GEAUGA METROPOLITAN HOUSING AUTHORITY

GEAUGA COUNTY

SINGLE AUDIT

JANUARY 1, 2019 – DECEMBER 31, 2019

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Commissioners
Geauga Metropolitan Housing Authority
385 Center Street
Chardon, Ohio 44024

We have reviewed the *Independent Auditor's Report* of the Geauga Metropolitan Housing Authority, Geauga County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 31, 2020

This page intentionally left blank.

GEAUGA METROPOLITAN HOUSING AUTHORITY
GEAUGA COUNTY

TABLE OF CONTENTS

This page intentionally left blank.

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Geauga Metropolitan Housing Authority
Geauga County
385 Center Street
Chardon, Ohio 44024

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the Geauga Metropolitan Housing Authority, Geauga County, Ohio (the Authority), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

Opinion

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

Emphasis of Matter

As discussed in Note 11 to the financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

The Financial Data Schedules as required by the Department of Housing and Urban Development present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2020, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
July 15, 2020

This page intentionally left blank.

UNAUDITED

As management of the Geauga Metropolitan Housing Authority ("the Authority") we offer this narrative and analysis of the financial activities of the Authority for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by $8,071 during 2019, resulting from change from Operations. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. Net position was $5,527,941 and $5,536,012 for 2019 and 2018, respectively.

- The Authority's cash balance at December 31, 2019 was $2,135,091 representing an increase of $230,320 from December 31, 2018.

- Revenues increased by $168,124 (or 5.95%) during 2019 and were $2,993,552 and $2,825,428 for 2019 and 2018, respectively.

- The total expenses of all the Authority's programs increased by $125,584 (or 4.37%). Total expenses were $3,001,623 and $2,876,039 for 2019 and 2018, respectively.

Authority Financial Statements

The Authority's financial statements are designed to be corporate-like in that all business-type 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 or 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 and net liabilities, for the entire Authority. Net Position are reported in three broad categories:

<u>Investment in Capital Assets</u>: 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. The Authority does not have outstanding debt related to capital assets as of December 31, 2019.

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

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Investment in Capital Assets", or "Restricted Net Position".

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

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

Fund Financial Statements

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

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

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

Capital Fund Program (CFP) – This is the current primary funding source for the Authority's physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on size and age of your units.

PIH Family Self-Sufficiency Program (FSS) – A grant program that provides funding for the salary and benefits of a coordinator to assist tenants in finding jobs, training and supportive services to help residents transition from welfare to work. The coordinator also assists to link elderly/disabled residents to critical services which can help them continue to live independently.

TABLE 1
AUTHORITY STATEMENTS

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

	2019	2018
Current Assets	$ 2,184,788	$ 1,952,252
Capital Assets	5,159,727	5,175,853
Deferred Outflows of Resources	394,060	194,860
Total Assets and Deferred Outflows	$ 7,738,575	$ 7,322,965
Current Liabilities	$ 221,214	$ 219,582
Noncurrent Liabilities	1,942,119	1,314,895
Total Liabilities	2,163,333	1,534,477
Deferred Inflows of Resources	47,301	252,476
Net Positions:		
Investment in Capital Assets	5,159,727	5,175,853
Restricted Net Positions	7,378	13,576
Unrestricted Net Positions	360,836	346,583
Total Net Positions	5,527,941	5,536,012
Total Liabilities, Deferred Inflows and Net Positions	$ 7,738,575	$ 7,322,965

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

Major Factors Affecting the Statement of Net Position

During 2019, Current Assets increased by $232,536 and Current Liabilities increased by $1,632. The Current Assets, primarily cash, increased due to the result of operation. The increase in Current Liabilities is mainly due to increase in outstanding invoices due at year end.

Capital Assets also changed, decreasing from $5,175,853 to $5,159,727. The $16,126 decrease may be contributed primarily to a combination of net acquisitions of $425,392, less current year depreciation of $441,519. For more detail see "Capital Assets".

Change in Unrestricted Net Position

Details on the change in unrestricted net position can be found in Table 2 below:

Table 2 - Change in Unrestricted Net Position

Beginning Balance - December 31, 2018	$	346,583
Results of Operation		(8,071)
Adjustments:		
Current year Depreciation Expense (1)		441,519
Capital Expenditures (2)		(425,392)
Transfer to Restricted Net Position		6,198
Rounding Adjustment		(1)
Ending Balance - December 31, 2019	$	360,836

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net position.

(2) Capital expenditures represent an outflow of unrestricted net position, but are not treated as an expense against Results of Operations, and therefore must be deducted.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

UNAUDITED

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS

The Following schedule compares the revenues and expenses for the current and previous year.

	2019	2018
Revenues		
Total Tenant Revenues	$ 862,275	$ 784,571
Operating Subsidies	1,659,674	1,654,556
Capital Grants	352,608	307,588
Interest	18,896	2,252
Other Revenues	100,099	76,461
Total Revenues	**2,993,552**	**2,825,428**
Expenses		
Administrative	622,492	553,164
Tenant Services	59,970	72,476
Utilities	236,042	255,254
Maintenance	605,239	465,531
General and Interest Expenses	190,679	162,693
Housing Assistance Payaments	845,682	865,494
Depreciation	441,519	501,427
Total Expenses	**3,001,623**	**2,876,039**
Change in Net Position	(8,071)	(50,611)
Net Position at January 1	5,536,012	5,586,623
Net Position at December 31	$ 5,527,941	$ 5,536,012

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

Total revenues increased $168,124 during 2019 in comparison to 2018. Total revenue increased due to the increase in tenant revenues and HUD grant revenue received for the year.

Total expenses in 2019 increased in comparison to 2018. The total expense increases of $125,584 was mainly due increases in maintenance and administrative expenses.

Capital Assets

As of year-end, the Authority had $5,159,727 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (current purchases less depreciation) of $16,126 or 0.3% from the end of last year.

Table 4 - Condensed Statement of Changes in Capital Assets

	2019	2018
Land	$ 764,575	$ 764,575
Buildings	24,788,399	24,365,417
Equipment	1,147,664	1,145,253
Accumulated Depreciation	(21,540,911)	(21,099,392)
Total	$ 5,159,727	$ 5,175,853

Capital Assets are presented in Note 4 of the notes to the basic financial statements.

Table 5 - Changes in Capital Assets

Beginning Balance - December 31, 2018	$ 5,175,853
Current year Additions	425,392
Current year Depreciation Expense	(441,519)
Rounding	1
Ending Balance - December 31, 2019	$ 5,159,727

Table 6 - Current Year Breakout of Additions to Assets

Buildings	$ 356,089
Furniture, Machinery and Equipment	2,411
Land Improvements	66,892
Total	$ 425,392

Debt Outstanding

As of December 31, 2019, the Authority has no outstanding debt.

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Financial Contact

The individual to be contacted regarding this report is Dawn Farrell, Executive Director of the Geauga Metropolitan Housing Authority, at (440) 286-7413. Specific requests may be submitted to the Geauga Metropolitan Housing Authority at 385 Center Street, Chardon, Ohio 44024.

GEAUGA METROPOLITAN HOUSING AUTHORITY
GEAUGA COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2019

Assets		
Current Assets:		
Cash and Cash Equivalents	$	1,930,238
Restricted Cash and Cash Equivalents		204,853
Receivable, net		8,411
Inventories, net		5,735
Prepaid Items		35,551
Total Current Assets		2,184,788
Non-Current Assets:		
Capital Assets:		
Nondepreciable Capital Assets		764,575
Depreciable Capital Assets, net		4,395,152
Total Capital Assets		5,159,727
Total Non-Current Assets		5,159,727
Total Assets		7,344,515
Deferred Outflows of Resources		
Pension		355,719
OPEB		38,341
Total Deferred Outflows of Resources		394,060
Liabilities		
Current Liabilities:		
Accounts Payable		8,659
Accrued Liabilities		69,816
Intergovernmental Payable		60,988
Tenant Security Deposits Payable		69,130
Unearned Revenue		12,621
Total Current Liabilities		221,214
Non-Current Liabilities:		
Accrued Compensated Absences		103,410
Net Pension Liability		1,185,078
Net OPEB Liability		525,286
Noncurrent Liabilities - Other		128,345
Total Non-Current Liabilities		1,942,119
Total Liabilities		2,163,333
Deferred Inflows of Resources		
Pension		45,876
OPEB		1,425
Total Deferred Inflows of Resources		47,301
Net Position		
Investment in Capital Assets		5,159,727
Restricted		7,378
Unrestricted		360,836
Total Net Position	$	5,527,941

The notes to the basic financial statements are an integral part of the statements.

GEAUGA METROPOLITAN HOUSING AUTHORITY
GEAUGA COUNTY

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

Operating Revenues		
Tenant Revenue		$ 862,275
Government Operating Grants		1,659,674
Other Revenues		100,099
Total Operating Revenues		2,622,048
Operating Expenses		
Administrative	$ 622,492	
Tenant Services	59,970	
Utilities	236,042	
Maintenance	605,239	
General	190,679	
Housing Assistance Payments	845,682	
Depreciation	441,519	
Total Operating Expenses		3,001,623
Operating Loss		(379,575)
Nonoperating Revenues		
Interest Revenue		18,896
Capital Grants		352,608
Total Nonoperating Revenues		371,504
Change in Net Position		(8,071)
Net Position at January 1, 2019		5,536,012
Net Position at December 31, 2019		$ 5,527,941

The notes to the basic financial statements are an integral part of this statement.

GEAUGA METROPOLITAN HOUSING AUTHORITY
GEAUGA COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:		
Cash Received from Federal Operating Grants	$	1,659,674
Cash Received from Tenants		863,971
Cash Received from Other Revenue		101,765
Cash Payments for General and Administrative Expenses		(1,495,520)
Cash Payments for Housing Assistance		(845,682)
Net cash provided by operating activities		284,208
Cash flows from investing activities:		
Interest		18,896
Net cash provided by investing activities		18,896
Cash flows from capital and related activities:		
Capital Grants		352,608
Property and Equipment Purchased		(425,392)
Net cash used by capital and related activities		(72,784)
Net change in cash		230,320
Cash at January 1, 2019		1,904,771
Cash at December 31, 2019	$	2,135,091
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(379,575)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation		441,519
Changes in:		
Accounts receivable, net		(1,698)
Prepaid items		(1,790)
Inventory		1,272
Deferred outflows of resources		(199,200)
Accounts payable		(22,511)
Intergovernmental payable		9,608
Accrued liabilities		7,414
Tenant security deposits		3,868
Net pension liability		516,610
Net OPEB liability		93,087
Deferred inflows of resources		(205,175)
Unearned revenue		3,252
Other liabilities		17,527
Net cash provided by operating activities	$	284,208

The notes to the basic financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Geauga Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (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 Geauga Metropolitan Housing Authority was created under the Ohio Revised Code Section 3735.27. The Authority contracts with the U. S. 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.

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading consistent with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61). Based on application of the criteria set forth in GASB Statements No. 14 and No. 39, the Authority annually evaluates potential component units (PCU) for inclusion based on financial accountability, the nature and significance of their relationship to the Authority, and whether exclusion would cause the basic financial statements to be misleading or incomplete.

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 Housing Service Inc. (Corporation) is a legally separate, non-profit organization served by a five board of trustees. One of the five board members is the Geauga Metropolitan Housing Authority Executive Director and the rest of the members are appointed by Geauga Metropolitan Housing Authority (GMHA) Board of Commissioners. Those GMHA Board of Commissioners Appointee's terms continue as long as that GMHA Board of Commissioners continue to serve on GMHA board. The Corporation was formed to hold title to several parcel of land and to promote housing related purposes.

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 and are presented on the accrual basis of accounting.

Fund Accounting

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

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

Proprietary Fund Types

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

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

Description of Programs

The following are the various programs which are included in the Authority's single enterprise fund:

A. Public Housing Program - The public housing program is designed to provide low-cost housing within Geauga 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. PIH Family Self-Sufficiency Program (FSS) – A grant program that provides funding for the salary and benefits of a coordinator to assist tenants in finding jobs, training and supportive services to help residents transition from welfare to work. The coordinator also assists to link elderly/disabled residents to critical services which can help them continue to live independently.

Investments
The provisions of the HUD regulations restrict investments. Investments are valued at market value. Interest income earned in the fiscal year ending December 31, 2019 totaled $18,896.

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 $1,500 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

Net Position
Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The Authority did have net position restricted for the HAP reserve of $7,378 at December 31, 2019.

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 operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD, and other miscellaneous revenue.

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

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

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

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

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.

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 accumulated payments 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 absence 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 expenses when earned with the amount reported as a fund liability.

Unearned Revenue

The unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

Prepaid Items

Payments that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense in the year in which the services are consumed.

Receivables – Net of Allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of the outstanding tenant receivable and fraud recovery balances at the end of the year. The allowance for doubtful accounts was $2,278 at December 31, 2019.

Accrued Liabilities
All payables and accrued liabilities (consisting of accrued wages and payroll taxes, and the current portion of compensated absences payable) are reported in the basic financial statements.

Inventories
Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was $0 at December 31, 2019.

Budgetary Accounting
The Authority is required by contractual agreements to adopt annual operating budgets for all its HUD funded programs. The budget for its programs is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The Board of Commissioners adopts the budget through passage of a budget resolution.

Accounting and Reporting for Non-Exchange Transactions
The Authority accounts for non-exchange transactions in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions.* Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return.

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.

NOTE 2: DEPOSITS

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 two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by the 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 year-end, December 31, 2019, the carrying amount of the Authority's deposits totaled $2,135,091 and its bank balance was $2,140,339. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure,* as of December 31, 2019, $1,890,339 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of a 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 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.

NOTE 3: RESTRICTED CASH

The restricted cash balance of $204,853 on the financial statements represents the following:

Tenant Security deposits in the Low Rent Public Housing Program	$69,130
Payment due to HUD for over payment of utility expenses	63,851
Advances from HUD for housing assistance payments	7,378
FSS Escrow Liability – HCV	23,879
FSS Escrow Liability – PH	40,615
Total Restricted Cash	**$204,853**

NOTE 4: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year:

	Balance 12/31/18	Rounding Adjustments	Additions	Deletions	Balance 12/31/19
Capital Assets Not Being Depreciated:					
Land	$ 764,575	$ -	$ -	$ -	$ 764,575
Total Capital Assets Not Depreciated	**764,575**	**-**	**-**	**-**	**764,575**
Capital Assets Being Depreciated:					
Buildings	24,365,417	1	422,981	-	24,788,399
Furniture, Machinery and Equipment	1,145,253	-	2,411		1,147,664
Total Capital Assets Depreciated:	**25,510,670**	**1**	**425,392**	**-**	**25,936,063**
Accumulated Depreciation					
Buildings	(19,984,936)	-	(391,524)	-	(20,376,460)
Furniture, Machinery and Equipment	(1,114,456)	-	(49,995)		(1,164,451)
Total Accumulated Depreciation	(21,099,392)	-	(441,519)	-	(21,540,911)
Total Capital Assets Depreciated, Net	4,411,278	1	(16,127)	-	4,395,152
Total Capital Assets, Net	$ 5,175,853	$ 1	$ (16,127)	$ -	$ 5,159,727

NOTE 5: DEFINED BENEFIT PENSION PLAN

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.

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 CAFR 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 and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**Formula:**
2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local
2019 Statutory Maximum Contribution Rates:	
- Employer	14.0%
- Employee	10.0%
2019 Actual Contribution Rates:	
Employer: January 1, 2019 December 31, 2019	
- Pension	14.0%
- Post-employment Health Care Benefits	0.0%
Total Employer Contributions	14.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $84,234 for the year ended December 31, 2019. Of this amount $6,333 is reported within 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	$1,185,078
Percentate for Proportionate Share of Net Pension Liability	0.004327%
Change in Proportion from Prior Measurement Date	0.000066%
Pension Expense	$149,541

December 31, 2019, 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	$160,845
Change in assumption	103,163
Difference Between Expected and Actual Experience	56
Change in proportionate share	7,421
Authority contributions subsequent to the measurement date	84,234
Total Deferred Outflows of Resources	$355,719
Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	$15,561
Change in proportionate share	30,315
Total Deferred Inflows of Resources	$45,876

$84,234 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:		
	2020	$80,497
	2021	55,387
	2022	14,920
	2023	74,805
	Total	$225,609

Actuarial Assumptions – OPERS

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

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

Valuation Date	December 31, 2018
Experience Study	5 year ended 12/31/15
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Return	7.20%
Wage Inflation	3.25%
Projected salary increase	3.25%-10.75% (includes wage inflation at 3.25%)
Cost-of-living adjustments	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

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

Asset Class	Target Allocation for 2018	Weighted Average Long- Term Expected Real Rate of Return
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other investments	18.00%	5.50%
Total	100.00%	5.95%

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

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

	1% Decrease (6.2%)	**Current Discount Rate 7.2%**	**1% Increase (8.2%)**
Authority's proporationate share of the net pension liability - Traditional Pension Plan	$1,750,704	$1,185,078	$715,037

NOTE 6 – DEFINED BENEFIT OPEB PLAN

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.

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

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

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

The Authority's contractually required contribution was $0 for the year ending December 30, 2019.

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

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of Net OPEB Liability	$525,286
Proportion of the Net OPEB Liability	0.003980%
Change in Proportion from Prior Measurement date	0.004029%
Pension Expense	$52,840

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

	Health Care Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$24,081
Assumption Changes	16,936
Difference between expected and actual experience	178
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	(2,853)
Total Deferred Outflows of Resources	$38,341
Deferred Inflows of Resources	
Difference between expected and actual experience	$1,425
Total Deferred Inflows of Resources	$1,425

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

	Health Care Plan
Year Ending December 31:	
2020	$17,422
2021	3,441
2022	3,923
2023	12,130
Total	$36,916

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Future Salary Increases, including inflation 3.25%	3.25 - 10.75%
Single Discount Rate:	
Current measurement rate	3.96%
Prior measurement rate	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.0% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual entry age

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

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

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

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. 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 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	17.00%	5.57%
TOTAL	100.00%	5.16%

Discount Rate **–** A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate **–** The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.96 percent) or one percentage point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$672,037	$525,286	$408,581

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

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

	1% Decrease	Current Health Care Cost Trent Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$504,914	$525,286	$548,750

NOTE 7: COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended December 31, 2019:

Description	Balance 12/31/2018	Earned	Used	Balance 12/31/2019	Due Within One Year
Compensated Absences	$ 116,973	$ 71,645	$ (59,355)	$ 129,263	$ 25,853

The portion due within one year is reported as part of accrued liabilities on the basic financial statements.

NOTE 8: LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities:

Description	Balance 12/31/18	Additions	Deletions	Balance 12/31/19	Due Within One Year
Net Pension Liability	$668,468	$516,610	$0	$1,185,078	$0
Net OPEB Liability	432,199	93,087	0	525,286	0
Payable to HUD for overpayment of Utilities	63,851	0	0	63,851	0
FSS Escrow Balance - PH	36,531	20,415	(16,331)	40,615	0
FSS Escrow Balance - HCV	20,268	12,208	(8,597)	23,879	0
Total	$1,221,317	$642,320	($24,928)	$1,838,709	$0

The FSS Escrow Liability of $64,494 represents money held for residents participating in the family self-sufficiency program. Each month contributions are deposited into a designated savings account on behalf of the program participants. Participants enter into an initial five-year contract (with an option for a two year extension upon Authority's approval). At the end of the contract, the participant either meets their program goals and may withdraw their money earned from the savings account, or they fail to meet their goals and forfeit their money. If a forfeiture occurs in the program, the money earned is used by the Authority to provide additional housing assistance.

See Note 5 and Note 6 for information on the Authority's net pension and OPEB liabilities.

NOTE 9: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During fiscal year ending December 31, 2019, the Authority maintained comprehensive insurance coverage with private carriers for health, real property, building contents, and vehicles. 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.

NOTE 10: CONTINGENCIES

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received federal grants for specific purposes which are subject to review audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 11: SUBSEQUENT EVENTS

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

This page intentionally left blank.

GEAUGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST SIX YEARS

	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability - Traditional Plan	0.004327%	0.004261%	0.004851%	0.004892%	0.004784%	0.004784%
Authority's Proportionate Share of the Net Pension Liability - Traditional Plan	$1,185,078	$668,468	$1,101,580	$847,357	$577,004	$563,971
Authority's Covered-Employee Payroll	$601,669	$584,440	$563,056	$627,490	$609,160	$606,508
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	196.97%	114.38%	195.64%	135.04%	94.72%	92.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional Plan	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.
(2) The amounts presented are as of the Authority's plan measurement date, which is the prior calendar year.

GEAUGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST THREE YEARS

	2019	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.004029%	0.003980%	0.003980%
Authority's Proportionate Share of the Net OPEB Liability	$525,286	$432,199	$401,994
Authority's Covered Payroll	$601,669	$584,440	$563,056
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	87.30%	73.95%	71.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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.

GEAUGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
LAST TEN YEARS

	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Contractually Required Contribution										
Pension	$84,234	$81,822	$73,197	$75,304	$73,099	$70,386	$78,846	$60,808	$60,311	$54,418
OPEB	$0	$0	$5,631	$12,545	$12,183	$11,731	$6,065	$24,323	$24,125	$30,991
Contributions in Relation to the										
Contractually Required Contribution	$84,234	$81,822	$78,828	$87,849	$85,282	$82,117	$84,911	$85,131	$84,436	$85,409
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$601,669	$584,440	$563,056	$627,490	$609,160	$606,508	$608,080	$603,110	$604,644	$590,382
Contributions as a Percentage of										
Covered-Employee Payroll										
Pension	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%
OPEB	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.00%	4.00%	5.00%

Ohio Public Employees' Retirement System

Net Pension Liability

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

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

Net OPEB Liability

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

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

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

Federal Grantor / Pass Through Grantor Program Title	**Pass-Through Number**	**CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development			
Direct Funding:			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	$ 954,118
Total Housing Voucher Cluster			954,118
Public and Indian Housing - Low Rent Public Housing	N/A	14.850	582,282
Public Housing Capital Fund	N/A	14.872	411,673
Family Self-Sufficiency Program	N/A	14.896	64,209
Total Federal Award Expenditures			$ 2,012,282

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
111 Cash - Unrestricted	$1,771,549	$0	$154,693	$3,996	$1,930,238	$0	$1,930,238
112 Cash - Restricted - Modernization and Development	$0	$0	$0	$0	$0	$0	$0
113 Cash - Other Restricted	$0	$0	$31,257	$0	$31,257	$0	$31,257
114 Cash - Tenant Security Deposits	$69,130	$0	$0	$0	$69,130	$0	$69,130
115 Cash - Restricted for Payment of Current Liabilities	$104,466	$0	$0	$0	$104,466	$0	$104,466
100 Total Cash	$1,945,145	$0	$185,950	$3,996	$2,135,091	$0	$2,135,091
121 Accounts Receivable - PHA Projects	$194	$0	$0	$0	$194	$0	$194
122 Accounts Receivable - HUD Other Projects	$0	$0	$0	$0	$0	$0	$0
124 Accounts Receivable - Other Government	$0	$0	$0	$0	$0	$0	$0
125 Accounts Receivable - Miscellaneous	$0	$0	$1,522	$0	$1,522	$0	$1,522
126 Accounts Receivable - Tenants	$3,779	$0	$0	$0	$3,779	$0	$3,779
126.1 Allowance for Doubtful Accounts -Tenants	($2,278)	$0	$0	$0	($2,278)	$0	($2,278)
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0
127 Notes, Loans, & Mortgages Receivable - Current	$5,194	$0	$0	$0	$5,194	$0	$5,194
128 Fraud Recovery	$0	$0	$0	$0	$0	$0	$0
128.1 Allowance for Doubtful Accounts - Fraud	$0	$0	$0	$0	$0	$0	$0
129 Accrued Interest Receivable	$0	$0	$0	$0	$0	$0	$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	$6,889	$0	$1,522	$0	$8,411	$0	$8,411
131 Investments - Unrestricted	$0	$0	$0	$0	$0	$0	$0
132 Investments - Restricted	$0	$0	$0	$0	$0	$0	$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0	$0	$0	$0	$0
142 Prepaid Expenses and Other Assets	$35,551	$0	$0	$0	$35,551	$0	$35,551
143 Inventories	$5,735	$0	$0	$0	$5,735	$0	$5,735

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
143.1 Allowance for Obsolete Inventories	$0	$0	$0	$0	$0	$0	$0
144 Inter Program Due From	$0	$0	$0	$0	$0	$0	$0
145 Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0
150 Total Current Assets	$1,993,320	$0	$187,472	$3,996	$2,184,788	$0	$2,184,788
161 Land	$727,075	$0	$0	$37,500	$764,575	$0	$764,575
162 Buildings	$24,788,399	$0	$0	$0	$24,788,399	$0	$24,788,399
163 Furniture, Equipment & Machinery - Dwellings	$524,779	$0	$0	$0	$524,779	$0	$524,779
164 Furniture, Equipment & Machinery - Administration	$619,410	$0	$3,475	$0	$622,885	$0	$622,885
165 Leasehold Improvements	$0	$0	$0	$0	$0	$0	$0
166 Accumulated Depreciation	($21,537,436)	$0	($3,475)	$0	($21,540,911)	$0	($21,540,911)
167 Construction in Progress	$0	$0	$0	$0	$0	$0	$0
168 Infrastructure	$0	$0	$0	$0	$0	$0	$0
160 Total Capital Assets, Net of Accumulated Depreciation	$5,122,227	$0	$0	$37,500	$5,159,727	$0	$5,159,727
171 Notes, Loans and Mortgages Receivable - Non-Current	$0	$0	$0	$0	$0	$0	$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0	$0	$0	$0	$0
173 Grants Receivable - Non Current	$0	$0	$0	$0	$0	$0	$0
174 Other Assets	$0	$0	$0	$0	$0	$0	$0
176 Investments in Joint Ventures	$0	$0	$0	$0	$0	$0	$0
180 Total Non-Current Assets	$5,122,227	$0	$0	$37,500	$5,159,727	$0	$5,159,727
200 Deferred Outflow of Resources	$352,725	$0	$41,335	$0	$394,060	$0	$394,060
290 Total Assets and Deferred Outflow of Resources	$7,468,272	$0	$228,807	$41,496	$7,738,575	$0	$7,738,575

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
311 Bank Overdraft	$0	$0	$0	$0	$0	$0	$0
312 Accounts Payable <= 90 Days	$7,471	$0	$1,188	$0	$8,659	$0	$8,659
313 Accounts Payable >90 Days Past Due	$0	$0	$0	$0	$0	$0	$0
321 Accrued Wage/Payroll Taxes Payable	$10,041	$0	$2,849	$0	$12,890	$0	$12,890
322 Accrued Compensated Absences - Current Portion	$24,175	$0	$1,678	$0	$25,853	$0	$25,853
324 Accrued Contingency Liability	$0	$0	$0	$0	$0	$0	$0
325 Accrued Interest Payable	$0	$0	$0	$0	$0	$0	$0
331 Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0	$0	$0
332 Account Payable - PHA Projects	$0	$0	$0	$0	$0	$0	$0
333 Accounts Payable - Other Government	$60,988	$0	$0	$0	$60,988	$0	$60,988
341 Tenant Security Deposits	$69,130	$0	$0	$0	$69,130	$0	$69,130
342 Unearned Revenue	$12,621	$0	$0	$0	$12,621	$0	$12,621
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0	$0	$0
344 Current Portion of Long-term Debt - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0
345 Other Current Liabilities	$31,073	$0	$0	$0	$31,073	$0	$31,073
346 Accrued Liabilities - Other	$0	$0	$0	$0	$0	$0	$0
347 Inter Program - Due To	$0	$0	$0	$0	$0	$0	$0
348 Loan Liability - Current	$0	$0	$0	$0	$0	$0	$0
310 Total Current Liabilities	$215,499	$0	$5,715	$0	$221,214	$0	$221,214
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0	$0	$0
352 Long-term Debt, Net of Current - Operating Borrowings	$0	$0	$0	$0	$0	$0	$0
353 Non-current Liabilities - Other	$104,466	$0	$23,879	$0	$128,345	$0	$128,345

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
354 Accrued Compensated Absences - Non Current	$96,700	$0	$6,710	$0	$103,410	$0	$103,410
355 Loan Liability - Non Current	$0	$0	$0	$0	$0	$0	$0
356 FASB 5 Liabilities	$0	$0	$0	$0	$0	$0	$0
357 Accrued Pension and OPEB Liabilities	$1,530,958	$0	$179,406	$0	$1,710,364	$0	$1,710,364
350 Total Non-Current Liabilities	$1,732,124	$0	$209,995	$0	$1,942,119	$0	$1,942,119
300 Total Liabilities	$1,947,623	$0	$215,710	$0	$2,163,333	$0	$2,163,333
400 Deferred Inflow of Resources	$42,340	$0	$4,961	$0	$47,301	$0	$47,301
508.4 Net Investment in Capital Assets	$5,122,227	$0	$0	$37,500	$5,159,727	$0	$5,159,727
511.4 Restricted Net Position	$0	$0	$7,378	$0	$7,378	$0	$7,378
512.4 Unrestricted Net Position	$356,082	$0	$758	$3,996	$360,836	$0	$360,836
513 Total Equity - Net Assets / Position	$5,478,309	$0	$8,136	$41,496	$5,527,941	$0	$5,527,941
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$7,468,272	$0	$228,807	$41,496	$7,738,575	$0	$7,738,575
70300 Net Tenant Rental Revenue	$846,603	$0	$0	$0	$846,603	$0	$846,603
70400 Tenant Revenue - Other	$15,672	$0	$0	$0	$15,672	$0	$15,672
70500 Total Tenant Revenue	$862,275	$0	$0	$0	$862,275	$0	$862,275
70600 HUD PHA Operating Grants	$641,347	$64,209	$954,118	$0	$1,659,674	$0	$1,659,674
70610 Capital Grants	$352,608	$0	$0	$0	$352,608	$0	$352,608
70710 Management Fee	$0	$0	$0	$0	$0	$0	$0
70720 Asset Management Fee	$0	$0	$0	$0	$0	$0	$0

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
70730 Book Keeping Fee	$0	$0	$0	$0	$0	$0	$0
70740 Front Line Service Fee	$0	$0	$0	$0	$0	$0	$0
70750 Other Fees	$0	$0	$0	$0	$0	$0	$0
70700 Total Fee Revenue	$0	$0	$0	$0	$0	$0	$0
70800 Other Government Grants	$0	$0	$0	$0	$0	$0	$0
71100 Investment Income - Unrestricted	$18,896	$0	$0	$0	$18,896	$0	$18,896
71200 Mortgage Interest Income	$0	$0	$0	$0	$0	$0	$0
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0
71310 Cost of Sale of Assets	$0	$0	$0	$0	$0	$0	$0
71400 Fraud Recovery	$3,981	$0	$766	$0	$4,747	$0	$4,747
71500 Other Revenue	$94,770	$0	$582	$0	$95,352	$0	$95,352
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0	$0	$0	$0	$0
72000 Investment Income - Restricted	$0	$0	$0	$0	$0	$0	$0
70000 Total Revenue	$1,973,877	$64,209	$955,466	$0	$2,993,552	$0	$2,993,552
91100 Administrative Salaries	$199,329	$11,554	$55,770	$0	$266,653	$0	$266,653
91200 Auditing Fees	$8,985	$0	$998	$0	$9,983	$0	$9,983
91300 Management Fee	$0	$0	$0	$0	$0	$0	$0
91310 Book-keeping Fee	$0	$0	$0	$0	$0	$0	$0
91400 Advertising and Marketing	$0	$0	$0	$0	$0	$0	$0
91500 Employee Benefit contributions - Administrative	$219,584	$0	$24,260	$0	$243,844	$0	$243,844
91600 Office Expenses	$15,337	$0	$0	$0	$15,337	$0	$15,337
91700 Legal Expense	$6,186	$0	$438	$0	$6,624	$0	$6,624
91800 Travel	$0	$0	$0	$0	$0	$0	$0

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
91810 Allocated Overhead	$0	$0	$0	$0	$0	$0	$0
91900 Other	$68,514	$0	$11,487	$50	$80,051	$0	$80,051
91000 Total Operating - Administrative	$517,935	$11,554	$92,953	$50	$622,492	$0	$622,492
92000 Asset Management Fee	$0	$0	$0	$0	$0	$0	$0
92100 Tenant Services - Salaries	$0	$34,278	$0	$0	$34,278	$0	$34,278
92200 Relocation Costs	$0	$0	$0	$0	$0	$0	$0
92300 Employee Benefit Contributions - Tenant Services	$24,121	$0	$0	$0	$24,121	$0	$24,121
92400 Tenant Services - Other	$1,571	$0	$0	$0	$1,571	$0	$1,571
92500 Total Tenant Services	$25,692	$34,278	$0	$0	$59,970	$0	$59,970
93100 Water	$46,399	$0	$0	$0	$46,399	$0	$46,399
93200 Electricity	$63,860	$0	$0	$0	$63,860	$0	$63,860
93300 Gas	$34,532	$0	$0	$0	$34,532	$0	$34,532
93400 Fuel	$0	$0	$0	$0	$0	$0	$0
93500 Labor	$0	$0	$0	$0	$0	$0	$0
93600 Sewer	$91,251	$0	$0	$0	$91,251	$0	$91,251
93700 Employee Benefit Contributions - Utilities	$0	$0	$0	$0	$0	$0	$0
93800 Other Utilities Expense	$0	$0	$0	$0	$0	$0	$0
93000 Total Utilities	$236,042	$0	$0	$0	$236,042	$0	$236,042
94100 Ordinary Maintenance and Operations - Labor	$229,156	$0	$0	$0	$229,156	$0	$229,156
94200 Ordinary Maintenance and Operations - Materials and Other	$81,078	$0	$0	$0	$81,078	$0	$81,078
94300 Ordinary Maintenance and Operations Contracts	$103,242	$0	$0	$0	$103,242	$0	$103,242
94500 Employee Benefit Contributions - Ordinary Maintenance	$191,763	$0	$0	$0	$191,763	$0	$191,763

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
94000 Total Maintenance	$605,239	$0	$0	$0	$605,239	$0	$605,239
95100 Protective Services - Labor	$0	$0	$0	$0	$0	$0	$0
95200 Protective Services - Other Contract Costs	$0	$0	$0	$0	$0	$0	$0
95300 Protective Services - Other	$0	$0	$0	$0	$0	$0	$0
95500 Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$0	$0	$0
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0
96110 Property Insurance	$36,993	$0	$0	$0	$36,993	$0	$36,993
96120 Liability Insurance	$0	$0	$0	$966	$966	$0	$966
96130 Workmen's Compensation	$1,710	$0	$0	$0	$1,710	$0	$1,710
96140 All Other Insurance	$0	$0	$0	$0	$0	$0	$0
96100 Total insurance Premiums	$38,703	$0	$0	$966	$39,669	$0	$39,669
96200 Other General Expenses	$0	$0	$0	$0	$0	$0	$0
96210 Compensated Absences	$64,297	$0	$7,348	$0	$71,645	$0	$71,645
96300 Payments in Lieu of Taxes	$60,988	$0	$0	$0	$60,988	$0	$60,988
96400 Bad debt - Tenant Rents	$0	$18,377	$0	$0	$18,377	$0	$18,377
96500 Bad debt - Mortgages	$0	$0	$0	$0	$0	$0	$0
96600 Bad debt - Other	$0	$0	$0	$0	$0	$0	$0
96800 Severance Expense	$0	$0	$0	$0	$0	$0	$0
96000 Total Other General Expenses	$125,285	$18,377	$7,348	$0	$151,010	$0	$151,010
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$0	$0	$0
96720 Interest on Notes Payable (Short and Long Term)	$0	$0	$0	$0	$0	$0	$0

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
96730 Amortization of Bond Issue Costs	$0	$0	$0	$0	$0	$0	$0
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$1,548,896	$64,209	$100,301	$1,016	$1,714,422	$0	$1,714,422
97000 Excess of Operating Revenue over Operating Expenses	$424,981	$0	$855,165	-$1,016	$1,279,130	$0	$1,279,130
97100 Extraordinary Maintenance	$0	$0	$0	$0	$0	$0	$0
97200 Casualty Losses - Non-capitalized	$0	$0	$0	$0	$0	$0	$0
97300 Housing Assistance Payments	$0	$0	$845,682	$0	$845,682	$0	$845,682
97350 HAP Portability-In	$0	$0	$0	$0	$0	$0	$0
97400 Depreciation Expense	$441,519	$0	$0	$0	$441,519	$0	$441,519
97500 Fraud Losses	$0	$0	$0	$0	$0	$0	$0
97600 Capital Outlays - Governmental Funds	$0	$0	$0	$0	$0	$0	$0
97700 Debt Principal Payment - Governmental Funds	$0	$0	$0	$0	$0	$0	$0
97800 Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0
90000 Total Expenses	$1,990,415	$64,209	$945,983	$1,016	$3,001,623	$0	$3,001,623
10010 Operating Transfer In	$31,716	$0	$0	$0	$31,716	-$31,716	$0
10020 Operating transfer Out	-$31,716	$0	$0	$0	-$31,716	$31,716	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0	$0	$0	$0	$0
10040 Operating Transfers from/to Component Unit	$0	$0	$0	$0	$0	$0	$0
10050 Proceeds from Notes, Loans and Bonds	$0	$0	$0	$0	$0	$0	$0
10060 Proceeds from Property Sales	$0	$0	$0	$0	$0	$0	$0
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0	$0	$0	$0	$0

Geauga Metropolitan Housing Authority
Financial Data Schedules
For the Year Ended December 31, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	Subtotal	ELIM	Total
10080 Special Items (Net Gain/Loss)	$0	$0	$0	$0	$0	$0	$0
10091 Inter Project Excess Cash Transfer In	$0	$0	$0	$0	$0	$0	$0
10092 Inter Project Excess Cash Transfer Out	$0	$0	$0	$0	$0	$0	$0
10093 Transfers between Program and Project - In	$0	$0	$0	$0	$0	$0	$0
10094 Transfers between Project and Program - Out	$0	$0	$0	$0	$0	$0	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$16,538	$0	$9,483	-$1,016	-$8,071	$0	-$8,071
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$5,494,847	$0	-$1,347	$42,512	$5,536,012	$0	$5,536,012
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0	$0
11170 Administrative Fee Equity	$0	$0	$758	$0	$758	$0	$758
11180 Housing Assistance Payments Equity	$0	$0	$7,378	$0	$7,378	$0	$7,378
11190 Unit Months Available	2,916	0	2,052	0	4,968	0	4,968
11210 Number of Unit Months Leased	2,889	0	2,012	0	4,901	0	4,901
11650 Leasehold Improvements Purchases	$352,608	$0	$0	$0	$352,608	$0	$352,608

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

Geauga Metropolitan Housing Authority
Geauga County
385 Center Street
Chardon, Ohio 44024

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards,* the financial statements of the Geauga Metropolitan Housing Authority, Geauga County, (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 15, 2020, wherein we noted the Authority considered the financial impact of COVID-19 as disclosed in Note 11.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
July 15, 2020

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

Geauga Metropolitan Housing Authority
Geauga County
385 Center Street
Chardon, Ohio 44024

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
July 15, 2020

GEAUGA METROPOLITAN HOUSING AUTHROITY
GEAUGA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Housing Voucher Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

GEAUGA METROPOLITAN HOUSING AUTHORITY

GEAUGA 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 9/15/2020

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