



**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
Regular Audit
For the Year Ended September 30, 2018**

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Marietta, OH 45750
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1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

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St. Clairsville, OH 43950
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Wheeling, WV 26003
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OHIO AUDITOR OF STATE KEITH FABER



Board of Directors
Meigs Metropolitan Housing Authority
441 General Hartinger Pkwy
Middleport, OH 45760-1251

We have reviewed the *Independent Auditor's Report* of the Meigs Metropolitan Housing Authority, Meigs County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period October 1, 2017 through September 30, 2018. 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 Meigs Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 3, 2019

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**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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Certified Public Accountants, A.C.

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INDEPENDENT AUDITOR'S REPORT

March 6, 2019

Meigs Metropolitan Housing Authority
Meigs County
441 General Hartinger Parkway
Middleport, Ohio 45760

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of **Meigs Metropolitan Housing Authority**, Meigs County, Ohio (the Authority), as of and for the year ended September 30, 2018, 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 opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meigs Metropolitan Housing Authority, Meigs County, as of September 30, 2018, 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 3 to the financial statements, during the year ended September 30, 2018, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Financial Data Schedule is presented on pages 35 and 36 and is presented for additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules 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, the schedule 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 March 6, 2019 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

It is a privilege to present for you the financial picture of Meigs Metropolitan Housing Authority. The Meigs Metropolitan Housing Authority's ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- Total revenues increased by \$96,376 (or 22%) during 2018, and were \$543,824 and \$447,448 for 2018 and 2017, respectively.
- Total operating expenses increased by \$10,588 (or 2%) during 2018, and were \$549,564 and \$538,976 for 2018 and 2017, respectively.

USING THIS ANNUAL REPORT

The following is a summary of the presentation of the Authority's financial statements:

<p>MD&A Management Discussion and Analysis</p>
<p>Basic Financial Statements Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows Notes to the Basic Financial Statements</p>
<p>Required Supplementary Information Schedule of the Authority's Proportionate Share of Net Pension Liability Schedule of the Authority's Contributions Schedule of the Authority's Proportionate Share of OPEB Liability Schedule of the Authority's Contributions</p>

The focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broadens a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

BASIC FINANCIAL STATEMENTS

The basic financial statements, beginning on page 9, are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the Authority.

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources and "Net Position." Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current."

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

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

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

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

The basic financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as investment income.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position."

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities and investment activities.

The Authority's programs that are consolidated into a single enterprise fund are as follows:

Housing Assistance Payments Program-Section 8 – The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Family Self Sufficiency (FSS) Program – This program is designed to help participants achieve economic independence and self-sufficiency.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

GASB STATEMENT 75 IMPLEMENTATION

During 2018, the Authority adopted GASB Statement 75, *Accounting and Financial Report for Postemployment Benefits Other than Pensions* – which significantly revises accounting for other post-employment benefits (OPEB) other than pension costs and liabilities. For reason discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to OPEB and the net OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for OPEB costs, GASB 45 focused on a funding approach. This approach limited OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net OPEB *asset/liability*. GASB 75 takes an earnings approach to OPEB accounting; however, the nature of West Virginia's statewide OPEB systems and state law governing that system requires additional explanation in order to properly understand the information presented in these statements.

Under GASB 75, the net OPEB asset/liability equals the Authority's proportionate share of each plan's collective:

1. Present value of estimated future OPEB benefits attributable to active and inactive employee's past service.
2. Minus plan assets available to pay these benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net OPEB liability. Changes in OPEB benefits, contribution rates, and return on investments affect the balance of the net OPEB liability, but are outside the control of the local government. Due to the unique nature of how the net OPEB liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual OPEB expense for their proportionate share of each plan's *change* in net OPEB asset/liability not accounted for as deferred inflows/outflows of resources.

As a result of implementing GASB 75, the Authority is reporting net OPEB asset/liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. The implementation had the effect of restating net position at September 30, 2017 from (\$43,447) to (\$84,406).

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

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

**TABLE 1
STATEMENT OF NET POSITION**

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Current and Other Assets	\$ 47,916	\$ 35,417	\$ 12,499
Capital Assets	1,104	2,470	(1,366)
Total Assets	<u>49,020</u>	<u>37,887</u>	<u>11,133</u>
Deferred Outflows of Resources	20,153	42,636	(22,483)
Current and Other Liabilities	19,017	17,184	1,833
Long-Term Liabilities	120,591	106,186	14,405
Total Liabilities	<u>139,608</u>	<u>123,370</u>	<u>16,238</u>
Deferred Inflow of Resources	19,711	600	19,111
Net Position:			
Net Investment in Capital Assets	1,104	2,470	(1,366)
Restricted	32,395	26,985	5,410
Unrestricted	(123,645)	(72,902)	(50,743)
Total Net Position	<u>\$ (90,146)</u>	<u>\$ (43,447)</u>	<u>\$ (46,699)</u>

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Capital assets decreased due to the increase in depreciation and disposal of equipment as shown in Table 4. Cash increased by \$12,450 primarily due to increased HUD PHA Grants/Operating Grants during 2018. Net restricted position increased \$5,410 due to an increase in cash balance of HUD monies to be used for Family Self Sufficiency and Housing Assistance Payments Program – Section 8.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The following schedule compares the revenues and expenses for the current and previous fiscal years.

**TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Revenues			
Tenant Rental Revenues	\$ -	\$ 10,523	\$ (10,523)
HUD PHA Grants/Operating Grants	513,559	409,014	104,545
Investment Income/Other Revenues	30,265	27,911	2,354
Total Revenue	<u>543,824</u>	<u>447,448</u>	<u>96,376</u>
Expenses			
Administrative	108,517	123,094	(14,577)
Ordinary Maintenance & Operations	2,321	4,427	(2,106)
General Expenses	20,711	41,777	(21,066)
Housing Assistance Payment	416,649	368,312	48,337
Loss on Disposal of Assets	-	106,600	(106,600)
Depreciation Expense	1,366	1,366	-
Total Expenses	<u>549,564</u>	<u>645,576</u>	<u>(96,012)</u>
Net Increase/(Decrease)	(5,740)	(198,128)	192,388
Net Position, Beginning of Year (Restated)	<u>(84,406)</u>	<u>154,681</u>	<u>(239,087)</u>
Net Position, End of Year	<u>\$ (90,146)</u>	<u>\$ (43,447)</u>	<u>\$ (46,699)</u>

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

Government operating grants increased by \$104,545 from fiscal year 2017 to 2018, due to increased government subsidy of rents. Housing Assistance Payments increased during 2018 due to the Authority taking on new clients during 2018. The Authority sold all land and real estate for a loss during 2017. Other than these changes the Authority operated consistently between the years.

CAPITAL ASSETS

As of year-end, the Authority had \$1,104 invested in a variety of capital assets (net of accumulated depreciation) as reflected in the following table, which represents a net decrease (depreciation and disposal of assets) of \$1,366 from the end of last year.

**TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)**

	<u>2018</u>	<u>2017</u>
Furniture, Equipment & Machinery - Administration	\$ 6,830	\$ 8,760
Accumulated Depreciation	(5,726)	(6,290)
Total	<u>\$ 1,104</u>	<u>\$ 2,470</u>

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

Beginning Balance	\$ 2,470
Depreciation	(1,366)
Ending Balance	<u>\$ 1,104</u>

See Note 7 to the basic financial statements for more information regarding the Authority's capital assets.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of 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; and
- Market rates for rental housing

IN CONCLUSION

Meigs Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Brenda Leslie, Executive Director of the Meigs Metropolitan Housing Authority at 740-992-2733.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2018**

<i>Assets</i>	
Current Assets:	
Cash and Cash Equivalents- Unrestricted	\$ 14,281
Cash and Cash Equivalents- Restricted	32,395
Total Cash and Cash Equivalents	46,676
Prepaid Expenses and Other Assets	1,240
Total Current Assets	47,916
Noncurrent Assets:	
Capital Assets:	
Depreciable Capital Assets, Net of Accumulated Depreciation	1,104
Total Capital Assets	1,104
Total Noncurrent Assets	1,104
<i>Total Assets</i>	49,020
Deferred Outflows of Resources - OPEB	3,277
Deferred Outflows of Resources - Pension	16,876
<i>Total Deferred Outflows of Resources</i>	20,153
<i>Total Assets and Deferred Outflows of Resources</i>	\$ 69,173
<i>Liabilities</i>	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	\$ 2,034
Undistributed Credits - Family Self-Sufficiency	16,983
Total Current Liabilities	19,017
Long-Term Liabilities:	
Net OPEB Liability	44,523
Net Pension Liability	69,498
Compensated Absences	6,570
Total Long-Term Liabilities	120,591
<i>Total Liabilities</i>	139,608
Deferred Inflows of Resources - OPEB	3,317
Deferred Inflows of Resources - Pension	16,394
<i>Total Deferred Inflows of Resources</i>	19,711
<i>Total Liabilities and Deferred Inflows of Resources</i>	159,319
<i>Net Position</i>	
Investment in Capital Assets	1,104
Restricted	32,395
Unrestricted	(123,645)
<i>Total Net Position</i>	(90,146)
<i>Total Liabilities, Deferred Inflows of Resources, and Net Position</i>	\$ 69,173

See accompanying notes to the basic financial statements.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Operating Revenues

HUD PHA Operating Grants	\$	513,559
Other Revenue		29,962
		543,521
Total Operating Revenues		543,521

Operating Expenses

Administrative		108,517
Ordinary Maintenance & Operation		2,321
General Expense		20,711
Housing Assistance Payments		416,649
Depreciation Expense		1,366
		549,564
Total Operating Expenses		549,564
Operating Income (Loss)		(6,043)

Non-Operating Revenues

Investment Income - Restricted		210
Investment Income - Unrestricted		93
		303
Total Non-Operating Revenues		303
Change in Net Position		(5,740)
Net Position, Beginning of Year (Restated)		(84,406)
Net Position, End of Year	\$	(90,146)

See accompanying notes to the basic financial statements.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Cash Flows From Operating Activities:	
Receipts From Operating Grants	\$ 513,559
Other Operating Receipts	29,962
Housing Assistance Payments	(416,649)
Payments for Employees and Services	(114,725)
Net Cash Provided by Operating Activities	<u>12,147</u>
Cash Flows From Investing Activities:	
Interest Received on Investments	<u>303</u>
Net Cash Provided by Investing Activities	<u>303</u>
Net Increase in Cash and Cash Equivalents	12,450
Cash and Cash Equivalents at Beginning of Year	<u>34,226</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 46,676</u></u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ (6,043)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities	
Depreciation Expense	1,366
(Increase) Decrease In:	
Prepaid Expenses and Other Assets	(49)
Deferred Outflows of Resources	22,935
Increase (Decrease) In:	
Accrued Pension and OPEB Liabilities	(28,215)
Accrued Wages/Payroll Taxes Payable	(61)
Compensated Absences	1,209
Deferred Inflows of Resources	19,111
Other Current Liabilities	1,894
Net Cash Provided by Operating Activities	<u><u>\$ 12,147</u></u>

See accompanying notes to the basic financial statements.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

The Meigs Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.01 of the Ohio Revised Code.

The Meigs Metropolitan Housing Authority was established for the purpose of engaging the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction, and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

DESCRIPTION OF PROGRAMS

A. HOUSING ASSISTANCE PAYMENTS PROGRAM - SECTION 8

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

B. MR/DD

This program is used to account for revenues and expenses related to the board of mental health or mental retardation.

C. Family Self Sufficiency (FSS) Program

This program is designed to help participants achieve economic independence and self-sufficiency.

REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Authority are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Authority. For the Authority, this includes general operations and Section 8. Component units are legally separate organizations for which the Authority is financially accountable.

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2018.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Meigs Metropolitan Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applies to governmental units. The Governmental Accounting Standards Board 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 here.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. For financial statement presentation purposes, the various programs of the Authority are grouped into the following fund type:

PROPRIETARY FUND TYPE - Proprietary funds are used to account for the Authority's ongoing activities which are similar to those found in a private sector. The following is the Authority's proprietary fund:

ENTERPRISE FUND - The enterprise fund is used to account for operations 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services of the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type income statements represent increases (e.g. revenues and other financing sources) and decreases (e.g. expenditures and other financing uses) in total net position.

C. BASIS OF ACCOUNTING

Proprietary fund types use accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and measurable and expenses are recorded at the time liabilities are incurred, if measurable.

D. BUDGETARY DATA

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

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MEIGS COUNTY
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(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds deposited in checking accounts. Cash equivalents are stated at cost, which approximates market value.

Unrestricted cash and cash equivalents represents the funds that are used for the general operations and the administrative portion of Section 8 program. Restricted cash and cash equivalents represent funds deposited for participants in the Family Self Sufficiency (FSS) Program, which is designed to help participants achieve economic independence and self-sufficiency and the portion of Section 8 designed to aid low-income families with rent.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, cash and cash equivalents include all highly liquid debt instruments with an original maturity of three months or less at the time they are purchased.

F. CAPITAL ASSETS

The capital asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated capital assets are capitalized at acquisition value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Enterprise Fund Capital Assets: Capital assets reflected in the enterprise fund are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	27.5 years
Office Equipment	5 years

G. COMPENSATED ABSENCES

In 1999, the Authority implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end.

In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a fund liability.

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(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. OPERATING REVENUES and EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants from HUD, and other miscellaneous revenue.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are primarily administrative, benefits, maintenance and operations, depreciation, and housing assistance payments.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and accompanying notes. Accordingly, actual results could differ from those estimates.

J. PENSIONS and OTHER POST EMPLOYMENT BENEFITS

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

K. NET POSITION

Net position represents the difference between all other elements of the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints placed on its use are externally imposed, including HUD, creditors, grantors, contributions, or laws and regulators of other governments. Unrestricted net position represents the portion of net position not classified as net investment in capital assets or restricted.

The amount reported as restricted net position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts from Administration Fee which may be recaptured by HUD. When an expense is incurred for purposes which both restricted and unrestricted Net Position is available, the Authority first applies restricted Net Position.

L. DEFERRED OUTFLOWS

A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. DEFERRED INFLOWS

A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period.

3. NEWLY ADOPTED STATEMENTS ISSUED BY GASB

The Governmental Accounting Standards Board has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of GASB Statement No. 75 has required a restatement of beginning net position for its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 85, Omnibus 2017, effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The adoption of GASB Statement No. 85 had no impact on the September 30, 2018 financial statements.

4. CASH AND CASH EQUIVALENTS

Deposits

At fiscal year end, the carrying amount of the Authority's deposits was \$46,676, and the bank balance was \$47,877. The entire bank balance was covered by federal deposit insurance.

5. RESTRICTED CASH

The restricted cash of \$32,395 on the financial statements represent the following:

Excess Cash Balance of HUD Funds to be Used		
for Housing Assistance Payments	\$	15,412
FSS Escrow Funds		16,983
Total Restricted Cash	\$	32,395

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6. LONG-TERM LIABILITIES

Changes in long-term obligations of the Authority during the year ended September 30, 2018 were as follows:

	Beginning Balance 9/30/2017	Additions	Reductions	Ending Balance 9/30/2018	Amounts Due in One Year
Compensated Absences	\$ 5,361	\$ 1,209	\$ -	\$ 6,570	\$ -
Net Pension Liability	100,825	-	(31,327)	69,498	-
Net OPEB Liability	41,411	3,112	-	44,523	-
	<u>41,411</u>	<u>3,112</u>	<u>-</u>	<u>44,523</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 147,597</u>	<u>\$ 4,321</u>	<u>\$ (31,327)</u>	<u>\$ 120,591</u>	<u>\$ -</u>

7. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended September 30, 2018 follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Office Equipment	\$ 8,760	\$ -	\$ (1,930)	\$ 6,830
Total Capital Assets Being Depreciated:	<u>8,760</u>	<u>-</u>	<u>(1,930)</u>	<u>6,830</u>
Less: Accumulated Depreciation:				
Equipment	(6,290)	(1,366)	1,930	(5,726)
Total Accumulated Depreciation	<u>(6,290)</u>	<u>(1,366)</u>	<u>1,930</u>	<u>(5,726)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>2,470</u>	<u>(1,366)</u>	<u>-</u>	<u>1,104</u>
Total Capital Assets Net	<u>\$ 2,470</u>	<u>\$ (1,366)</u>	<u>\$ -</u>	<u>\$ 1,104</u>

**MEIGS METROPOLITAN HOUSING AUTHORITY
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8. DEFINED BENEFIT PENSION PLAN

Net Pension Asset and Liability

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

The net pension asset and 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 asset and 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 asset and liability is solely the asset and obligation, respectively, 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 excess funded or unfunded benefits is presented as a long-term net pension asset or liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description

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

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8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members no in the other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Traditional Pension Plan
Deferred Outflows of Resources	
Changes in assumptions	\$ 8,305
Differences between expected and actual experience	71
Changes in proportion and differences between government contributions and proportionate share of contributions	2,823
Authority contributions subsequent to the measurement date	5,677
Total Deferred Outflows of Resources	\$ 16,876
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 14,920
Differences between expected and actual experience	1,370
Changes in proportion and differences between government contributions and proportionate share of contributions	104
Total Deferred Inflows of Resources	\$ 16,394

\$5,677 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year Ending June 30:	Traditional Pension Plan
2019	\$ 8,775
2020	(1,132)
2021	(6,705)
2022	(6,133)
Total	\$ (5,195)

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8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions - OPERS

OPERS' total pension asset and liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2017, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 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

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.

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8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

During 2017 OPERS manage investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan. Within the defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first on the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.92% for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Authority 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 Authority-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2017	Weighted Average Long Term Expected Real Rate of Return
		(Arithmetic)
Fixed Income	23.00%	2.20%
Domestic Equities	19.00%	6.37%
Real Estate	10.00%	5.26%
Private Equity	10.00%	8.97%
International Equities	20.00%	7.88%
Other Investments	18.00%	5.26%
Total	100.00%	5.66%

Discount Rate The discount rate used to measure the total pension liability was 7.5%, post experience study results, for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

<u>Employer's Net Pension Liability/(Asset)</u>	<u>1% Decrease 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Increase 8.5%</u>
Traditional Pension Plan	\$ 123,411	\$ 69,498	\$ 24,551

9. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

For fiscal year 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective.

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

Ohio Revised Code limits Authority's obligation for this liability to annually required payments. Authority's cannot control benefit terms or the manner in which OPEB are financed; however, Authority's 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.

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9. POST EMPLOYMENT BENEFITS (CONTINUED)

Plan Description

Authority employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2017, OPERS allocated 1.0% of employer contributions to post-employment health care. Beginning January 1, 2018, the allocation for health care was 0%.

Net OPEB Liability

The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. Authority's proportion of the net OPEB liability was based on Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>
Proportionate Share of the Net OPEB Liability	\$ 44,523
Proportion of the Net OPEB Liability	0.000410%
Increase/(decrease) in % from prior proportion measured	0.000000%
OPEB Expense	\$ 3,604

At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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9. POST EMPLOYMENT BENEFITS (CONTINUED)

	OPERS
Deferred Outflows of Resources	
Changes in assumptions	\$ 3,242
Differences between expected and actual experience	35
Total Deferred Outflows of Resources	\$ 3,277
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 3,317
Total Deferred Inflows of Resources	\$ 3,317

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

Fiscal Year Ending June 30:	OPERS
2019	\$ 737
2020	737
2021	(684)
2022	(830)
Total	\$ (40)

Actuarial Assumptions – OPERS

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:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2016
Rolled-forward measurement date	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)

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9. POST EMPLOYMENT BENEFITS (CONTINUED)

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

A single discount rate of 3.85% as used to measure the OPEB liability on the measurement date of December 31, 2017. 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 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

The following table presents the OPEB liability calculated using the single discount rate of 3.85%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	2.85%	3.85%	4.85%
Authority's proportionate share of the net OPEB liability	\$ 59,151	\$ 44,523	\$ 32,689

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Continued)**

9. POST EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease 6.50% decreasing to 2.25%	Current Discount 7.50% decreasing to 3.25%	1% Increase 8.5% decreasing to 4.25%
Authority's proportionate share of the net OPEB liability	\$ 42,599	\$ 44,523	\$ 46,510

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2017	Weighted Average Long Term Expected Real Rate of Return
		(Arithmetic)
Domestic Equities	21.00%	6.37%
International Equities	22.00%	7.88%
Fixed Income	34.00%	1.88%
REITs	6.00%	5.91%
Other Investments	17.00%	5.39%
Total	100.00%	4.98%

10. COMPENSATED ABSENCES

Sick leave and vacation policies are established by the Housing Authority Board of Directors. All permanent employees earn 4.6 hours sick leave for each 80 hours of service, 3.1 hours vacation time for each 80 hours of service for employees with 1—7 years of service; and 4.6 hours vacation time for each 80 hours worked for employees with 8—14 years of service. The Executive Director receives 6.2 hours vacation time for every 80 hours of service. Unused sick leave may be accumulated up to 240 hours and is paid to employees at the time of retirement. All permanent employees earn vacation hours based on length of service. Unused vacation leave will be paid to the employees at the time of separation. As of September 30, 2018, \$6,570 of sick leave and vacation was accrued.

11. ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
(Continued)**

12. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets. The Authority owns 6 single family dwellings that are covered by State Farm Insurance, Auto-Owners Insurance, and Ohio Fair Plan coverage. These dwelling coverages include fire, personal liability, and other special form perils with deductibles between \$250 and \$1,000. There have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

The Authority pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. There was no reduction in coverage from 2017 to 2018.

13. CONTINGENCIES

The Authority received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at September 30, 2018.

14. RESTATEMENT FOR CHANGES IN ACCOUNTING PRINCIPLES

Effective July 1, 2017, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The Statement addresses accounting and financial reporting for other post-employment benefits (OPEB) provided to employees who participate in the State OPEB plan. The Statement also requires various note disclosures and required supplementary information. As a result, beginning net position has been restated as follows:

Net position as previously reported at September 30, 2017	\$ (43,447)
Prior period adjustment	
Beginning new OPEB liability	(41,411)
Deferred outflows of resources - 2017 OPEB contributions	452
Total prior period adjustment	(40,959)
Net position as restated, September 30, 2017	\$ (84,406)

15. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the statement of financial position through March 6, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through March 6, 2019 that would require adjustment or disclosure in the financial statements.

Required Supplementary Information

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employee Retirement System
Last Five Fiscal Years (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's proportion of the net pension liability (asset) (percentage)	0.000443%	0.000444%	0.000381%	0.000372%	0.000372%
Authority's proportionate share of the net pension liability (asset)	\$ 69,498	\$ 100,825	\$ 65,994	\$ 44,867	\$ 43,854
Authority's covered-payroll	\$ 58,564	\$ 57,252	\$ 37,650	\$ 45,600	\$ 49,359
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-payroll	118.67%	176.11%	175.28%	98.39%	88.85%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	84.66%	77.25%	81.08%	86.45%	86.45%

(1) Information prior to fiscal year 2013 is not available.

(2) The amounts presented were determined as of OPERS fiscal year ended December 31.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Required Supplementary Information
Schedule of the Authority's Contributions
Ohio Public Employees Retirement System
Last Ten Fiscal Years (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contribution	\$ 7,413	\$ 7,189	\$ 6,712	\$ 5,718	\$ 5,455	\$ 5,939	\$ 5,428	\$ 5,393	\$ 4,782	\$ 4,421
Contributions in relation to contractually required contribution	<u>(7,413)</u>	<u>(7,189)</u>	<u>(6,712)</u>	<u>(5,718)</u>	<u>(5,455)</u>	<u>(5,939)</u>	<u>(5,428)</u>	<u>(5,393)</u>	<u>(4,782)</u>	<u>(4,421)</u>
Contribution deficit (surplus)	<u>\$ -</u>									
Authority's covered-payroll	\$ 53,900	\$ 59,910	\$ 55,936	\$ 47,650	\$ 44,550	\$ 49,359	\$ 54,280	\$ 55,277	\$ 54,441	\$ 57,076
Contributions as a percentage of covered-payroll	13.75%	12.00%	12.00%	12.00%	12.24%	12.03%	10.00%	9.76%	8.78%	7.75%

(1) Information is presented on a fiscal year basis, consistent with Authority's financial statements.

MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Two Fiscal Years (1)

	<u>2017</u>	<u>2016</u>
Authority's Proportion of the Net OPEB Liability	0.000410%	0.000410%
Authority's Proportionate Share of the Net OPEB Liability	\$ 44,523	\$ 41,411
Authority's Covered Payroll	\$ 58,564	\$ 57,252
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.02%	72.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.14%	N/A

(1) Information prior to 2016 is not available.

(2) The amounts presented were determined as of OPERS fiscal year ended December 31.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Required Supplementary Information
Schedule of the Authority's Contributions
Ohio Public Employees Retirement System - OPEB Plan
Last Three Fiscal Years (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 134	\$ 746	\$ 1,119
Contributions in Relation to the Contractually Required Contribution	(134)	(746)	(1,119)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority Covered Payroll	\$ 53,900	\$ 59,910	\$ 55,936
Contributions as Percentage of Covered Payroll	0.25%	1.25%	2.00%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2016 is not available.

(2) Information is presented on a fiscal year basis, consistent with Authority's financial statements.

**MEIGS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Changes in Assumptions – OPERS

Amounts reported for fiscal year 2017 (Measurement Period 2016) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 (Measurement Period 2015) and prior are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2016	December 31, 2015
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	8.00%
Wage Inflation	3.25%	3.75%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	4.25% to 10.05% (Includes wage inflation of 3.75%)
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	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from RP-2000 mortality tables to the RP-2014 mortality tables.

There are no changes in actuarial valuation for measurement period 2017 versus measurement period 2016.

MEGIS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	\$14,281	\$14,281
113 Cash - Other Restricted	\$32,395	\$32,395
100 Total Cash	\$46,676	\$46,676
142 Prepaid Expenses and Other Assets	\$1,240	\$1,240
150 Total Current Assets	\$47,916	\$47,916
164 Furniture, Equipment & Machinery - Administration	\$6,830	\$6,830
166 Accumulated Depreciation	-\$5,726	-\$5,726
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,104	\$1,104
180 Total Non-Current Assets	\$1,104	\$1,104
200 Deferred Outflow of Resources	\$20,153	\$20,153
290 Total Assets and Deferred Outflow of Resources	\$69,173	\$69,173
321 Accrued Wage/Payroll Taxes Payable	\$2,034	\$2,034
322 Accrued Compensated Absences - Current Portion	\$3,333	\$3,333
345 Other Current Liabilities	\$16,983	\$16,983
310 Total Current Liabilities	\$22,350	\$22,350
354 Accrued Compensated Absences - Non Current	\$3,237	\$3,237
357 Accrued Pension and OPEB Liabilities	\$114,021	\$114,021
350 Total Non-Current Liabilities	\$117,258	\$117,258
300 Total Liabilities	\$139,608	\$139,608
400 Deferred Inflow of Resources	\$19,711	\$19,711
508.4 Net Investment in Capital Assets	\$1,104	\$1,104
511.4 Restricted Net Position	\$32,395	\$32,395
512.4 Unrestricted Net Position	(\$123,645)	(\$123,645)
513 Total Equity - Net Assets / Position	(\$90,146)	(\$90,146)
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$69,173	\$69,173

**MEGIS METROPOLITAN HOUSING AUTHORITY
MEIGS COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	14.871 Housing Choice Vouchers	Total
70600 HUD PHA Operating Grants	\$513,559	\$513,559
70800 Other Government Grants		
71100 Investment Income - Unrestricted	\$93	\$93
71400 Fraud Recovery	\$1,000	\$1,000
71500 Other Revenue	\$28,962	\$28,962
72000 Investment Income - Restricted	\$210	\$210
70000 Total Revenue	\$543,824	\$543,824
91100 Administrative Salaries	\$48,661	\$48,661
91200 Auditing Fees	\$9,539	\$9,539
91400 Advertising and Marketing	\$811	\$811
91500 Employee Benefit contributions - Administrative	\$29,264	\$29,264
91600 Office Expenses	\$14,924	\$14,924
91700 Legal Expense	\$88	\$88
91800 Travel	\$435	\$435
91900 Other	\$4,795	\$4,795
91000 Total Operating - Administrative	\$108,517	\$108,517
94300 Ordinary Maintenance and Operations Contracts	\$459	\$459
94000 Total Maintenance	\$459	\$459
96120 Liability Insurance	\$645	\$645
96130 Workmen's Compensation	\$1,217	\$1,217
96100 Total insurance Premiums	\$1,862	\$1,862
96200 Other General Expenses	\$14,124	\$14,124
96210 Compensated Absences	\$6,587	\$6,587
96000 Total Other General Expenses	\$20,711	\$20,711
96900 Total Operating Expenses	\$131,549	\$131,549
97000 Excess of Operating Revenue over Operating Expenses	\$412,275	\$412,275
97300 Housing Assistance Payments	\$416,649	\$416,649
97400 Depreciation Expense	\$1,366	\$1,366
90000 Total Expenses	\$549,564	\$549,564
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$5,740	-\$5,740
11030 Beginning Equity	-\$43,447	-\$43,447
11040 Prior Period Adjustments, Equity Transfers and Correction	-\$40,959	-\$40,959
11170 Administrative Fee Equity	-\$157,589	-\$157,589
11180 Housing Assistance Payments Equity	\$69,227	\$69,227
11190 Unit Months Available	1500	1500
11210 Number of Unit Months Leased	1391	1391



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

March 6, 2019

Meigs Metropolitan Housing Authority
Meigs County
441 General Hartinger Parkway
Middleport, Ohio 45760

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 **Meigs Metropolitan Housing Authority**, Meigs County, Ohio, (the Authority) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 6, 2019, wherein we noted the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

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.

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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*.

We did note certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated March 6, 2019.

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 communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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OHIO AUDITOR OF STATE KEITH FABER



MEIGS METROPOLITAN HOUSING AUTHORITY

MEIGS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 16, 2019**