PIKE METROPOLITAN HOUSING AUTHORITY

Pike County, Ohio

Financial Statements

For the Year Ended December 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Directors
Pike County Metropolitan Housing Authority
2626 Shyville Road
Piketon, OH 45661

We have reviewed the *Independent Auditor's Report* of the Pike County Metropolitan Housing Authority, prepared by Whited, Seigneur, Sams & Rahe CPAs, LLP, for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 16, 2019

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PIKE METROPOLITAN HOUSING AUTHORITY

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For the Fiscal Year Ended December 31, 2018

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Whited Seigneur Sams & Rahe, LLP

CERTIFIED PUBLIC ACCOUNTANTS
213 South Paint Street, Chillicothe, OH 45601

Phone: (740) 702-2600
Fax: (740) 702-2610
Audit Fax: (740) 702-2612

email@wssrcpa.com
http://www.wssrcpa.com

Jerry B. Whited, CPA
Donald R. Seigneur, CPA
John R. Sams, CPA
Barry L. Rahe, CPA
Kathleen M. Alderman, CPA
Nathan C. Baldwin, CPA
Jay D. Seigneur, CPA
Kathy J. Lambert, CPA
Katie E. Guba, CPA

Independent Auditor's Report

June 14, 2019

Members of the Board of Commissioners
Pike Metropolitan Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Pike Metropolitan Housing Authority (the Authority), Pike County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2018, and the respective changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

For the fiscal year ended December 31, 2018, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73,* and GASB Statement No. 85, *Omnibus 2017.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, Schedules of the Authority's Proportionate Share of the Net Pension Liability and the Authority's Contributions on pages 42 and 43 and Schedules of the Authority's Proportionate Share of the Net OPEB Liability and the Authority's Contributions on pages 44 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Financial Data Schedules (FDS) presented on pages 47 through 50 are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development, Office of the Inspector General and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards on page 44 provides additional information required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) *and* is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The FDS and Schedule of Expenditures of Federal Awards are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the FDS and Schedule of Expenditures of Federal Awards are 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 June 14, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs, LLP
Whited Seigneur Sams & Rahe

PIKE METROPOLITAN HOUSING AUTHOURITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Unaudited)

This Management's Discussion and Analysis (MD&A) for the Pike Metropolitan Housing Authority (the Authority) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in the Authority's financial position. It is designed to focus on the financial activity for the fiscal year ended December 31, 2018, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Financial Highlights

- The Authority's total assets were $6,233,823 and $6,699,923 for 2018 and 2017, respectively. The Authority-wide statements reflect a decrease in total assets of $466,100 for 2018.
- Revenues decreased by $567,985 during 2018 and were $3,699,047 and $4,267,032 for 2018 and 2017, respectively.
- The total expenses of all Authority programs decreased by $48,100. Total expenses were $4,136,818 and $4,184,918 for 2018 and 2017, respectively.

Overview of the Authority's Financial Statements

The Basic Financial Statements included elsewhere in this report are:

the Statement of Net Position,
the Statement of Revenues, Expenses and Changes in Net Position, and
the Statement of Cash Flows.

The ***Statement of Net Position*** is very similar to, and what most people would think of as, a balance sheet. In the first half it reports the value of assets the Authority holds at December 31, 2018, that is, the cash the Authority has, the amounts that are owed the Authority from others, and the value of the equipment it owns. The other half of the report shows the liabilities the Authority has, that is what it owes others at December 31, 2018; and what net position (or what is commonly referred to as equity) the Authority has at December 31, 2018. The two parts of the report are in balance, thus why many might refer to this type of report as a balance sheet, in that the total of the assets part equals the total of the liabilities plus net position (or equity) part.

In the statement, the net position part is broken out into three broad categories:

Net Investment in Capital Assets
Restricted Net Position, and
Unrestricted Net Position.

The balance in Net Investment in Capital Assets reflects the value of capital assets, that is assets such as land, buildings, and equipment, reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding amount of debt yet owned on those assets.

The balance in Restricted Net Position reflects the value of assets reported in the top part of the statement that are restricted for use by law or regulation, or when use of those assets is restricted by constraints placed on the assets by creditors.

The balance in Unrestricted Net Position is what is left over of net position after what is classified in the two previously mentioned components of net position. It reflects the value of assets available to the Authority to use to further its purposes.

The ***Statement of Revenues, Expenses, and Changes in Net Position*** is very similar to and may commonly be referred to an income statement. It is in essence a report showing what the Authority earned, that is what its revenues or incomes were, versus what expenses the Authority had over the same period. It shows how the net position (or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if the Authority had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the net position (or equity). The bottom line of the report, the ending total net position, is what is referred to in the above discussion of the statement of net position.

The ***Statement of Cash Flows*** is a report that shows how the amount of cash the Authority had at the end of the previous year was impacted by the activities of the current year. It breaks out in general categories the cash coming in, and the cash going out. It helps the reader to understand the sources and uses of cash by the Authority during the year, to include a measurement of cash gained or used by operating activities, by activities related to acquiring capital assets, and by activities related to investing activities.

Authority's Programs

The financial statements included elsewhere in this report are presented using the Authority-wide perspective meaning the activity reported reflects the summed results of all the programs, or business type funds of the Authority. The Authority consists exclusively of enterprise funds. The full accrual basis of accounting is used for enterprise funds. That method of accounting is very similar to accounting used in the private sector.

The Authority's programs include the following:

Housing Choice Voucher program,
Business Activities, and
State and Local Program.

Under the ***Section 8 Housing Choice Voucher program***, the Authority subsidizes the rents of low to moderate-income families through Housing Assistance Payments contracts when those families rent from private landlords. This is called a tenant-based program because when the tenant family moves, the rental assistance goes with the family to the new rental unit.

Under the ***Business Activities program***, the Authority owns several rental properties. These properties are not related to the HUD funded activities, and that is why it is reported as a business activity.

Under the ***State and Local program***, the state and local funds represent the Authority's contracts with the Ohio Housing Finance Agency for construction of four residential housing facilities located at 193, 195, 197 and 199 Delay Drive.

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Condensed Financial Statements

Statement of Net Position

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

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

	2018	2017*
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 678,075	$ 735,812
Capital Assets	5,369,404	5,586,384
Total Assets	6,047,479	6,322,196
Deferred Outflows of Resources	186,344	377,727
Total Assets and Deferred Outflows of Resources	$ 6,233,823	$ 6,699,923
Liabilities		
Current Liabilities	$ 307,859	$ 313,760
Long-Term Liabilities	4,190,378	4,381,733
Total Liabilities	4,498,237	4,695,493
Deferred Inflows of Resources	182,124	13,197
Net Position		
Net Investment in Capital Assets	2,043,019	2,189,023
Restricted	197,718	406,593
Unrestricted	(687,275)	(604,383)
Total Net Position	1,553,462	1,991,233
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 6,233,823	$ 6,699,923

* As restated- see Note 12 for additional information

Major Factors Affecting the Statement of Net Position

The biggest changes on this statement were to deferred outflows of resources, deferred inflow of resources and non-current liabilities, all due to reporting of pension and other postemployment benefits (OPEB) activity required by GASB (Governmental Accounting Standards Board) 68 and GASB 75. Other than long term debt, net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For

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

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service

2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position. In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the Authority is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from $2,364,764 to $1,991,233.

Capital assets decreased slightly (by about 4 percent) reflecting that depreciation on existing assets outpaced capital additions.

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Statement of Revenues, Expenses, and Changes in Net Position

The following is a condensed Statement of Revenues, Expenses and Changes in Net Position. Pike Metropolitan Housing Authority is engaged only in business-type activities.

Table 2- Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2018	2017*
Revenues		
Tenant Revenues- Rent and Others	$ 388,824	$ 491,156
Operating Subsidies and Grants	2,692,742	3,386,174
Investment Income	7,329	105
Other Revenues	610,152	389,597
Total Revenues	3,699,047	4,267,032
Expenses		
Administrative	774,074	706,690
Utilities	80,025	117,145
Maintenance	424,113	517,831
General	88,347	116,073
Housing Assistance Payments	2,335,533	2,301,033
Depreciation	434,726	426,146
Total Expenses	4,136,818	4,184,918
Net Increase (Decrease) in Net Position	$ (437,771)	$ 82,114

* Information for the implementation of GASB 75 with regards to expenses was not available and, therefore, amounts were not restated. See note 12 for additional information.

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

Total revenues decreased by $567,985, around a 14 percent decrease. There were decreases in operating subsidies and grants due to the RAD conversion the previous year. The Authority is no longer receiving HUD funding or tenant rent revenue for the Public Housing program. However, management fees, recognized as 'other revenues' increased as the Authority began providing management services to two additional housing projects.

Expenses overall decreased in 2018 by $48,100, a 1 percent decrease. This also was primarily due to the Authority no longer operating the Public Housing program. Utilities, maintenance and insurance expenses were the main line items affected.

Capital Assets

The following is a condensed Statement of Changes in Capital Assets summarizing the change in Capital Assets, which is presented in detail in Note 4 of the notes to the basic financial statements.

Table 3- Condensed Statement of Changes in Capital Assets

	2018	2017
Land and Land Rights	$ 1,169,036	$ 1,157,636
Buildings and Improvements	12,127,312	11,926,612
Equipment	208,018	227,785
Accumulated Depreciation	(8,134,962)	(7,725,649)
Total	$ 5,369,404	$ 5,586,384

Excluding the change in accumulated depreciation, capital assets increased by $192,333. Most of the increase was due to building improvements under the Business Activity.

Debt

The following is a summary of the changes in long-term debt throughout the year ending December 31, 2018.

Table 4- Condensed Statement of Changes in Debt Outstanding

Beginning Balance, January 1, 2018	$ 3,244,362
New debt	275,081
Principal payments	(78,849)
Debt forgiveness	(114,208)
Ending Balance, December 31, 2018	$ 3,326,386

Net debt balances decreased $82,025 during 2018. More detailed information is presented in Note 10 of the notes to the financial statements.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance.
- Inflationary pressure on utility rates, supplies and other costs.
- Market rates for rental housing

Financial Contact

Questions concerning this report or requests for additional information should be directed to Ken Reed, Executive Director of the Pike Metropolitan Housing Authority, 2626 Shyville Road, Piketon, Ohio 45661.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2018

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 95,778
Restricted Cash and Cash Equivalents	222,407
Accounts Receivable, current	53,190
Prepaid Expenses	24,905
Total Current Assets	396,280
Noncurrent Assets:	
Note Receivable	274,654
Interest Receivable	7,141
Capital Assets:	
Non-depreciable Capital Assets	1,169,036
Depreciable Capital Assets, net	4,200,368
Total Capital Assets	5,369,404
Total Assets	6,047,479
Deferred Outflows of Resources	
Pension	157,336
OPEB	29,008
	186,344
Total Assets and Deferred Outflows of Resources	$ 6,233,823

See the accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION (Continued)
YEAR ENDED DECEMBER 31, 2018

Liabilities	
Current Liabilities:	
Accounts Payable	$ 14,322
Tenant Security Deposits	24,689
Accrued Wages and Payroll Taxes	24,632
Accrued Compensated Absences- Current	45,753
Current Portion of Long-Term Debt	196,922
Unearned Revenue	1,541
Total Current Liabilities	307,859
Noncurrent Liabilities:	
Accrued Compensated Absences	56,614
Long-Term Debt- Net of Current Portion	3,129,464
Net Pension Liability	610,109
Net OPEB Liability	394,191
Total Noncurrent Liabilities	4,190,378
Total Liabilities	4,498,237
Deferred Inflows of Resources	
Pension	148,660
OPEB	33,464
Total Deferred Inflows of Resources	182,124
Net Position:	
Net Investment in Capital Assets	2,043,019
Restricted Net Position	197,718
Unrestricted Net Position	(687,275)
Total Net Position	1,553,462
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 6,233,823

See the accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMEBR 31, 2018

Operating Revenues	
Government Grants	$ 2,692,742
Tenant Revenue	388,824
Other Revenue	606,352
Total Operating Revenues	3,687,918
Operating Expenses	
Administrative	774,074
Utilities	80,025
Maintenance	424,113
General	25,200
Housing Assistance Payments	2,335,533
Depreciation	434,726
Total Operating Expenses	4,073,671
Operating Income (Loss)	(385,753)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	7,329
Interest Expense	(63,147)
Gain(Loss) on Disposition	3,800
Total Non-Operating Revenues (Expenses)	(52,018)
Change in Net Position	(437,771)
Total Net Position, Beginning of Year- As Restated	1,991,233
Net Position, End of Year	$ 1,553,462

See the accompanying notes to the basic financial statements.

PIKE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities	
Cash received from government grants	$2,692,742
Cash received from tenants	396,486
Other income received	329,464
Cash paid for housing assistance	(2,335,533)
Cash paids to employees and for benefits	(784,320)
Cash paid to vendors	(168,980)
Net cash provided (used) by operating activities	129,859
Cash Flow from Capital and Related Financing Activities	
Acquisition of capital assets	(249,344)
Proceeds from sale of assets	3,800
Principal paid on debt	(78,849)
Interest paid on debt	(63,147)
Debt proceeds	165,441
Net cash provided (used) by capital and related activities	(222,099)
Cash Flows from Investing Activities	
Interest income	7,330
Net cash provided by investing activities	7,330
Net increase (decrease) in cash and cash equivalents	(84,910)
Cash and cash equivalents, beginning	403,095
Cash and cash equivalents, ending	$ 318,185
Reconciliations of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ (385,753)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Debt Forgiveness	114,208
Depreciation	434,726
(Increase) Decrease in:	
Accounts Receivable- Tenant	(50,190)
Prepaid Expenses	4,267
Other Receivables	(79,450)
Deferred Outflows of Resources	191,383
Increase (Decrease) in:	
Accounts Payable	(14,779)
Intergovernmental Payable	(5,465)
Accrued Compensated Absences	17,476
Tenants' Security Deposits	328
Accrued Wages and Payroll Taxes	(3,569)
Unearned Revenue	1,541
Net Pension/OPEB Liability	(263,791)
Deferred Inflows of Resources	168,927
Net Cash Used by Operating Activities	$ 129,859

See the accompanying notes to the basic financial statements.

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

Organization and Reporting Entity

The Pike Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 - as amended by GASB 61 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criterion of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

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

Fund Accounting

The Authority maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific revenues and expenses. The Authority uses a single enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the Authority is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

Basis of Accounting

Enterprise fund transactions are recorded on the accrual basis of accounting; revenues are recognized when earned and measurable and expenses are recognized as incurred.

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

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities 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 net total position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15-27.5 years
Land Improvements	15 years
Equipment	7 years
Autos	5 years
Computers	5 years

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

Accounts Receivable

Accounts receivable consist of amounts due from tenants for rent and miscellaneous receivables which includes utilities owed to the Authority. An allowance for doubtful accounts has been recognized.

Note and Interest Receivable

The Authority has a note receivable of $274,654 due from Vansant Commons, L.P. The note was issued on November 28, 2017, accrues interest at 2.6% per annum. The note shall mature on the earlier of (a) November 28, 2067, or (b) the date on which the principal amount of this Note has been declared or automatically has become due and payable**.**

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Revenue Recognition

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which they relate and all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis. Tenant rental revenues are recognized during the period of occupancy. Other receipts are recognized when the related expenses are incurred.

Unearned Revenue

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

Revenues and Expenses

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tax Liability

The Authority is by law exempt from all federal, state, and local taxes and assessments. The Authority has elected to pay a Payment in Lieu of Taxes (PILOT) based principally on a percentage of tenant dwelling income received from HUD-assisted programs.

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

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

Net Position

Net position represents the difference between assets and liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Pensions/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 defined benefit retirement plans discussed in Notes 6 and 7 and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement 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 other postemployment benefits (OPEB). The deferred outflows of resources related to pension/OPEB are explained in Notes 6 and 7.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow or resources (revenue) 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.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At December 31, 2018, the Authority had undeposited cash on hand (petty cash) of $150 which is included on the financial statements as part of ‘cash and cash equivalents’.

Deposits

At December 31, 2018, the carrying amount of the Authority’s cash deposits was $318,184 and the bank balance was $319,298. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2018, deposits totaling $250,000 were covered by Federal Depository Insurance and deposits totaling $69,298 were uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent in the Authority’s name.

Custodial credit is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned. The Authority’s policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $222,407 on the financial statements represents the following:

Tenant Security Deposits	$ 24,689
Housing Choice Vouchers Equity	1,523
Insurance and Escrow- Emmitt Station	15,444
Reserve for Replacement- Emmitt Station	180,751
	$ 222,407

NOTE 4: **CAPITAL ASSETS**

A summary of capital assets at December 31, 2018 by class is as follows:

	Balance 12/31/2017	Additions	Disposals	Balance 12/31/2018
Capital Assets Not Being Depreciated				
Land	$ 1,157,636	11,400	-	$ 1,169,036
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	1,157,636	11,400	-	1,169,036
Capital Assets Being Depreciated				
Buildings and Improvements	11,926,612	200,700	-	12,127,312
Furniture, Equipment and Machinery	227,785	5,646	(25,412)	208,019
Subtotal Capital Assets Being Depreciated	12,154,397	206,346	(25,412)	12,335,331
Accumulated Depreciation	(7,725,649)	(434,726)	25,412	(8,134,963)
Net Depreciable Assets	4,428,748	(228,380)	-	4,200,368
Total Capital Assets, net	$ 5,586,384	$ (216,980)	$ -	$ 5,369,404

NOTE 5: **RESTRICTED NET POSITION**

The Authority's restricted net position is as follows:

Housing Choice Voucher Program	$ 1,523
Reserve for Replacement- Emmitt Station	180,751
Insurance and Escrow- Emmitt Station	15,444
	$ 197,718

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

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 net pension liability represents the Authority's proportionate share of the 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.

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

Plan Description - Ohio Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting https://www.opers.org/investmenst/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or 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:

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For

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

Plan Description - Ohio Public Employees Retirement System (continued)

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 provides statutory authority for member and employer contributions. For the year ended December 31, 2018, the contribution rate for members in the state and local classification remained 10 percent. The Authority's contribution rate for members in state and local classifications for the year ended December 31, 2018 was 14.0 percent. State statute sets a maximum contribution rate for the Authority of 14.0 percent. The Authority's contractually required contribution to OPERS was $77,340 for 2018. The entire contribution has been made.

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

The net pension liability reported as of December 31, 2018 was measured as of December 31, 2017 for OPERS, 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 contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional
Proportionate Share of the Net Pension Liability	$ 610,109
Proportion of the Net Pension Liability - Prior Year	0.003943%
Proportion of the Net Pension Liability - Current Year	0.003889%
Change in Proportion	-0.000054%
Pension Expense	$ 137,722

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	**OPERS**
Differences between expected and actual economic experience	$623
Changes of assumptions	72,912
Changes in proportion and differences between Authority contributions and proportionate share of contributions	6,461
Authority contributions subsequent to the measurement date	77,340
Total	$157,336

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

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

Deferred Inflows of Resources	**OPERS**
Differences between expected and actual economic experience	$12,023
Net difference between projected and actual earnings on pension plan investments	130,982
Changes in proportion and differences between Authority contributions and proportionate share of contributions	5,655
Total	$148,660

$77,340 reported as deferred outflows of resources related to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows: will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	OPERS
2019	$57,802
2020	(14,967)
2021	(57,678)
2022	(53,821)
Total	($68,664)

Actuarial Assumptions - OPERS

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, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

Measurement and Valuation Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Wage Inflation	3.25 percent
Projected Salary increase	3.25 -10.75% (Traditional; 3.25% - 8.25% Combined)
Investment Rate of Return	7.50 percent
Cost-of-Living Adjustments	Pre-1/7/2013 Retirees: 3 percent simple Post-1/7/2013 Retirees: 3 percent simple through 2018, then 2.15% simple

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

Actuarial Assumptions – OPERS (Continued)

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

Discount Rate

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 following table displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

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

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

Discount Rate (continued)

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

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan 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 investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Sensitivity of The Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Authority proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Authority's proportionate share of the net pension liability:			
OPERS Traditional	$1,083,398	$610,109	$215,528

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2017, the average of the expected remaining service lives of all employees calculated by external actuaries for the Traditional Pension Plan was 2.9546 years, for the Combined Plan was 9.3216 years, and for the Member-Directed Plan was 10.1908 years.

NOTE 7: **DEFINED BENEFIT OPEB PLAN**

Net Other Postemployment Benefits (OPEB) Liability

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.

Ohio Public Employees Retirement System

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

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

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

Ohio Public Employees Retirement System (continued)

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. 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 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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.

The Authority's contractually required contribution for health care for the fiscal year ended December 31, 2018 was $0. The full amount has been contributed for fiscal year 2018.

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

Net Other Post Employment Benefit (OPEB) Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability

The net OPEB liability reported as of December 31, 2018 was measured as of December 31, 2017 for OPERS and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the respective retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability	
Prior Measurement Date	0.0036900%
Proportion of the Net OPEB Liability	
Current Measurement Date	0.0036300%
Change in Proportionate Share	(0.0000600%)
Proportionate Share of the Net	
OPEB Liability	$394,191
OPEB Expense	$36,138

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	**OPERS**
Differences between expected and actual economic differences	$307
Changes of assumptions	28,701
Total	$29,008
Deferred Inflows of Resources	**OPERS**
Net difference between projected and actual earnings on pension plan investments	$29,365
Differences between Authority contributions and proportionate share of contributions	4,100
Total	$33,465

There were no deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date since none were made subsequent to the measurement date.

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (Continued)

Net Other Post Employment Benefit (OPEB) Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Continued)

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

	OPERS
Fiscal Year Ending December 31:	
2019	$4,568
2020	4,568
2021	(6,251)
2022	(7,342)
Total	($4,457)

Actuarial Assumptions – OPERS

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. Refer to the following table for the balances as of December 31, 2017.

Additional information on the changes in net OPEB liability and contribution information can be found in the Required Supplementary Information of the Financial Section in OPERS 2017 CAFR.

Actuarial valuations of an ongoing plan involve estimates of the value 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 health care costs 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 the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017.

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (continued)

Actuarial Assumptions – OPERS (continued)

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 Valuation Date	December 31, 2016
Rolled-Forward Measurement Dated	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Assumptions	
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	7.5% initial, 3.25% ultimate in 2028

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

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (continued)

Actuarial Assumptions – OPERS (continued)

The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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

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 2017, 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 is 15.2% for 2017.

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (continued)

Actuarial Assumptions – OPERS (continued)

Discount Rate A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

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

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Authority's proportionate share of the net OPEB liability	$523,700	$394,191	$289,420

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation.

NOTE 7: **DEFINED BENEFIT OPEB PLAN** (continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates (continued)

On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$377,157	$394,191	$411,787

NOTE 8: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to sixty (60) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2018, based on the vesting method, $102,367 was accrued by the Authority for unused vacation and sick time. The current portion is $45,753 and the long term portion is $56,614.

NOTE 9: **INSURANCE**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP. Premiums are paid monthly. The Authority also pays unemployment claims to the State of Ohio as incurred. The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from coverage in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 10: **LONG-TERM DEBT**

Change in long-term liabilities:

	Balance 12/31/2017	Additions	Deletions	Balance 12/31/2018	Current Portion
Compensated Absences	$ 84,891	74,187	(56,711)	$ 102,367	$ 45,753
Long-Term Debt	3,244,362	275,081	(193,057)	3,326,386	196,922
Net Pension Liability	895,388	-	(285,279)	610,109	-
Net Pension Liability	372,703	21,488	-	394,191	-
Total	$ 4,597,344	$ 370,756	$ (535,047)	$ 4,433,053	$ 242,675

NOTE 10: **LONG-TERM DEBT (continued)**

The long-term debt is detailed below:

	Original Loan Amount	Range of Maturity Date	Interest Rate	Life of Loan	Balance 12/31/2018	Current Portion
Repayable Debt						
Fifth Third Bank:						
-Loan No. 00067	$ 120,000	2002-2022	5.45%	20 Yrs.	$ 32,443	$ 8,101
Ohio Valley Bank:						
-412 Market St.	$ 41,140	2005-2024	6.25%	20 Yrs.	$ 17,655	$ 2,604
-236 St. Mary's	$ 55,009	2005-2025	7.25%	20 Yrs.	$ 27,157	$ 3,385
-83 Circleview	$ 50,000	2010-2025	5.75%	15 Yrs.	$ 27,333	$ 3,510
-228 St. Mary's	$ 46,206	2012-2027	5.63%	15 Yrs.	$ 30,323	$ 3,061
-421 Market, Maint. Building, 102 Sun	$ 530,000	2014-2024	5.00%	10 Yrs.	$ 323,847	$ 52,459
-Hilltop	$ 35,610	2014-2030	4.38%	15 Yrs.	$ 83,383	$ 1,299
-Dean St.	$ 56,000	2018-2032	4.75%	15 Yrs.	$ 53,163	$ 2,797
-393 Circleview	$ 25,000	2018-2033	4.75%	15 Yrs.	$ 22,927	$ 1,204
-507 Rose Drive	$ 60,000	2018-2033	5.25%	15 Yrs.	$ 56,908	$ 2,798
			Total Repayable Debt:		$ 675,139	$ 81,218
Forgivable Debt						
U.S. Department of Agriculture						
-Emmitt Station	$ 1,146,858	2005-2036	5.375%	30 Yrs.	$ 1,059,955	$ 8,960
-Emmitt Station	$ 350,000	2006-2036	5.375%	30 Yrs.	$ 327,703	$ 2,564
DODD Community Capital Asssistance Program:						
- 83 Circleview	$ 118,889	2010-2025	0%	15 Yrs.	$ 52,840	$ 7,926
- 83 Circleview	$ 14,997	2010-2025	0%	15 Yrs.	$ 6,665	$ 1,000
-102 Sunrise	$ 3,961	2009-2024	0%	15 Yrs.	$ 1,452	$ 264
-102 Sunrise	$ 20,832	2009-2024	0%	15 Yrs.	$ 7,870	$ 1,389
-102 Sunrise	$ 5,000	2018-2032	0%	15 Yrs.	$ 4,472	$ 333
-107 Commercial	$ 3,285	2004-2019	0%	15 Yrs.	$ 18	$ 219
-107 Commercial	$ 34,727	2012-2027	0%	15 Yrs.	$ 20,450	$ 2,315
-212 St. Ann's Lane	$ 4,560	2009-2024	0%	15 Yrs.	$ 1,672	$ 304
-221 St. Ann's Lane	$ 8,911	2009-2024	0%	15 Yrs.	$ 3,317	$ 727
-228 St. Mary's	$ 9,918	2012-2027	0%	15 Yrs.	$ 5,785	$ 661
-228 St. Mary's	$ 22,441	2018-2032	0%	15 Yrs.	$ 21,444	$ 997
-337 Arlington	$ 27,300	2013-2028	0%	15 Yrs.	$ 16,987	$ 1,820
-337 Arlington	$ 49,640	2018-2032	0%	15 Yrs.	$ 48,813	$ 827
-393 Circleview Drive	$ 95,000	2018-2032	0%	15 Yrs.	$ 82,861	$ 6,333
-412 Market	$ 48,600	2005-2020	0%	15 Yrs.	$ 5,400	$ 3,240
-412 Market	$ 32,600	2018-2032	0%	15 Yrs.	$ 29,159	$ 2,173
-419 Dean Street	$ 106,000	2018-2032	0%	15 Yrs.	$ 97,167	$ 7,067
-421 Market	$ 96,400	2013-2028	0%	15 Yrs.	$ 57,304	$ 6,427
-507 Rose Dr	$ 29,000	2018-2032	0%	15 Yrs.	$ 28,678	$ 322
-507 Rose Dr	$ 114,000	2018-2032	0%	15 Yrs.	$ 106,400	$ 7,600
-510 Rose Drive	$ 91,612	2008-2023	0%	15 Yrs.	$ 25,448	$ 6,107
-510 Rose Drive	$ 20,950	2013-2028	0%	15 Yrs.	$ 12,570	$ 1,397
-514 Carroll	$ 72,750	2012-2027	0%	15 Yrs.	$ 41,629	$ 4,850
-514 Carroll	$ 25,950	2013-2028	0%	15 Yrs.	$ 16,147	$ 1,730
-514 Carroll	$ 25,450	2013-2028	0%	15 Yrs.	$ 15,836	$ 1,697
-514 Carroll	$ 10,000	2015-2030	0%	15 Yrs.	$ 7,611	$ 667
-514 Carroll	$ 20,000	2015-2030	0%	15 Yrs.	$ 15,222	$ 1,333
-77 Circleview Drive	$ 38,200	2018-2032	0%	15 Yrs.	$ 33,479	$ 3,136

NOTE 10: **LONG-TERM DEBT (continued)**

	Original Loan Amount	Range of Maturity Date	Interest Rate	Life of Loan	Balance 12/31/2018	Current Portion
Forgivable Debt (continued)						
County NSP:						
-214 Grandview	$ 204,751	2010-2029	0%	20 Yrs.	$ 122,851	$ 10,238
-146 Valleyview	$ 103,270	2012-2027	0%	20 Yrs.	$ 67,126	$ 5,164
Gallia-Meigs NSP:						
-603 Church	$ 185,000	2011-2030	0%	20 Yrs.	$ 120,250	$ 9,250
OHFA- Waverly Manor	$ 350,000	2016-2056	0%	40 Yrs.	$ -	$ -
Mental Health- Hilltop	$ 200,000	2016-2046	0%	30 Yrs.	$ 186,666	$ 6,667
				Total Forgivable Debt:	$ 2,651,247	$ 115,704
				Total Debt:	$ 3,326,386	$ 196,922

The following is a summary of the Authority's future debt service requirements for debt payable as of December 31, 2018:

For the Year Ended December 31st:	Principal Repayment	Interest Repayment	Total Payments	Debt Forgiveness
2019	$ 81,208	$ 59,239	$ 140,447	$ 115,704
2020	84,947	54,928	139,875	119,579
2021	90,173	48,995	139,168	118,126
2022	92,368	43,409	135,777	118,871
2023	89,709	38,061	127,770	114,569
2024-2028	121,493	143,752	265,245	517,954
2029-2033	115,241	88,297	203,440	340,472
2034-2038	-	28,263	28,263	1,148,336
2039-2044	-	-	-	40,000
Thereafter	-	-	-	17,636
	$ 675,139	$ 504,944	$ 1,179,985	$ 2,651,247

NOTE 11: **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 several Federal and state 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.

NOTE 12: **NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF BALANCES**

For the fiscal year ended December 31, 2018, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73,* and GASB Statement No. 85, *Omnibus 2017.*

GASB Statement No. 75 (GASB 75) establishes accounting and financial reporting requirements for governmental employers who have other post-employment benefits (OPEB) plans. The implementation of GASB Statement No. 75 had the following effect on the financial statements of the Authority and certain additional disclosures have been made in the notes to the basic financial statements.

Net position, January 1, 2018-As previously stated	$	2,364,764
Authority Share of Beginning Plan Net OPEB Liability		(383,724)
Authority Share of 2017 Employer Contributions		10,193
Net position, January 1, 2018 -As restated	$	1,991,233

Other than employer contributions subsequent to the measurement date, the Authority made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

GASB Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. GASB Statement No. 82 did not have an effect on the financial statements of the Authority.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB Statement No. 85 did not have an effect on the financial statements of the Authority.

Required Supplementary Information

PIKE METROPOLITAN HOUSING AUTHORITY

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System

Last Five Years (1)

	2017	2016	2015	2014	2013
Total plan pension liability	$ 102,273,912,351	$ 99,817,932,954	$ 91,534,580,978	$ 89,017,348,266	$ 86,407,229,435
Plan net position	86,585,851,024	77,109,633,485	74,213,320,352	76,956,230,642	74,618,532,269
Net pension liability	$ 15,688,061,327	$ 22,708,299,469	$ 17,321,260,626	$ 12,061,117,624	$ 11,788,697,166
Authority's proportion of the net pension liability	0.003889%	0.003943%	0.003823%	0.003634%	0.003634%
Authority's proportionate share of the net pension liability	$ 610,109	$ 895,388	$ 662,191	$ 438,300	$ 428,401
Authority's covered-employee payroll	$ 513,971	$ 509,675	$ 475,792	$ 445,575	$ 434,346
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	118.70%	175.68%	139.18%	94.60%	80.50%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.10%	86.50%	86.40%

(1) Information prior to 2013 is not available.
Amounts presented as of the Authority's measurement
date which is the prior fiscal year.

PIKE METROPOLITAN HOUSING AUTHORITY

Required Supplementary Information

Schedule of the Authority's Pension Contributions

Ohio Public Employees Retirement System

Last Six Years (1)

	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 77,340	$ 61,677	$ 61,161	$ 57,095	$ 53,469	$ 56,465
Contributions in relation to the contractually required contribution	(77,340)	(61,677)	(61,161)	(57,095)	(53,469)	(56,465)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 594,923	$ 513,971	$ 509,675	$ 475,792	$ 445,575	$ 434,346
Contributions as a percentage of covered employee payroll	13.00%	12.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

Notes to Required Supplementary Information - Pension

Changes to Benefit Terms: There were no changes in benefit terms affecting the OPERS plan for the plan year ended December 31, 2017.

Changes of Assumptions (OPERS): During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to RP-2014.

PIKE METROPOLITAN AUTHORITY

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability

Ohio Public Employees Retirement System

Last Two Years (1)

	2017	2016
Total plan OPEB liability	$ 23,678,097,060	$ 21,980,827,536
Plan net position	12,818,833,665	11,880,487,863
Net OPEB liability	10,859,263,395	10,100,339,673
Authority's proportion of the net OPEB liability	0.00363000%	0.00369000%
Authority's proportionate share of the net OPEB liability	$ 394,191	$ 372,703
Authority's covered-employee payroll	$ 513,971	$ 509,675
Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	76.70%	73.13%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.05%

(1) Information prior to 2016 is not available.
Amounts presented as of the Authority's measurement
date which is the prior fiscal year.

	2018	2017	2016
Contractually required contribution	$ -	$ 10,193	$ 9,568
Contributions in relation to the contractually required contribution	-	(10,193)	(9,568)
Contribution deficiency (excess)	$ -	$ -	$ -
Authority covered-employee payroll	$ 594,923	$ 513,971	$ 509,675
Contributions as a percentage of covered-employee payroll	0.00%	1.08%	1.08%

(1) Information prior to 2016 is not available.

Notes to Required Supplementary Information - OPEB

Changes to Benefit Terms: There were no changes in benefit terms affecting the OPERS plan for the plan year ended December 31, 2017.

Changes of Assumptions (OPERS): There were no changes in assumptions affecting the OPERS plan for the plan year ended December 31, 2017.

PIKE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

Federal Grantor / Pass Through Grantor / Program Title	CFDA Number	Federal Expenditures
US Department of Housing and Urban Development		
Direct Programs:		
Section 8 Tenant Based Programs		
Section 8 Housing Choice Vouchers	14.871	2,596,637
Total Direct US Department of Housing and Urban Development		2,596,637
US Department of Agriculture		
Direct Programs:		
Rural Rental Housing Loan subsidy	10.415	96,105
Total Federal Expenditures		2,692,742

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Pike Metropolitan Housing Authority under programs of the federal government for the year ended December 31, 2018. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) 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 Pike Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the organization.

Note 2. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Pike Metropolitan Housing Authority has elected not to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

PIKE METROPOLITAN HOUSING AUTHORITY
Financial Data Schedule
Entity Wide Balance Sheet Summary
Year Ended December 31, 2018

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted		$65,776		$3,067	$26,934	$95,777		$95,777
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted		$1,523			$196,195	$197,718		$197,718
114 Cash - Tenant Security Deposits				$1,651	$23,038	$24,689		$24,689
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	$0	$67,299	$0	$4,718	$246,167	$318,184		$318,184
124 Accounts Receivable - Other Government					$56,809	$56,809		$56,809
125 Accounts Receivable - Miscellaneous					$274,654	$274,654		$274,654
126 Accounts Receivable - Tenants				$220	$3,378	$3,598		$3,598
126.1 Allowance for Doubtful Accounts -Tenants	$0			$0	-$75	-$75		-$75
126.2 Allowance for Doubtful Accounts - Other					$0	$0		$0
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$0	$0	$220	$334,766	$334,986		$334,986
142 Prepaid Expenses and Other Assets		$6,996		$986	$16,923	$24,905		$24,905
145 Assets Held for Sale								
150 Total Current Assets	$0	$74,295	$0	$5,924	$597,856	$678,075		$678,075
161 Land				$37,500	$1,131,536	$1,169,036		$1,169,036
162 Buildings				$279,540	$10,533,168	$10,812,708		$10,812,708
163 Furniture, Equipment & Machinery - Dwellings					$7,495	$7,495		$7,495
164 Furniture, Equipment & Machinery - Administration		$13,789			$186,734	$200,523		$200,523
165 Leasehold Improvements				$18,021	$1,296,583	$1,314,604		$1,314,604
166 Accumulated Depreciation		-$13,789		-$159,719	-$7,961,454	-$8,134,962		-$8,134,962
167 Construction in Progress								
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$0	$175,342	$5,194,062	$5,369,404		$5,369,404
180 Total Non-Current Assets	$0	$0	$0	$175,342	$5,194,062	$5,369,404		$5,369,404
200 Deferred Outflow of Resources		$54,064			$132,280	$186,344		$186,344
290 Total Assets and Deferred Outflow of Resources	$0	$128,359	$0	$181,266	$5,924,198	$6,233,823		$6,233,823

PIKE METROPOLITAN HOUSING AUTHORITY
Financial Data Schedule
Entity Wide Balance Sheet Summary
Year Ended December 31, 2018

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
311 Bank Overdraft								
312 Accounts Payable <= 90 Days		$2,815			$11,507	$14,322		$14,322
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable		$6,856			$17,776	$24,632		$24,632
322 Accrued Compensated Absences - Current Portion		$14,927			$30,826	$45,753		$45,753
333 Accounts Payable - Other Government								
341 Tenant Security Deposits				$1,651	$23,038	$24,689		$24,689
342 Unearned Revenue					$1,541	$1,541		$1,541
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				$13,429	$183,493	$196,922		$196,922
344 Current Portion of Long-term Debt - Operating Borrowings								
348 Loan Liability - Current								
310 Total Current Liabilities	$0	$24,598	$0	$15,080	$268,181	$307,859		$307,859
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				$69,672	$3,059,792	$3,129,464		$3,129,464
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Non-current Liabilities - Other								
354 Accrued Compensated Absences - Non Current		$2,204			$54,410	$56,614		$56,614
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities		$288,498			$715,802	$1,004,300		$1,004,300
350 Total Non-Current Liabilities	$0	$290,702	$0	$69,672	$3,830,004	$4,190,378		$4,190,378
300 Total Liabilities	$0	$315,300	$0	$84,752	$4,098,185	$4,498,237		$4,498,237
400 Deferred Inflow of Resources		$53,125			$128,999	$182,124		$182,124
508.4 Net Investment in Capital Assets	$0			$92,241	$1,950,778	$2,043,019		$2,043,019
511.4 Restricted Net Position	$0	$1,523			$196,195	$197,718		$197,718
512.4 Unrestricted Net Position	$0	-$241,589	$0	$4,273	-$449,959	-$687,275		-$687,275
513 Total Equity - Net Assets / Position	$0	-$240,066	$0	$96,514	$1,697,014	$1,553,462		$1,553,462
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$128,359	$0	$181,266	$5,924,198	$6,233,823		$6,233,823

PIKE METROPOLITAN HOUSING AUTHORITY
Financial Data Schedule
Entity Wide Revenue and Expense Summary
Year Ended December 31, 2018

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue				$24,098	$353,051	$377,149		$377,149
70400 Tenant Revenue - Other				$144	$11,531	$11,675		$11,675
70500 Total Tenant Revenue	$0	$0	$0	$24,242	$364,582	$388,824		$388,824
70600 HUD PHA Operating Grants		$2,596,637				$2,596,637		$2,596,637
70800 Other Government Grants			$96,105			$96,105		$96,105
71100 Investment Income - Unrestricted		$25			$7,304	$7,329		$7,329
71400 Fraud Recovery		$2,292				$2,292		$2,292
71500 Other Revenue		$3,623			$603,641	$607,264		$607,264
71600 Gain or Loss on Sale of Capital Assets					$3,800	$3,800		$3,800
72000 Investment Income - Restricted								
70000 Total Revenue	$0	$2,602,577	$96,105	$24,242	$979,327	$3,702,251		$3,702,251
91100 Administrative Salaries		$138,913			$257,721	$396,634		$396,634
91200 Auditing Fees		$3,000		$500	$5,350	$8,850		$8,850
91300 Management Fee					$21,061	$21,061		$21,061
91310 Book-keeping Fee								
91400 Advertising and Marketing								
91500 Employee Benefit contributions - Administrative		$42,125			$180,853	$222,978		$222,978
91600 Office Expenses		$54,272			$70,279	$124,551		$124,551
91900 Other								
91000 Total Operating - Administrative	$0	$238,310	$0	$500	$535,264	$774,074		$774,074
93100 Water				$1,554	$44,957	$46,511		$46,511
93200 Electricity				$115	$30,428	$30,543		$30,543
93300 Gas					$2,971	$2,971		$2,971
93800 Other Utilities Expense								
93000 Total Utilities	$0	$0	$0	$1,669	$78,356	$80,025		$80,025
94100 Ordinary Maintenance and Operations - Labor					$185,807	$185,807		$185,807
94200 Ordinary Maintenance and Operations - Materials and Other				$940	$50,751	$51,691		$51,691
94300 Ordinary Maintenance and Operations Contracts				$900	$36,359	$37,259		$37,259
94500 Employee Benefit Contributions - Ordinary Maintenance					$149,356	$149,356		$149,356
94000 Total Maintenance	$0	$0	$0	$1,840	$422,273	$424,113		$424,113

PIKE METROPOLITAN HOUSING AUTHORITY
Financial Data Schedule
Entity Wide Revenue and Expense Summary
Year Ended December 31, 2018

	Project Total	14.871 Housing Choice Vouchers	8 Other Federal Program 1	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
96110 Property Insurance				$732	$20,857	$21,589		$21,589
96120 Liability Insurance								
96130 Workmen's Compensation								
96140 All Other Insurance								
96100 Total insurance Premiums	$0	$0	$0	$732	$20,857	$21,589		$21,589
96200 Other General Expenses								
96210 Compensated Absences								
96300 Payments in Lieu of Taxes					$2,173	$2,173		$2,173
96400 Bad debt - Tenant Rents					$1,438	$1,438		$1,438
96000 Total Other General Expenses	$0	$0	$0	$0	$3,611	$3,611		$3,611
96710 Interest of Mortgage (or Bonds) Payable				$4,561	$58,586	$63,147		$63,147
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$4,561	$58,586	$63,147		$63,147
96900 Total Operating Expenses	$0	$238,310	$0	$9,302	$1,118,947	$1,366,559		$1,366,559
97000 Excess of Operating Revenue over Operating Expenses	$0	$2,364,267	$96,105	$14,940	-$139,620	$2,335,692		$2,335,692
97300 Housing Assistance Payments		$2,335,533				$2,335,533		$2,335,533
97350 HAP Portability-In		$3,204				$3,204		$3,204
97400 Depreciation Expense				$11,367	$423,359	$434,726		$434,726
97800 Dwelling Units Rent Expense								
90000 Total Expenses	$0	$2,577,047	$0	$20,669	$1,542,306	$4,140,022		$4,140,022
10093 Transfers between Program and Project - In					$96,105	$96,105		$96,105
10094 Transfers between Project and Program - Out			-$96,105			-$96,105		-$96,105
10100 Total Other financing Sources (Uses)	$0	$0	-$96,105	$0	$96,105	$0		$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	$25,530	$0	$3,573	-$466,874	-$437,771		-$437,771
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$0	-$170,897	$0	$92,941	$2,442,720	$2,364,764		$2,364,764
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		-$94,699			-$278,832	-$373,531		-$373,531
11050 Changes in Compensated Absence Balance								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity		-$241,589				-$241,589		-$241,589
11180 Housing Assistance Payments Equity		$1,523				$1,523		$1,523
11190 Unit Months Available	0	6330		48	960	7338		7338
11210 Number of Unit Months Leased	0	6148		48	945	7141		7141

Whited Seigneur Sams & Rahe, LLP

CERTIFIED PUBLIC ACCOUNTANTS
213 South Paint Street, Chillicothe, OH 45601

Phone: (740) 702-2600
Fax: (740) 702-2610
Audit Fax: (740) 702-2612

email@wssrcpa.com
http://www.wssrcpa.com

Jerry B. Whited, CPA
Donald R. Seigneur, CPA
John R. Sams, CPA

Barry L. Rahe, CPA
Kathleen M. Alderman, CPA
Nathan C. Baldwin, CPA

Jay D. Seigneur, CPA
Kathy J. Lambert, CPA
Katie E. Guba, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 14, 2019

Members of the Board of Commissioners
Pike Metropolitan Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, of Pike Metropolitan Housing Authority, Pike County, Ohio, (the Authority), which comprise the statement of net position as of December 31, 2018, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon date June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

Whited Seigneur Sams & Rahe

Whited Seigneur Sams & Rahe, LLP

Phone: (740) 702-2600
Fax: (740) 702-2610
Audit Fax: (740) 702-2612

CERTIFIED PUBLIC ACCOUNTANTS
213 South Paint Street, Chillicothe, OH 45601

email@wssrcpa.com
http://www.wssrcpa.com

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

June 14, 2019

Members of the Board of Commissioners
Pike Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

We have audited Pike Metropolitan Housing Authority's, (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to 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.

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

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

Whited Seigneur Sams & Rahe

PIKE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2018

1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Type auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major Program(s):	CFDA #14.871 Section 8 Housing Choice Vouchers
Dollar Threshold: Type A/B Programs	$750,000
Low Risk Auditee?	Yes

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

None.

3. FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE
KEITH FABER

PIKE COUNTY METROPOLITAN HOUSING AUTHORITY

PIKE 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
AUGUST 29, 2019

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