MORGAN METROPOLITAN HOUSING AUTHORITY

MORGAN COUNTY

SINGLE AUDIT

JULY 1, 2018 – JUNE 30, 2019

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
Morgan County Metropolitan Housing Authority
4580 St. Rt. 376 NW
McConnelsville, Ohio 43756

We have reviewed the *Independent Auditor's Report* of the Morgan County Metropolitan Housing Authority, Morgan County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2018 through June 30, 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 Morgan County Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 16, 2019

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MORGAN METROPOLITAN HOUSING AUTHORITY
MORGAN COUNTY

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WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Morgan Metropolitan Housing Authority
Morgan County
4580 N. St. Rt. 276 NW
McConnelsville, Ohio 43756

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Morgan Metropolitan Housing Authority, Morgan County, Ohio (the Authority), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Morgan Metropolitan Housing Authority, Morgan County as of June 30, 2019, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

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

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 November 20, 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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
November 20, 2019

The Morgan Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis (MD&A) 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 position, and (d) identify individual fund issues of 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 follow.

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased by $23,725 (or 1.42 percent) during fiscal year ended 2019. This increase is reflective of the fiscal year's activities.

- Total revenue increased by $90,207 (or 8.06 percent) during fiscal year ended 2019. The amounts were $1,209,597 and $1,119,390 for 2019 and 2018, respectively.

- Total expenses of all Authority programs increased by $65,517 (or 5.85 percent). Total expenses were $1,185,872 and $1,120,355 for fiscal year ended 2019 and 2018, respectively.

USING THE ANNUAL REPORT

The focus is on the Authority as a single enterprise fund. This format will allow the user to address relevant questions, broaden a basis for comparison (fiscal year to fiscal year or Authority to Authority) and enhance the Authority's accountability.

BASIC FINANCIAL STATEMENTS

The basic financial statements 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 and deferred outflow of resources minus liabilities and deferred inflow of resources, equal "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):

> 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. The Authority does not have outstanding debt related to capital assets as of June 30, 2019.
>
> Restricted: 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: Consists of Net Position that do not meet the definition of "Investment in Capital Assets," or "Restricted." This account resembles the old operating reserves account.

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 operating grant revenue and rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, 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 similar to Net Income or Loss.

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

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

Project Total (PH and CFP) – 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 Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program (HCV) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

PIH Family Self-Sufficiency – 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.

Business Activities – The Business Activity Fund was set up to separate the non-HUD activities from the HUD funded programs. This fund is mainly used to account for the management fees received from the Housing Opportunities and Personal Empowerment (HOPE) Board for managing rental property for tenants with developmental disabilities.

State & Local – The State & Local fund was set up to track grant money received for low income housing programs through state and local sources.

AUTHORITY STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior fiscal year. The Authority is engaged only in Business-Type Activities.

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		2019		2018
Current Assets	$	438,627	$	357,815
Capital Assets		1,745,038		1,747,565
Deferred Outflows of Resources		106,880		88,555
Total Assets & Deferred Outflows of Resources	$	2,290,545	$	2,193,935

Current Liabilities	$	58,312	$	64,272
Long-Term Liabilities		527,140		367,795
Deferred Inflows of Resources		14,096		94,596
Total Liabilities and Deferred Inflows of Resources		599,548		526,663
Net Position:				
Investment in Capital Assets		1,745,038		1,747,565
Restricted Net Position		3,797		6,491
Unrestricted Net Position		(57,838)		(86,784)
Total Net Position		1,690,997		1,667,272
Total Liabilities, Deferred Inflows and Net Positions	$	2,290,545	$	2,193,935

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 $80,812 and current liabilities decreased by $5,960. The increase in current assets is mainly due to the change in cash due to the result of current activities. The decrease in liability is due a decrease in the calculation of accrued compensated absences.

Capital assets also changed, decreasing from $1,747,565 to $1,745,038. The $2,527 decrease is contributed primarily to a combination of total acquisitions of $125,418 less current year depreciation of $127,945.

The following table presents details on the change in Net Position.

	Unrestricted	Investment in Capital Assets	Restricted
Beginning Balance	$ (86,784)	$1,747,565	$ 6,491
Results of Operation	26,419	-	(2,694)
Adjustments:			
Depreciation Expense (1)	127,945	(127,945)	-
Capital Expenditures (2)	(125,418)	125,418	-
Ending Balance	$ (57,838)	$1,745,038	$ 3,797

(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 presentation of financial position.

The following schedule compares the revenues and expenses for the current and previous fiscal year. The authority is engaged on in Business-Type Activities.

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2019	2018
Revenues		
Tenant Revenues	$145,689	$107,569
Operating Grants	938,422	958,263
Capital Grants	90,159	28,683
Interest	4,715	2,970
Gain on Sale of Assets	-	6,510
Other Revenues	30,612	15,395
Total Revenue	1,209,597	1,119,390
Expenses		
Administrative	224,588	164,941
Tenant Services	43,522	46,793
Utilities	104,496	102,721
Protective Services	1,874	419
Insurance	15,788	19,563
Maintenance	171,494	145,334
General Expenses	28,136	32,416
Housing Assistance Payments	468,029	489,488
Depreciation	127,945	118,680
Total Expenses	1,185,872	1,120,355
Change in Net Position	23,725	(965)
Net Position at July 1	1,667,272	1,668,237
Net Position at June 30	$1,690,997	$1,667,272

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

Operating Grants reflects a decrease of $19,841 or 2.07%. The decrease in operating grants is due to less funding received from HUD during the fiscal year. Capital grants increased by $61,476 due to capital funded activities during the fiscal year. Tenant revenue increased by $38,120 (or 35.44%). The increase in tenant revenue was primarily due to increase in tenant rents and units leased.

Total expenses increased $65,517 due to increase in administrative and maintenance expenses offset by a decrease in housing assistance payments. The increase in administration and maintenance were mainly due to GASB 68 and 75 activities.

CAPITAL ASSETS

As of fiscal year-end, the Authority had $1,745,038 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of $2,527 or .14% from the end of fiscal year 2018. This decrease was due to disposal of assets and depreciation expense net of current fiscal year capital additions.

	2019	2018
Land	$ 274,650	$ 274,650
Buildings	4,128,551	4,128,551
Equipment - administration	106,700	106,700
Equipment - dwelling	134,540	134,540
Leasehold Improvements	401,773	406,450
Accumulated Depreciation	(3,301,176)	(3,303,326)
Total	$ 1,745,038	$ 1,747,565

The following reconciliation identifies the change in Capital Assets. See Note 5 to the basic financial statements for more detail.

Beginning Balance	$1,747,565
Additions	125,418
Depreciation	(127,945)
Ending Balance	$1,745,038

Current fiscal year additions are summarized as follows:

Concrete Rehab – Ridgeview Apartments	$125,418

During fiscal year 2019, the Authority disposed of capital assets related to improvements totaling $130,095; these assets were fully depreciated.

DEBT OUTSTANDING

As of fiscal year-end, the Authority has no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding 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.

IN CONCLUSION

Morgan 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 Jenna Jenkins, Executive Director of the Morgan Metropolitan Housing Authority at (740) 962-4930.

Respectfully submitted,
Jenna Jenkins, Executive Director

MORGAN METROPOLITAN HOUSING AUTHORITY
MORGAN COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 365,505
Restricted Cash	49,021
Receivable, Net	6,891
Inventories, Net	6,613
Prepaid Items	10,597
Total Current Assets	438,627
Non-Current Assets:	
Capital Assets:	
Nondepreciable Capital Assets	274,650
Depreciable Capital Assets, Net of Accumulated Depreciation	1,470,388
Total Capital Assets	1,745,038
Total Non-Current Assets	1,745,038
Total Assets	2,183,665
Deferred Outflows of Resources	
Pension	92,076
OPEB	14,804
Total Deferred Outflows of Resources	106,880
Liabilities	
Current Liabilities:	
Accounts Payable	22,090
Accrued Wages and Payroll Taxes	3,964
Tenant Security Deposits	31,060
Accrued Compensated Absences	598
Unearned Revenue	600
Total Current Liabilities	58,312
Non-Current Liabilities:	
Accrued Compensated Absences	7,644
Net Pension Liability	337,146
Net OPEB Liability	168,186
Family Self-Sufficiency Escrow Liability	14,164
Total Non-Current Liabilities	527,140
Total Liabilities	585,452
Deferred Inflows of Resources	
Pension	13,640
OPEB	456
Total Deferred Inflows of Resources	14,096
Net Position	
Investment in Capital Assets	1,745,038
Restricted	3,797
Unrestricted	(57,838)
Total Net Position	$ 1,690,997

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

MORGAN METROPOLITAN HOUSING AUTHORITY
MORGAN COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Operating Revenues		
Tenant Revenue		$ 145,689
Operating Grants		938,422
Other Revenues		30,612
Total Operating Revenues		1,114,723
Operating Expenses		
Administrative	224,588	
Tenant Services	43,522	
Utilities	104,496	
Protective Services	1,874	
Insurance	15,788	
Maintenance	171,494	
General	28,136	
Housing Assistance Payments	468,029	
Depreciation	127,945	
Total Operating Expenses		1,185,872
Operating Loss		(71,149)
Nonoperating Revenues		
Interest Revenue		4,715
Capital Grants		90,159
Total Nonoperating Revenues		94,874
Change in Net Position		23,725
Net Position at July 1, 2018		1,667,272
Net Position at June 30, 2019		$ 1,690,997

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

MORGAN METROPOLITAN HOUSING AUTHORITY
MORGAN COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash flows from operating activities:	
Cash received from tenants	$ 145,929
Cash received from other sources	30,612
Cash received from HUD and other grant sources	937,858
Cash payments for administrative	(536,393)
Cash payments for housing assistance payments	(468,029)
Net cash provided by operating activities	109,977
Cash flows from capital and related financing activities:	
Capital funds received	90,159
Cash payments for capital assets	(125,418)
Net cash used in capital and realted financing activities	(35,259)
Cash flows from investing activities:	
Interest received	4,715
Net cash provided by investing activities	4,715
Net change in cash and cash equivalents	79,433
Cash and cash equivalents at July 1, 2018	335,093
Cash and cash equivalents at June 30, 2019	$ 414,526
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (71,149)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	127,945
Changes in:	
Accounts receivable, net	(2,053)
Inventories, net	1,269
Prepaid items	(595)
Deferred outflows of resources	(18,325)
Accounts payable	356
Accrued wages and payroll taxes	82
Compensated absences	2,636
Net pension and OPEB liabilities	159,395
Other liabilities	(9,084)
Deferred inflows of resources	(80,500)
Net cash provided by operating activities	$ 109,977

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. Financial accountability is defined by the component unit being fiscally dependent on the Authority. The Authority is not a component unit of any larger entity.

Basis of Presentation

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

The Authority uses a single enterprise fund to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets, liabilities, and deferred outflows and deferred inflows of resources associated with the operation of the Authority are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Enterprise Fund
The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 and public housing 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. The following are the various programs which are included in the single enterprise fund:

Project Total (PH and CFP) – 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 Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an ACC with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

PIH Family Self-Sufficiency Program – A grant program that provides funds to pay for the salaries and benefits of a Coordinator to assist tenant to find jobs, training and supportive services to help residents transition from welfare to work. The Coordinator also provides assistance to link elderly/disabled residents to critical services which can help them continue to live independently.

Business Activities – The Business Activity Fund was set up to separate the non-HUD activities from the HUD funded programs. This fund is mainly used to account for the management fees received from the county for managing a HOPE project.

State & Local – The State & Local fund was set up to track grant money received for low income housing programs through state and local sources.

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB Statement No. 33 identifies four classes of nonexchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).

- Imposed nonexchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).

- Government-mandated nonexchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).

- Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as government-mandated or voluntary nonexchange transactions. GASB Statement No. 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.

- Purpose restrictions specify the purpose for which resources are required to be used (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as unearned revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

Unearned Revenue
Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

Prepaid Items
Payments made to vendors for services that will benefit periods beyond June 30, 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 is reported in the fiscal year in which the services are consumed.

Capital Assets
Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy increased to $5,000 in January 2019, previously it was $1,750. The following are the estimated useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – non residential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15
Land improvements	15

Cash and Cash Equivalents
For cash flow reporting purposes, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Due From/To Other Programs
On the basic financial statements, receivables and payables resulting from the short-term interprogram loans are eliminated.

Accrued Liabilities
All payables and accrued liabilities are reported in the basic financial statements.

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

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

Budgetary Accounting
The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development.

Estimates
The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, and deferred outflows and deferred inflows of resources, and disclosure of contingent assets, liabilities, and deferred outflows and deferred inflows of resources, 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.

Receivables – net of allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable and fraud recovery receivable balances at the end of the fiscal year. The allowance for doubtful accounts was $2,605 at June 30, 2019.

Inventories
Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was $740 at June 30, 2019.

Deferred Inflows/Outflows of Resources
In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 6 and 7.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position. The deferred inflows of resources related to pension and OPEB are explained in Note 6 and 7.

Pensions/Other Postemployment Benefits (OPEB)
For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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.

Net Position
Net position represents the difference between assets and liabilities. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. There was no related debt as of June 30, 2019. Net position is recorded as restricted when there are limitations imposed on their use either by internal or external restrictions. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority net position restricted by for the HAP reserve at June 30, 2019 was $3,797.

Operating/Nonoperating 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. Nonoperating revenues are HUD capital grants and interest income. HUD capital grants are the amounts received by the Authority for capital improvements and administration of the public housing programs.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, protective services, insurance, depreciation, general and housing assistance payments.

2. CASH AND CASH EQUIVALENTS

Funds are deposited into non-interest bearing checking accounts or interest bearing savings accounts. All monies are deposited into banks as determined by the Authority. Security shall be furnished for all accounts in the Authority's name.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At fiscal year end, the carrying amount of the Authority's deposits was $414,476 and the bank balance was $422,499. In addition, $50 was maintained in petty cash funds which is included in cash and cash equivalents presented on the statement of net position. Federal deposit insurance covered $250,000 of the bank balance and $172,499 was uninsured. Of the uninsured bank balance, the Authority was exposed to custodial risk as follows:

	Balance
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System	$172,499
	$172,499

3. RESTRICTED CASH

The restricted cash balance on the financial statements consists of the following:

Tenant Security Deposits	$31,060
FSS Escrow Funds held for Tenants	14,164
Advances from HUD for Housing Assistance Payments	3,797
Total Restricted Cash on Hand	$49,021

4. CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2019 by class:

	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Capital Assets Not Depreciated				
Land	$ 274,650	$ -	$ -	$ 274,650
Capital Assets Depreciated				
Buildings and improvements	4,535,001	125,418	(130,095)	4,530,324
Furniture and equipment	241,240	-	-	241,240
Total Assets Depreciated	4,776,241	125,418	(130,095)	4,771,564
Accumulated Depreciation				
Buildings and improvements	(3,163,899)	(107,373)	130,095	(3,141,177)
Furniture and equipment	(139,427)	(20,572)	-	(159,999)
Total Accumulated Depreciation	(3,303,326)	(127,945)	130,095	(3,301,176)
Total Assets Depreciated, Net	1,472,915	(2,527)	-	1,470,388
Total Capital Assets, Net	$ 1,747,565	$ (2,527)	$ -	$ 1,745,038

5. LONG-TERM LIABILITIES

Long-term liabilities are summarized as follows:

Description	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
FSS Escrow Liability	$ 21,228	$ 8,831	($ 15,895)	$ 14,164	$ -
Net Pension Liability	208,024	129,122	-	337,146	-
Net OPEB Liability	137,913	30,273	-	168,186	-
Compensated Absences Payable	5,606	19,098	(16,462)	8,242	598
Total	$ 372,771	$ 187,324	($ 32,357)	$ 527,738	$ 598

The FSS Escrow Liability of $14,164 represents money held in escrow for residents participating in the family self-sufficiency program. Each month contributions are deposited into the 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 meet their program goals, 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 6 and Note 7 for information on the Authority's net pension and OPEB liabilities.

6. **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

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

OPERS provides retirement, disability, survivor and death benefits, and annual costs-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 OPERS, 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 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:	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution to OPERS was $25,971 for fiscal year 2019. The full amount was contributed during the fiscal year.

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

The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of 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	$337,146
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.001326%
- Current Meassurement Date	0.001231%
Change in Proportion from Prior	-0.000095%
Pension Expense	$38,565

At June 30, 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	$45,761
Assumption Changes	29,350
Difference between expected and actual experience	15
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	3,734
Authority contributions subsequent to the measurement date	13,216
Total Deferred Outflows of Resources	$92,076

	Traditional Plan
Deferred Inflows of Resources	
Difference between expected and actual experience	$4,426
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	9,214
	$13,640

$13,216 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 fiscal year ending June 30, 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:

	Traditional Plan
Fiscal Year Ending June 30:	
2020	$29,174
2021	10,519
2022	4,246
2023	21,281
Total	$65,220

Actuarial Assumptions – PERS

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 was determined by an actuarial valuation as of 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:

Actuarial Information	Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3% Simple Post 01/07/13 Retirees: 3% Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.2%
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 rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

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	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. 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. 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 proportionate share of the net pension liability			
- Traditional Pension Plan	$498,063	$337,146	$20,342

7. 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.

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 fiscal year is included in *accrued wages and payroll taxes* on the accrual basis of accounting.

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate plans: The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan; the member-directed plan is a defined contribution plan; and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features.

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 $880 for fiscal year ending June 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	$168,186
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.001270%
- Current Meassurement Date	0.001290%
Change in Proportion from Prior	0.000020%
OPEB Expense	$15,800

At June 30, 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	$7,711
Assumption Changes	5,423
Difference between expected and actual experience	57
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	1,184
Authority contributions subsequent to the measurement date	429
Total Deferred Outflows of Resources	$14,804
Deferred Inflows of Resources	
Difference between expected and actual experience	$456
	$456

$429 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Health Care Plan
Fiscal Year Ending June 30:	
2020	$6,610
2021	2,135
2022	1,289
2023	3,885
Total	$13,919

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:

Actuarial Information	
Wage Inflation	3.25%
Future Salary Increases, including inflation 3.25%	3.25 - 10.75%
Single Discount Rate:	
- Current measurement date	3.96%
- Prior measurement date	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.00% 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%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$215,172	$168,186	$130,819

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

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 Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$161,663	$168,186	$175,698

8. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities, of which the Authority is a member. Settled claims have not exceeded the Authority's insurance in any of the past three fiscal years.

9. 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 and 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.

Morgan Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last Six Fiscal Years
(Unaudited)

Traditional Plan	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.001231%	0.001326%	0.001399%	0.001334%	0.001302%	0.001302%
Authority's Proportionate Share of the Net Pension Liability	$337,146	$208,024	$317,689	$231,066	$157,036	$153,490
Authority's Covered-Employee Payroll	$191,795	$181,022	$181,844	$174,868	$165,173	$156,986
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	175.78%	114.92%	174.70%	132.14%	95.07%	97.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	89.19%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.
2) Information prior to 2014 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Morgan Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Last Three Fiscal Years
(Unaudited)

	2019	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.001290%	0.001270%	0.001304%
Authority's Proportionate Share of the Net OPEB Liability	$168,186	$137,913	$128,274
Authority's Covered-Employee Payroll	$191,795	$181,022	$181,844
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	87.69%	76.19%	70.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	68.52%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

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

Morgan Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - Pension
Ohio Public Employees Retirement System
Last Ten Fiscal Years
(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution										
Pension	$25,971	$24,444	$21,823	$21,162	$19,822	$20,409	$16,483	$17,759	$23,211	$20,628
Contributions in Relation to the										
Contractually Required Contribution	$25,971	$24,444	$21,823	$21,162	$19,822	$20,409	$16,483	$17,759	$23,211	$20,628
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$191,795	$181,022	$181,844	$174,868	$165,173	$156,986	$164,828	$147,993	$175,443	$155,921
Contributions as a Percentage of										
Covered-Employee Payroll										
Pension	13.54%	13.50%	12.00%	12.10%	12.00%	13.00%	10.00%	12.00%	13.23%	13.23%

Morgan Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - OPEB
Ohio Public Employees Retirement System
Last Ten Fiscal Years
(Unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution										
OPEB	$880	$880	$3,635	$3,320	$3,302	$1,569	$6,593	$2,960	$1,351	$1,201
Contributions in Relation to the Contractually Required Contribution	880	880	3,635	3,320	3,302	1,569	6,593	2,960	1,351	1,201
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$191,795	$181,022	$181,844	$174,868	$165,173	$156,986	$164,828	$147,993	$175,443	$155,921
Contributions as a Percentage of Covered-Employee Payroll										
OPEB	0.46%	0.49%	2.00%	1.90%	2.00%	1.00%	4.00%	2.00%	0.77%	0.77%

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%.

MORGAN METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULES SUBMITTED TO HUD

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	$268,600	$0	$78,947	$5,436	$12,522	$365,505	$0	$365,505
113 Cash - Other Restricted	$14,164	$0	$3,797	$0	$0	$17,961	$0	$17,961
114 Cash - Tenant Security Deposits	$31,060	$0	$0	$0	$0	$31,060	$0	$31,060
100 Total Cash	$313,824	$0	$82,744	$5,436	$12,522	$414,526	$0	$414,526
122 Accounts Receivable - HUD Other Projects	$1,367	$0	$0	$0	$0	$1,367	$0	$1,367
124 Accounts Receivable - Other Government	$0	$0	$0	$1,509	$0	$1,509	$0	$1,509
125 Accounts Receivable - Miscellaneous	$0	$0	$0	$0	$790	$790	$0	$790
126 Accounts Receivable - Tenants	$3,260	$0	$0	$0	$0	$3,260	$0	$3,260
126.1 Allowance for Doubtful Accounts -Tenants	-$428	$0	$0	$0	$0	-$428	$0	-$428
128 Fraud Recovery	$0	$0	$2,570	$0	$0	$2,570	$0	$2,570
128.1 Allowance for Doubtful Accounts - Fraud	$0	$0	-$2,177	$0	$0	-$2,177	$0	-$2,177
120 Total Receivables, Net of Allowances for Doubtful Accounts	$4,199	$0	$393	$1,509	$790	$6,891	$0	$6,891
142 Prepaid Expenses and Other Assets	$8,019	$0	$2,578	$0	$0	$10,597	$0	$10,597
143 Inventories	$7,353	$0	$0	$0	$0	$7,353	$0	$7,353
143.1 Allowance for Obsolete Inventories	-$740	$0	$0	$0	$0	-$740	$0	-$740
150 Total Current Assets	$332,655	$0	$85,715	$6,945	$13,312	$438,627	$0	$438,627
161 Land	$274,650	$0	$0	$0	$0	$274,650	$0	$274,650
162 Buildings	$4,128,551	$0	$0	$0	$0	$4,128,551	$0	$4,128,551
163 Furniture, Equipment & Machinery - Dwellings	$134,540	$0	$0	$0	$0	$134,540	$0	$134,540

MORGAN METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULES SUBMITTED TO HUD

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
164 Furniture, Equipment & Machinery - Administration	$102,280	$0	$4,420	$0	$0	$106,700	$0	$106,700
165 Leasehold Improvements	$401,773	$0	$0	$0	$0	$401,773	$0	$401,773
166 Accumulated Depreciation	-$3,296,756	$0	-$4,420	$0	$0	-$3,301,176	$0	-$3,301,176
160 Total Capital Assets, Net of Accumulated Depreciation	$1,745,038	$0	$0	$0	$0	$1,745,038	$0	$1,745,038
180 Total Non-Current Assets	$1,745,038	$0	$0	$0	$0	$1,745,038	$0	$1,745,038
200 Deferred Outflow of Resources	$87,482	$0	$19,398	$0	$0	$106,880	$0	$106,880
290 Total Assets and Deferred Outflow of Resources	$2,165,175	$0	$105,113	$6,945	$13,312	$2,290,545	$0	$2,290,545
312 Accounts Payable <= 90 Days	$14,322	$0	$823	$6,945	$0	$22,090	$0	$22,090
321 Accrued Wage/Payroll Taxes Payable	$3,288	$0	$676	$0	$0	$3,964	$0	$3,964
322 Accrued Compensated Absences - Current Portion	$358	$0	$240	$0	$0	$598	$0	$598
341 Tenant Security Deposits	$31,060	$0	$0	$0	$0	$31,060	$0	$31,060
342 Unearned Revenue	$600	$0	$0	$0	$0	$600	$0	$600
310 Total Current Liabilities	$49,628	$0	$1,739	$6,945	$0	$58,312	$0	$58,312
353 Non-current Liabilities - Other	$14,164	$0	$0	$0	$0	$14,164	$0	$14,164
354 Accrued Compensated Absences - Non Current	$5,586	$0	$2,058	$0	$0	$7,644	$0	$7,644
357 Accrued Pension and OPEB Liabilities	$420,002	$0	$85,330	$0	$0	$505,332	$0	$505,332
350 Total Non-Current Liabilities	$439,752	$0	$87,388	$0	$0	$527,140	$0	$527,140

MORGAN METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULES SUBMITTED TO HUD

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
300 Total Liabilities	$489,380	$0	$89,127	$6,945	$0	$585,452	$0	$585,452
400 Deferred Inflow of Resources	$11,761	$0	$2,335	$0	$0	$14,096	$0	$14,096
508.4 Net Investment in Capital Assets	$1,745,038	$0	$0	$0	$0	$1,745,038	$0	$1,745,038
511.4 Restricted Net Position	$0	$0	$3,797	$0	$0	$3,797	$0	$3,797
512.4 Unrestricted Net Position	-$81,004	$0	$9,854	$0	$13,312	-$57,838	$0	-$57,838
513 Total Equity - Net Assets / Position	$1,664,034	$0	$13,651	$0	$13,312	$1,690,997	$0	$1,690,997
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$2,165,175	$0	$105,113	$6,945	$13,312	$2,290,545	$0	$2,290,545
70300 Net Tenant Rental Revenue	$145,689	$0	$0	$0	$0	$145,689	$0	$145,689
70500 Total Tenant Revenue	$145,689	$0	$0	$0	$0	$145,689	$0	$145,689
70600 HUD PHA Operating Grants	$352,613	$42,409	$540,505	$0	$0	$935,527	$0	$935,527
70610 Capital Grants	$90,159	$0	$0	$0	$0	$90,159	$0	$90,159
70800 Other Government Grants	$0	$0	$0	$2,895	$0	$2,895	$0	$2,895

MORGAN METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULES SUBMITTED TO HUD

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
71100 Investment Income - Unrestricted	$3,393	$0	$1,322	$0	$0	$4,715	$0	$4,715
71400 Fraud Recovery	$0	$0	$2,116	$0	$0	$2,116	$0	$2,116
71500 Other Revenue	$24,893	$0	$288	$0	$3,315	$28,496	$0	$28,496
70000 Total Revenue	$616,747	$42,409	$544,231	$2,895	$3,315	$1,209,597	$0	$1,209,597
91100 Administrative Salaries	$61,804	$0	$31,721	$0	$711	$94,236	$0	$94,236
91200 Auditing Fees	$2,997	$0	$3,517	$0	$0	$6,514	$0	$6,514
91400 Advertising and Marketing	$18	$0	$3	$0	$100	$121	$0	$121
91500 Employee Benefit contributions - Administrative	$55,077	$0	$20,929	$0	$0	$76,006	$0	$76,006
91600 Office Expenses	$4,339	$0	$2,074	$0	$0	$6,413	$0	$6,413
91700 Legal Expense	$3,840	$0	$0	$0	$0	$3,840	$0	$3,840
91800 Travel	$4,008	$0	$410	$0	$0	$4,418	$0	$4,418
91900 Other	$18,763	$0	$13,942	$0	$335	$33,040	$0	$33,040
91000 Total Operating - Administrative	$150,846	$0	$72,596	$0	$1,146	$224,588	$0	$224,588
92100 Tenant Services - Salaries	$0	$26,025	$0	$0	$0	$26,025	$0	$26,025

MORGAN METROPOLITAN HOUSING AUTHORITY
FDS SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
92300 Employee Benefit Contributions - Tenant Services	$0	$16,384	$0	$0	$0	$16,384	$0	$16,384
92400 Tenant Services - Other	$1,113	$0	$0	$0	$0	$1,113	$0	$1,113
92500 Total Tenant Services	$1,113	$42,409	$0	$0	$0	$43,522	$0	$43,522
93100 Water	$90,217	$0	$115	$0	$0	$90,332	$0	$90,332
93200 Electricity	$10,009	$0	$380	$0	$0	$10,389	$0	$10,389
93300 Gas	$3,675	$0	$100	$0	$0	$3,775	$0	$3,775
93000 Total Utilities	$103,901	$0	$595	$0	$0	$104,496	$0	$104,496
94100 Ordinary Maintenance and Operations - Labor	$53,350	$0	$0	$2,486	$624	$56,460	$0	$56,460
94200 Ordinary Maintenance and Operations - Materials and Other	$10,075	$0	$0	$0	$0	$10,075	$0	$10,075
94300 Ordinary Maintenance and Operations Contracts	$36,576	$0	$0	$0	$0	$36,576	$0	$36,576
94500 Employee Benefit Contributions - Ordinary Maintenance	$67,974	$0	$0	$409	$0	$68,383	$0	$68,383
94000 Total Maintenance	$167,975	$0	$0	$2,895	$624	$171,494	$0	$171,494
95300 Protective Services - Other	$1,874	$0	$0	$0	$0	$1,874	$0	$1,874

MORGAN METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULES SUBMITTED TO HUD

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
95000 Total Protective Services	$1,874	$0	$0	$0	$0	$1,874	$0	$1,874
96110 Property Insurance	$8,196	$0	$0	$0	$0	$8,196	$0	$8,196
96120 Liability Insurance	$7,268	$0	$324	$0	$0	$7,592	$0	$7,592
96100 Total insurance Premiums	$15,464	$0	$324	$0	$0	$15,788	$0	$15,788
96200 Other General Expenses	$8,831	$0	$0	$0	$0	$8,831	$0	$8,831
96210 Compensated Absences	$15,478	$0	$3,620	$0	$0	$19,098	$0	$19,098
96400 Bad debt - Tenant Rents	$207	$0	$0	$0	$0	$207	$0	$207
96000 Total Other General Expenses	$24,516	$0	$3,620	$0	$0	$28,136	$0	$28,136
96900 Total Operating Expenses	$465,689	$42,409	$77,135	$2,895	$1,770	$589,898	$0	$589,898
97000 Excess of Operating Revenue over Operating Expenses	$151,058	$0	$467,096	$0	$1,545	$619,699	$0	$619,699
97300 Housing Assistance Payments	$0	$0	$468,029	$0	$0	$468,029	$0	$468,029

MORGAN METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULES SUBMITTED TO HUD

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Voucher	State / Local	Business Activities	Subtotal	ELIM	Total
97400 Depreciation Expense	$127,208	$0	$737	$0	$0	$127,945	$0	$127,945
90000 Total Expenses	$592,897	$42,409	$545,901	$2,895	$1,770	$1,185,872	$0	$1,185,872
10010 Operating Transfer In	$60,000	$0	$0	$0	$0	$60,000	-$60,000	$0
10020 Operating transfer Out	-$60,000	$0	$0	$0	$0	-$60,000	$60,000	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$23,850	$0	-$1,670	$0	$1,545	$23,725	$0	$23,725
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$1,640,184	$0	$15,321	$0	$11,767	$1,667,272	$0	$1,667,272
11170 Administrative Fee Equity	$0	$0	$9,854	$0	$0	$9,854	$0	$9,854
11180 Housing Assistance Payments Equity	$0	$0	$3,797	$0	$0	$3,797	$0	$3,797
11190 Unit Months Available	720	0	1,680	0	0	2,400	0	2,400
11210 Number of Unit Months Leased	710	0	1,592	0	0	2,302	0	2,302
11270 Excess Cash	$215,864	$0	$0	$0	$0	$215,864	$0	$215,864
11650 Leasehold Improvements Purchases	$90,159	$0	$0	$0	$0	$90,159	$0	$90,159

MORGAN METROPOLITAN HOUSING AUTHORITY
MORGAN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass Through Grantor Program/Cluster Title	Pass-Through Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs:			
Public and Indian Housing - Low Rent Public Housing	N/A	14.850	$ 292,613
Housing Choice Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	540,505
Public Housing Capital Fund	N/A	14.872	150,159
Family Self-Sufficiency Program	N/A	14.896	42,409
Total Expenditures of Federal Awards			$ 1,025,686

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 Morgan Metropolitan Housing Authority (the Authority) under programs of the federal government for the fiscal year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

WILSON, SHANNON & SNOW INC. CPAs & ADVISORS

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

Morgan Metropolitan Housing Authority
Morgan County
4580 N. St. Rt. 276 NW
McConnelsville, Ohio 43756

To the Board of Trustees:

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 Morgan Metropolitan Housing Authority, Morgan County, (the Authority) as of and for the fiscal year ended June 30, 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 November 20, 2019.

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*.

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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
November 20, 2019

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

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

Morgan Metropolitan Housing Authority
Morgan County
4580 N. St. Rt. 276 NW
McConnelsville, Ohio 43756

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited the Morgan 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 Morgan Metropolitan Housing Authority's major federal program for the fiscal year ended June 30, 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.

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Opinion on the Major Federal Program

In our opinion, the Morgan 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 fiscal year ended June 30, 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 its 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
November 20, 2019

MORGAN METROPOLITAN HOUSING AUTHROITY
MORGAN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 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.

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OHIO AUDITOR OF STATE
KEITH FABER

MORGAN COUNTY METROPOLITAN HOUSING AUTHORITY

MORGAN 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
DECEMBER 26, 2019