housing Program**

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

B. **Capital Fund Program**

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

C. **Housing Choice Voucher Program**

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

D. **New Construction**

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

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

E. **Section 8 Moderate Rehabilitation Program**

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

During the calendar year 2021 the Authority contract ended for this program. The program was closed, and any remaining assets were transferred into the Housing Choice Voucher Program.

F. **Business Activity**

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

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in the year ended December 31, 2023, was \$114,200.

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 expense as they are incurred. Expenses determine 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Net Position

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

Budgetary Accounting

The Authority annually prepares its budget as prescribed by 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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 6 and 7.

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 6 and 7.

Pensions/Other Postemployment Benefits (OPEB)

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

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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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.

At fiscal year-end December 31, 2023, the carrying amount of the Authority's deposits totaled \$11,385,985 (including \$100 petty cash) and its bank balance was \$11,689,059. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2023, \$11,189,059 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 its exposure to fair value losses arising from increasing interest rates. However, it is the Authority's practice to limit its investments to three years or less.

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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, 2023.

NOTE 3: **RESTRICTED CASH**

The restricted cash balance as of December 31, 2023, of \$142,263 represents cash on hand for the following:

- Housing Assistance funds on Hand	\$8,947
- Tenant Security Deposits	<u>133,316</u>
Total Restricted Cash	<u>\$ 142,263</u>

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JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2023 by class is as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Capital Assets Not Being Depreciated:				
Land	\$2,697,982	\$0	(\$138,500)	\$2,559,482
Construction in Progress	1,593,192	706,973	(1,642,798)	657,367
Total Capital Assets Not Being Depreciated	4,291,174	706,973	(1,781,298)	3,216,849
Capital Assets Being Depreciated:				
Buildings	46,834,391	1,808,064	(3,647,356)	44,995,099
Furnt, Mach. and Equip:				
- Dwelling	974,273	639,148	(397,703)	1,215,718
- Administration	778,216	51,800	0	830,016
- Intangible Right-To Use: Leased Equipment	10,708	0	0	10,708
Total Capital Assets Being Depreciated	48,597,588	2,499,012	(4,045,059)	47,051,541
Accumulated Depreciation:				
Buildings	(35,033,133)	(1,142,442)	1,318,393	(34,857,182)
Furnt, Mach. and Equip.				
- Dwelling	(836,818)	(71,261)	142,871	(765,208)
- Administration	(477,547)	(66,224)	0	(543,771)
- Intangible Right-To Use: Leased Equipment	(4,466)	(1,550)	0	(6,016)
Total Accumulated Depreciation	(36,351,964)	(1,281,477)	1,461,264	(36,172,177)
Total Capital Assets Being Depreciated, Net	12,245,624	1,217,535	(2,583,795)	10,879,364
Total Capital Assets, Net	\$16,536,798	\$1,924,508	(\$4,365,093)	\$14,096,213

Please note that depreciation expense by category was not available.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5: DEFINED BENEFIT PENSION PLANS (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	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service form 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
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5: DEFINED BENEFIT PENSION PLANS (continued)

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.

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.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

2023 Statutory Maximum Contribution Rates:	<u>State and Local</u>
Employer	14.0%
Employee	10.0%
2023 Actual Contribution Rates:	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	<u>0.0%</u>
Total Employer	<u>14.0%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for pension was \$230,571 for year ending December 31, 2023. Of this amount \$26,272 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>Traditional Plan</u>
Proportionate Share of Net Pension Liability	\$2,588,005
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.008981%
- Current Measurement Date	<u>0.008761%</u>
Change in Proportion from Prior	<u><u>-0.000220%</u></u>
Pension Expense (Income)	\$211,920

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

On December 31, 2023, 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	\$737,662
Assumption Changes	27,340
Difference between expected and actual experience	85,963
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	2,176
Authority contributions subsequent to the measurement date	220,409
Total Deferred Outflows of Resources	\$1,073,550
	Traditional Plan
Deferred Inflows of Resources	
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	\$23,436
Total Deferred Inflows of Resources	\$23,436

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

\$220,409 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan
Fiscal Year Ending December 31:	
2024	(\$86,458)
2025	(164,757)
2026	(217,130)
2027	(361,360)
Total	(\$829,705)

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2022, 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:

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Actuarial Information	Traditional Plan
Measurement and Valuation Date	December 31, 2022
Experience Study	5-year ended 12/31/2020
Actuarial Cost Method	Individual entry age
Actuarial Assumption:	
Investment Rate of Return	6.9%
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% 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 weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The 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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (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 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2022	Weighted Average Long- Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	5.00%	3.27%
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	\$3,876,743	\$2,588,005	\$1,516,003

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB.

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

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

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (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 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6: **DEFINED BENEFIT OPEB PLANS** (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 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

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

The Authority's contractually required contribution was \$0 for 2023.

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, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of Net OPEB Asset (Liability)	(\$53,821)
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.008686%
- Current Measurement Date	0.008536%
Change in Proportion from Prior	-0.000150%
OPEB Expense (Revenue)	(\$80,708)

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Health Care Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	\$106,891
Assumption Changes	52,568
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	13,198
Total Deferred Outflows of Resources	\$172,657
Deferred Inflows of Resources	
Assumption Changes	4,326
Difference between expected and actual experience	13,425
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	1,037
Total Deferred Inflows of Resources	\$18,788

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:	
2024	(\$24,828)
2025	(44,071)
2026	(33,332)
2027	(51,638)
Total	(\$153,869)

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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, 2021, rolled forward to the measurement date of December 31, 2022. 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, 2021
Rolled-Forward Measurement Date	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	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 2036

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.

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6: **DEFINED BENEFIT OPEB PLANS** (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 2022, 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 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation as of December 31, 2022	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
TOTAL	100.00%	

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 4.05 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 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Single Discount Rate (5.22%)	1% Increase (6.22%)
Authority's proportionate share of the net OPEB asset	\$183,183	\$53,821	(\$52,923)

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.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6: **DEFINED BENEFIT OPEB PLANS** (continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 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		
	<u>1% Decrease</u>	<u>Rate Assumption</u>	<u>1% Increase</u>
Authority's proportionate share of the net OPEB asset	\$50,448	\$53,821	\$57,618

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2023, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2024 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-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 pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7: LONG-TERM LIABILITIES

Change in Long-Term Liabilities:

Description	Balance 12/31/22	Issued	Retired	Balance 12/31/23	Due Within One Year
Long-Term Debt	\$ 2,514,508	\$ -	\$ 534,214	\$ 1,980,294	\$ 562,080
Compensated Absences	126,302	18,421	-	144,723	58,884
Other - Payable to HUD	267,461	-	8,234	259,227	8,234
Net Pension Liability	781,384	1,806,621	-	2,588,005	-
Net OPEB Liability	-	53,821	-	53,821	-
Leases Payable	6,241	-	1,550	4,691	1,482
Total	\$ 3,695,896	\$ 1,878,863	\$ 543,998	\$ 5,030,761	\$ 630,680

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.

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	562,080	52,146	614,226
2025	596,052	37,380	633,432
2026	822,162	23,190	845,352
Total	\$1,980,294	\$112,716	\$2,093,010

JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2022, 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 self-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:

- 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.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9: **CONTINGENCIES** (continued)

During the year the Authority made payments of \$8,954 leaving a balance of \$280,247 as of December 31, 2023, is as follows:

Description	Balance 12/31/22	Forgiven	Retired	Balance 12/31/23	Due Within One Year
Housing Assistance Reserve	\$ 267,461	\$ -	\$ 8,234	\$ 259,227	\$ 8,234
Admin Fee Reserve	21,740	-	720	21,020	720
Total	<u>\$ 289,201</u>	<u>\$ -</u>	<u>\$ 8,954</u>	<u>\$ 280,247</u>	<u>\$ 8,954</u>

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:

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

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 10: LEASES (continued)

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
December 31, 2024	1,482	154	1,636
December 31, 2025	1,417	219	1,636
December 31, 2026	1,354	282	1,636
December 31, 2027	438	107	545
Total	<u>\$ 4,691</u>	<u>\$ 762</u>	<u>\$ 5,453</u>

NOTE 11: CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defined a SBITA; (2) establishes that a SWBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. These changes were incorporated in the Authority’s financial statements; however, there was no effect on the beginning net position.

NOTE 12: 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 as issued or are available to be issued. Management has evaluated subsequent events through June 20, 2024, the date on which the financial statements were available to be issued.

NOTE 13: FDS SCHEDULE SUBMITTED TO HUD

For the Calendar year ended December 31, 2023, 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
 Required Supplementary Information
 Schedule of the Authority
 Proportionate Share of the Net Pension Liability
 Last Fiscal Years Available

Traditional Plan	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	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	\$2,588,005	\$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	\$1,365,305	\$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	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	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

- 1) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year end.
 2) Information prior to 2015 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

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

<u>Traditional Plan</u>	<u>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>	<u>2014</u>
Contractually Required Contribution Pension	\$220,409	\$191,379	\$189,636	\$176,990	\$147,696	\$131,754	\$132,736	\$147,343	\$174,458	\$191,169
Contributions in Relation to the Contractually Required Contribution	\$220,409	\$191,379	\$189,636	\$176,990	\$147,696	\$131,754	\$132,736	\$147,343	\$174,458	\$191,169
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's Covered-Employee Payroll	\$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	\$1,593,071
Contributions as a Percentage of Covered-Employee Payroll Pension	14.00%	14.00%	14.00%	14.00%	13.99%	14.00%	13.00%	12.00%	12.00%	12.00%

Jefferson Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority
Proportionate Share of the Net OPEB Liability (Assets)
For the Fiscal Years Available

	<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/Asset	0.008536%	0.008686%	0.008592%	0.007249%	0.006644%	0.007430%	0.009120%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$53,821	(\$272,059)	(\$153,073)	\$1,001,275	\$866,221	\$806,843	\$921,151
Authority's Covered-Employee Payroll	\$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 (Asset) as a Percentage of its Covered Employee Payroll	3.94%	(20.87%)	(11.59%)	76.35%	79.10%	76.63%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

1) The amounts presented is as of the Authority's plan measurement date, which is the prior calendar year.

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

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

	<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>	<u>2014</u>
Contractually Required Contribution OPEB	\$0	\$0	\$0	\$0	\$0	\$0	\$11,483	\$25,196	\$29,404	\$31,861
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0	0	11,483	25,196	29,404	31,861
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Authority's Covered-Employee Payroll	\$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	\$1,531,414
Contributions as a Percentage of Covered-Employee Payroll OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.09%	2.00%	1.85%	2.08%

Jefferson Metropolitan Housing Authority
Notes to the Required Supplementary Information
For the Fiscal Year ended December 31, 2023

Ohio Public Employees' Retirement System

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2015-2023.

Changes in assumptions:

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

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 through 2020, then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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

Jefferson Metropolitan Housing Authority
Notes to the Required Supplementary Information
For the Fiscal Year ended December 31, 2023

Net OPEB liability/asset

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020 and 2022-2023.

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.

Jefferson Metropolitan Housing Authority
Balance Sheet
December 31, 2023

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

Line item	Account Description	Section 8		
		Public Housing	Housing Assistance Payments	Business Activities
111	Cash - Unrestricted	\$ 6,742,423	1,060,531	906,224
113	Cash - Other Restricted			
114	Cash - Tenant Security Deposits	101,180	23,090	9,046
100	Total Cash	6,843,603	1,083,621	915,270
125	Acct. Rec. - Misc.			
126	Acct. Rec. - Tenants	64,306	4,701	759
126.1	Allowance Doubtful Accts. - Tenants	(23,343)	(811)	(64)
127	Notes, Loans, & Mortgages Rec. - Current			
120	Net Total Receivables	40,963	3,890	695
142	Prepaid Expenses	243,397	18,498	6,444
143	Inventories	53,266	10,740	3,074
143.1	Allowance for Obsolete Inventories	(5,326)	(1,074)	(307)
150	Total Current Assets	7,175,903	1,115,675	925,176
161	Land	2,443,382	70,000	41,100
162	Buildings	40,145,253	4,156,569	558,900
163	Furniture, Equip. & Mach. - Dwellings	1,068,213	142,551	4,954
164	Furniture, Equip. & Mach. - Admin.	527,255	76,859	
166	Accumulated Depreciation	(31,837,243)	(4,022,635)	(151,594)
167	Construction in Progress	657,367		
160	Net Fixed Assets	13,004,227	423,344	453,360
171	Notes, Loans, & Mortgages Rec. - Non Current			
200	Deferred Outflow of Resources	636,074	172,895	21,941
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 20,816,204	\$ 1,711,914	\$ 1,400,477

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Balance Sheet
December 31, 2023

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

Line item	Account Description	Section 8		
		Public Housing	Housing Assistance Payments	Business Activities
312	A/P <= 90 days	\$ 47,811	\$ 18,567	\$ 3,296
321	Accrued Wage/Taxes Payable	32,108	8,416	1,308
322	Accrued Compensated Absences - Current Portion	9,525	4,526	
325	Accrued Interest Payable	34,763		
331	Accounts Payable - HUD PHA Programs			
341	Tenant Security Deposits	101,180	23,090	9,046
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.	562,080		
345	Other Current Liabilities			
310	Total Current Liabilities	<u>787,467</u>	<u>54,599</u>	<u>13,650</u>
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,	1,422,906		
353	Non-current Liabilities - Other			
354	Accrued Compensated Absences - Non Current	34,512	18,257	3,209
357	Accrued Pension and OPEB Liabilities	<u>1,348,405</u>	<u>366,519</u>	<u>46,512</u>
	TOTAL Liabilities	<u>3,593,290</u>	<u>439,375</u>	<u>63,371</u>
400	Deferred Inflow of Resources	21,552	5,859	744
508.1	Invested in Capital Assets Net	11,019,241	423,344	453,360
511.1	Restricted Net Position			
512.1	Unrestricted Net Position	<u>6,182,121</u>	<u>843,336</u>	<u>883,002</u>
513	TOTAL Equity/Net Position	<u>17,201,362</u>	<u>1,266,680</u>	<u>1,336,362</u>
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	<u>\$ 20,816,204</u>	<u>\$ 1,711,914</u>	<u>\$ 1,400,477</u>

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Balance Sheet
December 31, 2023

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

Line item	Account Description	Housing Choice Voucher	Component Unit - Blended	COCC
111	Cash - Unrestricted	\$ 234,395	94,930	\$ 2,205,219
113	Cash - Other Restricted	8,947		
114	Cash - Tenant Security Deposits			
100	Total Cash	<u>243,342</u>	<u>94,930</u>	<u>2,205,219</u>
125	Acct. Rec. - Misc.			76
126	Acct. Rec. - Tenants			
126.1	Allowance Doubtful Accts. - Tenants			
127	Notes, Loans, & Mortgages Rec. - Current	720		
120	Net Total Receivables	<u>720</u>	-	<u>76</u>
142	Prepaid Expenses	1,629		11,729
143	Inventories			1,395
143.1	Allowance for Obsolete Inventories			
150	Total Current Assets	<u>245,691</u>	<u>94,930</u>	<u>2,218,419</u>
161	Land			5,000
162	Buildings			134,377
163	Furniture, Equip. & Mach. - Dwellings			
164	Furniture, Equip. & Mach. - Admin.	40,028		196,582
166	Accumulated Depreciation	(29,030)		(131,675)
167	Construction in Progress			
160	Net Fixed Assets	<u>10,998</u>	-	<u>204,284</u>
171	Notes, Loans, & Mortgages Rec. - Non Current	20,300		
200	Deferred Outflow of Resources	<u>144,278</u>		<u>271,019</u>
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u><u>\$ 421,267</u></u>	<u><u>\$ 94,930</u></u>	<u><u>\$ 2,693,722</u></u>

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Balance Sheet
December 31, 2023

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

Line item	Account Description	Housing Choice Voucher	Component Unit - Blended	COCC
312	A/P <= 90 days	\$ 1,167	\$ 76	\$ 2,922
321	Accrued Wage/Taxes Payable	6,856	444	58,095
322	Accrued Compensated Absences - Current Portion			44,833
325	Accrued Interest Payable			
331	Accounts Payable - HUD PHA Programs	21,701		
341	Tenant Security Deposits			
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.			1,482
345	Other Current Liabilities			8,954
310	Total Current Liabilities	<u>29,724</u>	<u>520</u>	<u>116,286</u>
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,			3,209
353	Non-current Liabilities - Other			271,293
354	Accrued Compensated Absences - Non Current	6,610	123	23,128
354	Accrued Comp. Abs. - Noncurrent	<u>305,855</u>		<u>574,535</u>
	TOTAL Liabilities	342,189	643	988,451
400	Deferred Inflow of Resources	4,888		9,181
508.1	Invested in Capital Assets Net	10,998		199,593
511.1	Restricted Net Position	8,947		
512.1	Unrestricted Net Position	<u>54,245</u>	<u>94,287</u>	<u>1,496,497</u>
513	TOTAL Equity/Net Position	<u>74,190</u>	<u>94,287</u>	<u>1,696,090</u>
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	<u>\$ 421,267</u>	<u>\$ 94,930</u>	<u>\$ 2,693,722</u>

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Balance Sheet
December 31, 2023

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

Line item	Account Description	Subtotal	Elimination	Total
111	Cash - Unrestricted	\$ 11,243,722	\$ -	\$ 11,243,722
113	Cash - Other Restricted	8,947		8,947
114	Cash - Tenant Security Deposits	133,316		133,316
100	Total Cash	11,385,985	-	11,385,985
125	Acct. Rec. - Misc.	76		76
126	Acct. Rec. - Tenants	69,766		69,766
126.1	Allowance Doubtful Accts. - Tenants	(24,218)		(24,218)
127	Notes, Loans, & Mortgages Rec. - Current	720	(720)	-
120	Net Total Receivables	46,344	(720)	45,624
142	Prepaid Expenses	281,697		281,697
143	Inventories	68,475		68,475
143.1	Allowance for Obsolete Inventories	(6,707)		(6,707)
150	Total Current Assets	11,775,794	(720)	11,775,074
161	Land	2,559,482		2,559,482
162	Buildings	44,995,099		44,995,099
163	Furniture, Equip. & Mach. - Dwellings	1,215,718		1,215,718
164	Furniture, Equip. & Mach. - Admin.	840,724		840,724
166	Accumulated Depreciation	(36,172,177)		(36,172,177)
167	Construction in Progress	657,367		657,367
160	Net Fixed Assets	14,096,213	-	14,096,213
171	Notes, Loans, & Mortgages Rec. - Non Current	20,300	(20,300)	-
200	Deferred Outflow of Resources	1,246,207		1,246,207
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 27,138,514	\$ (21,020)	\$ 27,117,494

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Balance Sheet
December 31, 2023

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

Line item	Account Description	Subtotal	Elimination	Total
312	A/P <= 90 days	73,839	\$ -	\$ 73,839
321	Accrued Wage/Taxes Payable	107,227		107,227
322	Accrued Compensated Absences - Current Portion	58,884		58,884
325	Accrued Interest Payable	34,763		34,763
331	Accounts Payable - HUD PHA Programs	21,701		21,701
341	Tenant Security Deposits	133,316		133,316
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.	563,562		563,562
345	Other Current Liabilities	8,954		8,954
310	Total Current Liabilities	1,002,246	-	1,002,246
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,	1,426,115		1,426,115
353	Non-current Liabilities - Other	271,293	(21,020)	250,273
354	Accrued Compensated Absences - Non Current	85,839		85,839
354	Accrued Comp. Abs. - Noncurrent	2,641,826		2,641,826
	TOTAL Liabilities	5,427,319	(21,020)	5,406,299
400	Deferred Inflow of Resources	42,224		42,224
508.1	Invested in Capital Assets Net	12,106,536		12,106,536
511.1	Restricted Net Position	8,947		8,947
512.1	Unrestricted Net Position	9,553,488		9,553,488
513	TOTAL Equity/Net Position	21,668,971	-	21,668,971
600	TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY	\$ 27,138,514	\$ (21,020)	\$ 27,117,494

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2023

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

Line item	Account Description	Section 8		
		Public Housing	Housing Assistance Payments	Business Activities
703	Net Tenant Rental Revenue	\$ 1,101,552	\$ 321,056	\$ 143,311
704	Tenant Revenue - Other	36,663	3,704	1,065
705	Total Tenant Revenue	1,138,215	324,760	144,376
706	HUD PHA Operating Grants	4,610,049	552,247	
706.1	Capital Grants	1,455,423		
707.1	Management Fee			
707.2	Asset Management Fee			
707.3	Bookkeeping Fee			
707.4	Front Line Service Fee			
708	Other Government Grants			
711	Investment Income - Unrestricted	82,911	4,170	1,629
714	Fraud Recovery			
715	Other Revenue	80,867	6,039	5,243
716	Gain or Loss on Sale of Capital Assets	(218,661)		
700	TOTAL REVENUE	7,148,804	887,216	151,248
911	Admin Salaries	185,521	80,145	1,526
912	Audit	12,947	2,319	676
913	Management Fee	384,308		
913.1	Bookkeeping Fee	50,746		
914	Advertising and Marketing	983	434	
915	Employee Benefits	122,712	58,870	(106)
916	Office Expenses	60,182	14,329	8,163
917	Legal Expense	10,098	2,833	300
918	Travel	22,301	1,050	96
919	Other	453,008	29,558	632
	Total Operating - Admin.	1,302,806	189,538	11,287
920	Asset Management Fee	76,200		
924	Tenant Services - Other	2,949		
925	Total Tenant Services	79,149	-	-
931	Water	402,253	57,529	16,120
932	Electricity	534,541	119,874	24,796
933	Gas	20,140	6,430	
936	Sewer	304,967	41,977	11,811
930	Total Utilities	1,261,901	225,810	52,727

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2023

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

Line item	Account Description	Section 8		
		Public Housing	Housing Assistance Payments	Business Activities
941	Ordinary Maint. & Operations - Labor	\$ 569,068	89,167	20,272
942	Ordinary Maint. & Operations - Materials & Other	239,559	34,614	4,194
943	Ordinary Maint. & Operations - Contracts	707,269	113,855	17,420
945	Employee Benefits Contributions - Ordinary Maint.	378,829	65,496	(1,415)
940	Total Maintenance	1,894,725	303,132	40,471
951	Protective Services - Labor	116,200	40,112	4,778
952	Protective Services - Other Contract Costs	27,254	4,391	655
953	Protective Services - Other	14,762		
955	Employee Benefit Contributions - Protective Services	50,022	21,331	2,676
950	Total Protective Services	208,238	65,834	8,109
961.1	Property Insurance	158,529	8,488	3,807
961.2	Liability Insurance	73,517	11,255	2,523
961.3	Workmen's Compensation	9,411	2,298	489
961.4	All Other Insurance	62,960		
961	Total Insurance	304,417	22,041	6,819
962.1	Compensated Absences	10,832		
963	Payments in Lieu of Taxes	15,424	7,466	2,011
964	Bad Debt - Tenant Rents	126,730	14,995	2,890
968	Severance Expense		2,434	1,928
960	Total Other General Expenses	152,986	24,895	6,829
967.2	Interest on Notes Payable (Short and Long Term)	56,783		-
967	Total Interest Expense and Amortization Cost	56,783	-	-
	TOTAL OPERATING EXPENSES	5,261,005	831,250	126,242
970	Excess Operating Revenue over Expenses	1,887,799	55,966	25,006
973	Housing Assistance Payments			
973.5	HAP Portability-In			
974	Depreciation Expense	1,203,752	33,030	14,113
900	TOTAL EXPENSES	6,464,757	864,280	140,355
1001	Operating Transfer In	420,123		
1002	Operating Transfer Out	(420,123)		
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 684,047	\$ 22,936	\$ 10,893

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2023

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

Line item	Account Description	Housing Choice Voucher	Component Unit - Blended	COCC
703	Net Tenant Rental Revenue	\$ -	\$ -	-
704	Tenant Revenue - Other			
705	Total Tenant Revenue	-	-	-
706	HUD PHA Operating Grants	4,316,875		
706.1	Capital Grants			
707.1	Management Fee			473,684
707.2	Asset Management Fee			76,200
707.3	Bookkeeping Fee			106,606
707.4	Front Line Service Fee			199,200
708	Other Government Grants			20,188
711	Investment Income - Unrestricted			25,490
714	Fraud Recovery	10,618		
715	Other Revenue	29,698	93,000	1,943
716	Gain or Loss on Sale of Capital Assets			
700	TOTAL REVENUE	4,357,191	93,000	903,311
911	Admin Salaries	174,761	1,138	328,281
912	Audit	1,546	386	1,470
913	Management Fee	89,376		
913.1	Bookkeeping Fee	55,860		
914	Advertising and Marketing			2,034
915	Employee Benefits	96,520	637	55,623
916	Office Expenses	36,613		23,250
917	Legal Expense		50	8,924
918	Travel	1,725		3,448
919	Other	28,014	102	116,392
	Total Operating - Admin.	484,415	2,313	539,422
920	Asset Management Fee			
924	Tenant Services - Other			
925	Total Tenant Services	-	-	-
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, 2023

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

Line item	Account Description	Housing Choice Voucher	Component Unit - Blended	COCC
941	Ordinary Maint. & Operations - Labor	\$ -	\$ 18,064	\$ -
942	Ordinary Maint. & Operations - Materials & Other	13		913
943	Ordinary Maint. & Operations - Contracts	571		11,598
945	Employee Benefits Contributions - Ordinary Maint.	-		
940	Total Maintenance	584	18,064	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			686
961.2	Liability Insurance	2,044	748	7,457
961.3	Workmen's Compensation	2,178	104	3,800
961.4	All Other Insurance			
961	Total Insurance	4,222	852	11,943
962.1	Compensated Absences			7,875
963	Payments in Lieu of Taxes			
964	Bad Debt - Tenant Rents			
968	Severance Expense	2,234	34	
960	Total Other General Expenses	2,234	34	7,875
967.2	Interest on Notes Payable (Short and Long Term)			86
967	Total Interest Expense and Amortization Cost	-	-	86
	TOTAL OPERATING EXPENSES	491,455	31,368	571,837
970	Excess Operating Revenue over Expenses	3,865,736	61,632	331,474
973	Housing Assistance Payments	3,771,397		
973.5	HAP Portability-In	27,699		
974	Depreciation Expense	4,399		26,183
900	TOTAL EXPENSES	4,294,950	31,368	598,020
1001	Operating Transfer In			
1002	Operating Transfer Out			
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 62,241	\$ 61,632	\$ 305,291

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2023

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

Line item	Account Description	Subtotal	Elimination	Total
703	Net Tenant Rental Revenue	\$ 1,565,919		\$ 1,565,919
704	Tenant Revenue - Other	41,432		41,432
705	Total Tenant Revenue	1,607,351	-	1,607,351
706	HUD PHA Operating Grants	9,479,171		9,479,171
706.1	Capital Grants	1,455,423		1,455,423
707.1	Management Fee	473,684	\$ (473,684)	-
707.2	Asset Management Fee	76,200	(76,200)	-
707.3	Bookkeeping Fee	106,606	(106,606)	-
707.4	Front Line Service Fee	199,200		199,200
708	Other Government Grants	20,188		20,188
711	Investment Income - Unrestricted	114,200		114,200
714	Fraud Recovery	10,618		10,618
715	Other Revenue	216,790		216,790
716	Gain or Loss on Sale of Capital Assets	(218,661)		(218,661)
700	TOTAL REVENUE	13,540,770	(656,490)	12,884,280
911	Admin Salaries	771,372		771,372
912	Audit	19,344		19,344
913	Management Fee	473,684	(473,684)	-
913.1	Bookkeeping Fee	106,606	(106,606)	-
914	Advertising and Marketing	3,451		3,451
915	Employee Benefits	334,256		334,256
916	Office Expenses	142,537		142,537
917	Legal Expense	22,205		22,205
918	Travel	28,620		28,620
919	Other	627,706		627,706
	Total Operating - Admin.	2,529,781	(580,290)	1,949,491
920	Asset Management Fee	76,200	(76,200)	-
924	Tenant Services - Other	2,949		2,949
925	Total Tenant Services	79,149	(76,200)	2,949
931	Water	475,902		475,902
932	Electricity	679,211		679,211
933	Gas	26,570		26,570
936	Sewer	358,755		358,755
930	Total Utilities	1,540,438	-	1,540,438

See Auditor's Report.

Jefferson Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2023

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

Line item	Account Description	Subtotal	Elimination	Total
941	Ordinary Maint. & Operations - Labor	696,571	\$ -	\$ 696,571
942	Ordinary Maint. & Operations - Materials & Other	279,293		279,293
943	Ordinary Maint. & Operations - Contracts	850,713		850,713
945	Employee Benefits Contributions - Ordinary Maint.	442,910		442,910
940	Total Maintenance	2,269,487	-	2,269,487
951	95100 Protective Services - Labor	161,090		161,090
952	95200 Protective Services - Other Contract Costs	32,300		32,300
953	Protective Services - Other	14,762		14,762
955	95500 Employee Benefit Contributions - Protective Services	74,029		74,029
950	95000 Total Protective Services	282,181	-	282,181
961.1	Property Insurance	171,510		171,510
961.2	Liability Insurance	97,544		97,544
961.3	Workmen's Compensation	18,280		18,280
961.4	All Other Insurance	62,960		62,960
961	Total Insurance	350,294	-	350,294
962.1	Compensated Absences	18,707		18,707
963	Payments in Lieu of Taxes	24,901		24,901
964	Bad Debt - Tenant Rents	144,615		144,615
968	Severance Expense	6,630		6,630
960	Total Other General Expenses	194,853	-	194,853
967.2	Interest on Notes Payable (Short and Long Term)	56,869		56,869
967	Total Interest Expense and Amortization Cost	56,869		56,869
	TOTAL OPERATING EXPENSES	7,313,157	(656,490)	6,656,667
970	Excess Operating Revenue over Expenses	6,227,613		6,227,613
973	Housing Assistance Payments	3,771,397		3,771,397
973.5	HAP Portability-In	27,699		27,699
974	Depreciation Expense	1,281,477		1,281,477
900	TOTAL EXPENSES	12,393,730	(656,490)	11,737,240
1001	Operating Transfer In	420,123	(420,123)	-
1002	Operating Transfer Out	(420,123)	420,123	-
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 1,147,040	\$ -	\$ 1,147,040

See Auditor's Report.

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Low Rent Public Housing Program:	14.850	\$3,892,401
Capital Fund Program	14.872	2,173,071
Housing Choice Voucher Program	14.871	4,316,875
N/C S/R Section 8 Programs	14.182	<u>552,247</u>
Total U.S. Department of Housing and Urban Development		<u>10,934,594</u>
Total Federal Awards		<u><u>\$10,934,594</u></u>

**JEFFERSON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. 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.

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

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended December 31, 2023.

NOTE C – 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, 2023.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended December 31, 2023.



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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, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued my report thereon dated June 20, 2024.

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*.

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

June 20, 2024



Kevin L.
enn, Inc.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL 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 each of Jefferson Metropolitan Housing Authority's major federal programs for the year ended December 31, 2023. Jefferson Metropolitan Housing Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying schedule of findings.

In my opinion, Jefferson Metropolitan Housing 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 programs for the year ended December 31, 2023.

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). My 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 Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing 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 Jefferson Metropolitan Housing 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 my 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 our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kevin L. Penn, Inc.
Cleveland, Ohio

June 20, 2024

Jefferson Metropolitan Housing Authority
 Schedule of Findings
 December 31, 2023

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?	No
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:	
14.872	Capital Fund Program
14.871	Housing Choice Voucher
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, 2023

There were no audit findings, during the 2022 fiscal year.

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 8/20/2024

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

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