

Athens Metropolitan Housing Authority

Financial Statements

For the Year Ended December 31, 2017



Dave Yost • Auditor of State

Members of the Board of Directors
Athens Metropolitan Housing Authority
10 Hope Dr.
Athens, OH 45701

We have reviewed the *Independent Auditor's Report* of the Athens Metropolitan Housing Authority, Athens County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2017 through December 31, 2017. 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 Athens Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 25, 2016

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ATHENS METROPOLITAN HOUSING AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Athens Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Athens Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2017, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Athens Metropolitan Housing Authority as of December 31, 2017, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedule of net pension liabilities and pension contributions listed in the table of contents, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

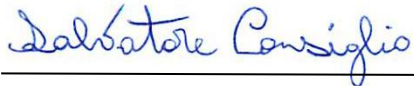
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Athens Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying financial data schedule (FDS) is not a required part of the basic financial statements. The Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the financial statements.

The financial data schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is the responsibility of management and was 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 such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditure of Federal Awards

and the financial data schedule ("FDS") are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated July 31, 2018, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
July 31, 2018

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Unaudited

The Athens Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's position, and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the 2017 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by \$375,098 or 12.64% during 2017, resulting from changes in operations. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position.
- Revenues decreased by \$207,616 or 3.65% during 2017.
- The total expenses of all Authority's programs increased by \$43,574 or .75%.

Authority Financial statements

The Authority financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets, minus liabilities, equal "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

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

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

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

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

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

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

Fund Financial Statements

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

Many of the programs maintained by the Authority are done so as required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

The Authority's Programs

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

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contribution Contract with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Unaudited

a lease that sets the participants' rent at 30% of household income. The Authority earns administrative fees to cover the cost of administering the program.

Shelter Plus Care - AMHA has an ongoing collaboration effort with the Athens County Continuum of Care working group which in 1999 the PHA was successful in receiving grant funding for the Athens County Dual Diagnosis Housing Initiative Shelter Plus Care project which is now completed and up and running. The grant provided 10 years of subsidized rent for 5 units of housing for dually diagnosed persons with mental illness and substance abuse.

State/Local – State/Local represents Authority owned housing properties that are not subsidized by HUD. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

AUTHORITY STATEMENTS

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

	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 350,688	\$ 690,765
Noncurrent Assets	7,413,181	6,725,584
Deferred Outflows of Resources	347,449	260,846
Total Assets and Deferred Outflows of Resources	<u>\$ 8,111,318</u>	<u>\$ 7,677,195</u>
Current Liabilities	\$ 317,224	\$ 303,651
Non-current Liabilities	5,176,855	4,094,746
Total Liabilities	<u>5,494,079</u>	<u>4,398,397</u>
Deferred Inflows of Resources	<u>24,135</u>	<u>310,596</u>
Net Position		
Investment in Capital Assets	2,957,869	3,248,184
Restricted Net Position	83,390	43,373
Unrestricted Net Position	(448,155)	(323,355)
Total Net Position	<u>2,593,104</u>	<u>2,968,202</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 8,111,318</u>	<u>\$ 7,677,195</u>

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Unaudited

Major Factors Affecting the Statement of Net Position

During 2017, current and other assets decreased by \$340,077, and current liabilities increased by \$13,573. The change in current assets was mainly due to decrease in cash due to January 2017 subsidy received in December 2016. The increase in current liability is due to increase in current portion of long-term debt.

Long Term Liabilities increased by \$1,082,109 in 2017. This change is new debt incurred during the year for the properties acquired.

Capital assets also changed, increasing from \$6,725,584 to \$7,413,181. The \$687,597 increase may be contributed primarily to a combination of total acquisitions of \$1,094,893 less current year depreciation of \$407,296. The current year acquisitions included the site improvements.

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

Table 2 - Changes of Unrestricted Net Position

	Unrestricted
Beginning Balance - December 31, 2016	\$ (323,355)
Results of Operation	(415,115)
Adjustments:	
Current Year Depreciation Expense (1)	407,296
Capital Expenditure (2)	(1,094,893)
Loan Proceeds	1,063,857
Retirement of Debt	(85,945)
Ending Balance - December 31, 2017	\$ (448,155)

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

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

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

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Unaudited

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

Table 3 - Statement of Revenue, Expenses & Changes in Net Position

	<u>2017</u>	<u>2016</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 695,029	\$ 582,571
Operating Subsidies	4,726,612	4,925,335
Capital Grants	-	115,547
Investment Income	331	435
Other Revenues	66,194	71,894
	5,488,166	5,695,782
<u>Expenses</u>		
Administrative	827,974	666,810
Tenant Services	41,276	41,276
Utilities	244,871	225,514
Maintenance	495,267	359,074
General, Insurance and Interest Expenses	109,315	162,421
Housing Assistance Payments	3,737,265	3,992,093
Depreciation	407,296	372,502
	5,863,264	5,819,690
Net Increases (Decreases)	\$ (375,098)	\$ (123,908)

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

Total revenue decreased by \$207,616. This decrease was mainly due to less grant funds received from HUD.

Total expenses increased by \$43,574 during the year. Increases in expense were due to change in GASB 68 pension liability. The housing assistance payments decrease by \$254,828 due to less funding available in comparison with prior year.

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Unaudited

CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had \$7,413,181 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase of \$687,597 or 10.22% from the end of last year.

Table 4 - Condensed Statement of Changes in Capital Assets

	<u>2017</u>	<u>2016</u>
Land and Land Rights	\$ 1,292,978	\$ 1,228,532
Buildings	11,343,467	10,313,020
Equipment	589,223	589,223
Land Improvement	86,685	86,685
Accumulated Depreciation	<u>(5,899,172)</u>	<u>(5,491,876)</u>
Total	<u>\$ 7,413,181</u>	<u>\$ 6,725,584</u>

The following reconciliation identifies the change in Capital Assets.

Table 5 - Changes in Capital Assets

Beginning Balance - December 31, 2016	\$ 6,725,584
Current year Additions	1,094,893
Current year Depreciation Expense	<u>(407,296)</u>
Ending Balance - December 31, 2017	<u>\$ 7,413,181</u>

Current year Additions are summarized as follows:

- Land	\$ 64,446
- Building	1,030,447
Total 2017 Additions	<u>\$ 1,094,893</u>

Debt Outstanding

As of year-end, the Authority has \$4,455,312 in debt (mortgages) outstanding compared to \$3,477,400 from last year. The increase in debt is due to the Authority continuing to increase the number of properties that it owns.

ATHENS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

Unaudited

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - December 31, 2016	\$ 3,477,400
Current Year New Debt Issued	1,063,857
Current Year Debt Retired	<u>(85,945)</u>
Ending Balance - December 31, 2017	\$ <u><u>4,455,312</u></u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Jodi Rickard, Finance Director of the Athens Metropolitan Housing Authority, at (740) 592-4481 ext. 17, or email at jkr@athensmha.org. Specific requests may be submitted to Athens Metropolitan Housing Authority, 10 Hope Drive, Athens, OH 45701.

Athens Metropolitan Housing Authority
Statement of Net Position
Proprietary Funds
December 31, 2017

ASSETS

Current assets

Cash and cash equivalents	\$132,559
Restricted cash and cash equivalent	110,121
Receivables, net	61,908
Prepaid expenses and other assets	<u>46,100</u>

Total current assets 350,688

Noncurrent assets

Capital assets:	
Land	1,292,978
Building and equipment	12,019,375
Less accumulated depreciation	<u>(5,899,172)</u>
Total capital assets	<u><u>7,413,181</u></u>

Total noncurrent assets 7,413,181

Deferred Outflows of Resources - Pension 347,449

Total assets and Deferred Outflows of Resources \$8,111,318

LIABILITIES

Current liabilities

Accounts payable	\$25,953
Accrued liabilities	63,250
Intergovernmental payables	4,245
Tenant security deposits	48,938
Unearned Revenue	958
Notes and loans payable	<u>173,880</u>
Total current liabilities	<u><u>317,224</u></u>

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

Athens Metropolitan Housing Authority
Statement of Net Position (Continued)
Proprietary Funds
December 31, 2017

Noncurrent liabilities	
Notes and loans payable	4,281,432
Accrued compensated absences non-current	31,221
Net pension liability payable	856,784
Noncurrent liabilities - other	7,418
<i>Total noncurrent liabilities</i>	<i>5,176,855</i>
Total liabilities	\$5,494,079
Deferred Inflows of Resources - Pension	\$24,135
 <i>NET POSITION</i>	
Net investment in capital assets	\$2,957,869
Restricted net position	83,390
Unrestricted net position	(448,155)
Total net position	\$2,593,104

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

Athens Metropolitan Housing Authority
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

OPERATING REVENUES

Tenant Revenue	\$695,029
Government operating grants	4,726,612
Other revenue	66,194
Total operating revenues	<u>5,487,835</u>

OPERATING EXPENSES

Administrative	827,974
Tenant Services	41,276
Utilities	244,871
Maintenance	495,267
General	55,726
Housing assistance payment	3,737,265
Depreciation	407,296
Total operating expenses	<u>5,809,675</u>
Operating income (loss)	<u>(321,840)</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue	331
Interest expense	(53,589)
Total nonoperating revenues (expenses)	<u>(53,258)</u>
Change in net position	(375,098)
Total net position - beginning	<u>2,968,202</u>
Total net position - ending	<u><u>\$2,593,104</u></u>

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

**Athens Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$4,726,612
Tenant revenue received	700,024
Other revenue received	66,194
General and administrative expenses paid	(1,989,940)
Housing assistance payments	(3,737,265)
	<u>(234,375)</u>

Net cash provided (used) by operating activities **(234,375)**

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned	331
Transfer to investments	39,577
	<u>39,908</u>

Net cash provided (used) by investing activities **39,908**

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

New Debt Issued	1,063,857
Debt principal payment	(85,945)
Interest expense paid on debt	(53,589)
Property and equipment purchased	(1,094,893)
	<u>(170,570)</u>

Net cash provided (used) by capital and related activities **(170,570)**

Net increase (decrease) in cash	(365,037)
Cash and cash equivalents - Beginning of year	607,717
	<u>242,680</u>

Cash and cash equivalents - End of year **\$242,680**

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

**Athens Metropolitan Housing Authority
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2017**

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Net Operating Income (Loss)	(\$321,840)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	407,296
- (Increases) Decreases in Accounts Receivable	(58,404)
- (Increases) Decreases in Prepaid Assets	(6,133)
- (Increases) Decreases in Deferred Outflows	(86,603)
- Increases (Decreases) in Accounts Payable	(1,798)
- Increases (Decreases) in Accrued Liabilities	(2,369)
- Increases (Decreases) in Accounts Payable - Intergovernmental	(590)
- Increases (Decreases) in Tenant Security Deposits	3,902
- Increases (Decreases) in Unearned Revenue	(37,441)
- Increases (Decreases) in Pension Liability	194,939
- Increases (Decreases) in Accrued Compensated Absences	1,116
- Increases (Decreases) in Deferred Inflows	(286,461)
- Increases (Decreases) in Noncurrent Liabilities - Other	(40,000)
- Increases (Decreases) in Noncurrent Liabilities - Other	11
	<u>11</u>
Net cash provided (used) by operating activities	<u><u>(\$234,375)</u></u>

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

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of **a)** the primary government, **b)** organizations for which the primary government is financially accountable and **c)** other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government **a)** is entitled to the organization's resources; **b)** is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or **c)** is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds over which the Authority is financially accountable.

Basis of Presentation

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

Fund Accounting

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

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

Proprietary Fund Types

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

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Description of programs

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

A. **Public Housing Program**

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

B. **Capital Fund Program**

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

C. **Housing Choice Voucher Program**

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

D. **Shelter Plus Care**

AMHA has an ongoing collaboration effort with the Athens County Continuum of Care working group which in 1999 the PHA was successful in receiving grant funding for the Athens County Dual Diagnosis Housing Initiative Shelter Plus Care project which is now completed and up and running. The grant provided 10 years of subsidized rent for 5 units of housing for dually diagnosed persons with mental illness and substance abuse.

E. **State / Local**

State / local represents Authority owned housing properties that are not subsidized by HUD. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2017 totaled \$331.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$1,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives:

Building	40 years
Building Improvements	15 years
Furniture and Equipment	3-7 years
Vehicles	5 years

Net Position

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

The Housing Authority's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenues and Expenses

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day to day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

Capital Contributions

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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Compensated Absences

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

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

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

Budgetary Accounting

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

Accounting and Reporting for Non-exchange Transactions

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

In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capital assets acquired after September 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying Combined Statement of Revenue and Expenses.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net 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 government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 7.

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

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Authority into three categories.

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two period of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
- C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

ATHENS METROPOLITAN HOUSING AUTHORITY
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Protection of the Authority deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by Authority or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year-end December 31, 2017, the carrying amount of the Authority’s deposits totaled \$242,680 (including a \$109,102 deposit in transit), and its bank balance was \$142,437. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of December 31, 2017, the bank balance was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits.

Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 4: RESTRICTED CASH

The restricted cash balance of \$139,746 on the financial statements represents the following:

Tenant security deposits – Public Housing	\$19,313
FSS Escrow funds held for the tenants – HCV	7,418
Housing Assistance funds received in advance - HCV	<u>83,390</u>
Total Restricted Cash	<u><u>\$110,121</u></u>

NOTE 5: INSURANCE AND RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

ATHENS METROPOLITAN HOUSING AUTHORITY
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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.

NOTE 6: CAPITAL ASSETS

The following is a summary of changes:

	Balance 12/31/16	Adjust.	Additions	Deletions	Balance 12/31/17
Capital Assets Not Being Depreciated					
Land	\$ 1,228,532	\$ -	\$ 64,446	\$ -	\$ 1,292,978
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	1,228,532	-	64,446	-	1,292,978
Capital Assets Being Depreciated					
Buildings	10,313,020	-	1,030,447	-	11,343,467
Furnt, Mach. And Equip.	589,223	-	-	-	589,223
Land Improvement	86,685	-	-	-	86,685
Total Capital Assets Being Depreciated	10,988,928	-	1,030,447	-	12,019,375
Accumulated Depreciation:					
Buildings	(4,876,464)	(61,410)	(378,758)	-	(5,316,632)
Furnt, Mach. And Equip.	(589,406)	61,410	(22,759)	-	(550,755)
Land Improvement	(26,006)	-	(5,779)	-	(31,785)
Total Accumulated Depreciation:	(5,491,876)	-	(407,296)	-	(5,899,172)
Total Capital Assets Being Depreciated, Net	5,497,052	-	623,151	-	6,120,203
Total Capital Assets, Net	\$ 6,725,584	\$ -	\$ 687,597	\$ -	\$ 7,413,181

NOTE 7: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

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

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

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

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

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

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

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

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

2017 Statutory Maximum Contribution Rates:	<u>State and Local</u>
Employer	14.0%
Employee	10.0%
2017 Actual Contribution Rates:	
Employer:	
Pension	13.0%
Post-employment Health Care Benefits	<u>1.0%</u>
Total Employer	<u>14.0%</u>
Employee	<u>10.0%</u>

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

The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	\$856,784
Percentate for Proportionate Share of Net Pension Liability	0.003773%
Change in Proportion from Prior Measurement Date	0.000048%

At December 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan
Deferred Outflows of Resources	
Net difference between projected and actual earning on pension plan investments	\$142,555
Change in Assumption	135,896
Difference Between Expected and Actual Experience	1,161
Change in prportionate share	4,458
Authority contributions subsequent to the measurement date	63,378
Total Deferred Outflows of Resources	\$347,449

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	Traditional Plan
Deferred Inflows of Resources	
Net difference between projected and actual earning on pension plan investments	\$14,961
Difference Between Expected and Actual Experience	5,099
Change in prportionate share	4,075
 Total Deferred Inflows of Resources	 \$24,135

\$63,378 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	
2017	\$108,925
2018	109,560
2019	45,190
2020	(3,739)
 Total	 \$259,936

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

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Actuarial Information	Traditional Plan
Valuation Date	December 31, 2016
Experience Study	5 year ended 12/31/15
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Return	7.50%
Wage Inflation	3.25%
Projected salary increase	3.25%-10.75% (includes wage inflation at 3.25%)
Cost-of-living adjustments	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3% for 2016.

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 2016 and the long-term expected real rates of return.

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Asset Class	Target Allocation for 2016	Weighted Average Long- Term Expected Real Rate of Return
Fixed Income	23.00%	2.31%
Domestic Equities	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other investments	18.00%	4.92%
Total	100.00%	5.66%

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 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 of 7.5%	1% Increase (8.5%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	\$1,308,929	\$856,784	\$480,001

NOTE 8: POST-EMPLOYMENT BENEFITS

A. Plan Description

The Ohio Public Employees Retirement System of Ohio (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 pension plan that has elements of both a defined benefit and defined contribution plan.

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OPERS maintains two cost-sharing, multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, and Medicare Part B premium reimbursement, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 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 No. 45. See the Plan Statement in OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide healthcare to its eligible benefit recipients. Authority to establish and amend healthcare coverage is provided in Chapter 145 of the Ohio Revised Code.

OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 1-800-222-7377, or by visiting www.opers.org/investments/cafr.shtml.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS healthcare plans.

Employer contribution rates are expressed as a percentage of the earnable salary payroll of active members. For the year ended December 31, 2017, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of earnable salary for state and local employers. Active member contributions do not fund health care.

OPERS maintains that cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and 115 Health Care trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined Plans. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent for calendar year 2017. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 remained at 1.0 percent for the Traditional Plan. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their

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surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The portion of actual Authority contributions for the years ended December 31, 2017, 2016, 2015, and 2014 amounted to \$4,872, \$9,751, \$9,561, and \$9,164, respectively. All required contributions have been made through December 31, 2017.

NOTE 9: LONG-TERM DEBT

Long-term debt for the Athens Metropolitan Housing Authority's state/local activities consists of the following:

Loan payable to Ohio Department of Mental Health to purchase 430 Union Street Property. Total borrowing was \$200,000 with a term of 20 years at 0% interest rate.	\$131,671
Note payable to JP Morgan Chase Bank to purchase and rehab 5 MRDD Properties. Total borrowing was \$200,000 with a term of 15 years at 5.5% interest rate.	88,521
Note payable to JP Morgan Chase Bank to purchase and rehab 6 MRDD Properties in 2008. Total borrowing was \$601,176 with a term of 15 years at 4.9% interest rate. From February 23, 2008 through February 23, 2009, AMHA was only required to pay interest on this loan. AMHA borrowed another \$98,824 in 2009. Monthly installments of principal and interest will commenced on February 23, 2009.	349,343
The PHA entered into a contractual agreement with Ohio Housing Finance Agency where the Authority is to rehab 18 units in Athens County, Ohio. Total borrowing was \$700,000 with a term of 30 years at 2% interest rate. The interest is to accrue each year with a balloon payment at the end of the 30 years.	700,000
Loan payable to Athens County Board of Developmental Disabilities to purchase and rehab property located 36 Eden Plan. Total borrowing on December 15, 2014 was \$80,000 with a term of 15 years at 0% interest rate.	74,222
Loan payable to Athens County Board of Developmental Disabilities to purchase and rehab property located 9 Avon Place. Total borrowing on April 15, 2014 was \$80,000 with a term of 15 years at 0% interest rate.	70,667
Loan payable to the City of Nelsonville to purchase property located 629 Chestnut. Total borrowing on November 17, 2015 was \$34,250 with a term of 15 years at 0% interest rate.	34,250

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Loan payable to the City of Athens to rehab property located 36 Eden Plan. Total borrowing on April 16, 2015 was \$33,350 with a term of 15 years at 0% interest rate.	20,010
Loan payable to the City of Athens to rehab property located 9 Avon Place. Total borrowing on March 24, 2015 was \$37,900 with a term of 15 years at 0% interest rate.	22,740
Note payable to Hocking Valley Bank to purchase 20 Garfield, Athens Oh. Total borrowed was \$155,000 with a term of 15 years at 4.25% interest rate.	150,372
Loan payable to Ohio Department of Development Disabilities to purchase and rehab five homes for displacement of Echoing Meadows Tenants. Total borrowed on March 11, 2016 was \$740,712 with a term of 15 years at 0% interest rate.	740,712
Loan payable to Ohio Department of Development Disabilities to purchase and rehab 20 Garfield for Autism tenants. Total borrowed on June 21, 2016 was \$148,392 with a term of 15 years at 0% interest rate.	148,392
Loan payable to Athens County 317 Board to purchase and rehab property located at 9 & 11 Blueline. Total borrowed on April 6, 2016 was \$63,467. There is no payment due as long as the property is used for rental of developmental disability clients.	63,467
Loan payable to the City of Athens for home repairs at various locations. Total borrowed was \$88,634 with term of 2 years at 0% interest rate. Repayment is only if properties rehab are sold within 2 years.	88,634
Loan payable to the City of Athens for rehab of property located at 20 Garfield. Total borrowed was \$36,450 with term of 10 years at 0% interest rate. Repayment is only if property rehab is sold within 10 years.	36,450
Note payable to Ohio Department of Mental Health and Ohio Housing Finance to purchase and rehab property identified as Blueline.	672,004
Note payable to Athens County board of Developmental Disabilities executed on May 2, 2017 for purchase two properties located at 22 Ball Drive, Athens and 42 S Plains Drive, Plains. The mortgage amounts were \$53,885 for each property. There is no payment due as long as the Authority remains in compliance with the term of the agreement for 180 consecutive months.	107,770
On March 3, 2017, the authority entered into 4 loans with Hocking Valley	956,087

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Bank for the purchase or rehab of various properties. The property and term of the loans are as follows:

PROPERTY	LOAN AMOUNT	DATE	MATURITY	INTEREST RATE
22 Ball Drive	\$104,737	03/03/17	03/03/18	4.57%
16-22 N Plains	\$217,530	03/03/17	03/03/47	4.70%
64-66 N Plains	\$ 93,108	03/03/17	03/03/47	4.70%
32 Charles	\$540,712	02/28/17	Open ended	4.00%

Total Debt

\$4,455,312

The following is a summary of changes in long-term liabilities for the year ended December 31, 2017:

Description	Restated			Balance 12/31/17	Due Within One Year
	Balance 12/31/16	Issued	Retired		
Loan Payable	\$ 3,477,400	\$ 1,063,857	\$ 85,945	\$ 4,455,312	\$ 173,880
Compensated Absences	80,541	69,706	72,105	78,142	46,921
Other - FSS Escrow	7,407	9,515	9,504	7,418	-
Net Pension Liability	661,845	194,939	-	856,784	-
Total	<u>\$ 4,227,193</u>	<u>\$ 1,338,017</u>	<u>\$ 167,554</u>	<u>\$ 5,397,656</u>	<u>\$ 220,801</u>

Loan maturity is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$173,880	\$20,275	\$194,155
2019	177,065	17,089	194,154
2020	91,999	13,522	105,521
2021	212,499	3,295	215,794
2022	27,286	60	27,346
2023-2027	61,811	0	61,811
2028-2032	132,770	0	132,770
2033-2037	25,000	0	25,000
2038-2042	25,000	0	25,000
2043-2047	706,671	0	706,671
2048-2052	2,821,331	0	2,821,331
Total	<u>\$4,455,312</u>	<u>\$54,241</u>	<u>\$4,509,553</u>

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 10: NON-CURRENT LIABILITIES

The balance of non-current liabilities - other at December 31, 2017 consists of the following:

- FSS escrow funds relating to the Housing Choice Voucher program \$7,418.

NOTE 11: ECONOMIC DEPENDENCY

Both the PHA Low Rent Public Housing Program and the Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

**ATHENS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
Low Rent Public Housing Program	14.850	\$359,860
Housing Choice Voucher Program	14.871	4,003,823
Capital Fund Program	14.872	32,723
PIH Family Self-Sufficiency Program	14.896	41,276
Shelter plus Care Program	14.238	<u>288,930</u>
Total U.S. Department of Housing and Urban Development		<u>4,726,612</u>
Total Federal Awards		<u><u>\$4,726,612</u></u>

**ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 30, 2017**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended December 31, 2017.

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

The Authority received no federal awards of non-monetary assistance that are required to be disclosed for the year ended December 31, 2017.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended December 31, 2017.

ATHENS METROPOLITAN HOUSING AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF PENSION LIABILITY
 FISCAL YEARS AVAILABLE

	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability				
- Traditional Plan	0.003773%	0.003821%	0.003717%	0.003717%
Authority's Proportionate Share of the Net Pension Liability/(Asset)				
- Traditional Plan	\$856,784	\$661,845	\$448,312	\$438,186
Authority's Covered-Employee Payroll	\$487,507	\$487,726	\$476,417	\$450,713
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	175.75%	135.70%	94.10%	97.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Assets)				
- Traditional Plan	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.

(2) The amounts presented for each fiscal year were determined as of the calendar year-ended that occurred within the fiscal year.

Athen Metropolitan Housing Authority
Required Supplementary Information
Schedule of Athens Metropolitan Housing Authority's
PERS Schedule of Ten Year Contributions
For the Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually Required Contribution	\$63,376	\$58,531	\$57,170	\$54,987	\$60,131	\$39,438	\$48,696	\$12,472	\$32,155	\$30,684
Contributions in Relation to the Contractually Required Contribution	\$63,376	\$58,531	\$57,170	\$54,987	\$60,131	\$39,438	\$48,696	\$12,472	\$32,155	\$30,684
Authoirty's Covered-Employee Payroll	\$487,507	\$487,726	\$476,417	\$450,713	\$459,015	\$386,647	\$477,412	\$138,578	\$387,410	\$432,169
Contributions as a Percentage of Covered-Employee Payroll	13.00%	12.00%	12.00%	12.20%	13.10%	10.20%	10.20%	9.00%	8.30%	7.10%

Athens Metropolitan Housing Authority
Financial Data Schedule
Fiscal Year Ending December 31, 2017

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$69,540	\$0	\$41,093	\$0	\$21,926	\$132,559	\$0	\$132,559
113 Cash - Other Restricted	\$0	\$0	\$90,808	\$0	\$0	\$90,808	\$0	\$90,808
114 Cash - Tenant Security Deposits	\$19,313	\$0	\$0	\$0	\$0	\$19,313	\$0	\$19,313
100 Total Cash	\$88,853	\$0	\$131,901	\$0	\$21,926	\$242,680	\$0	\$242,680
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$60,000	\$60,000	\$0	\$60,000
126 Accounts Receivable - Tenants	\$1,308	\$0	\$0	\$0	\$600	\$1,908	\$0	\$1,908
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,308	\$0	\$0	\$0	\$60,600	\$61,908	\$0	\$61,908
142 Prepaid Expenses and Other Assets	\$18,932	\$0	\$6,005	\$0	\$21,163	\$46,100	\$0	\$46,100
144 Inter Program Due From	\$45,500	\$0	\$0	\$0	\$0	\$45,500	(\$45,500)	\$0
150 Total Current Assets	\$154,593	\$0	\$137,906	\$0	\$103,689	\$396,188	(\$45,500)	\$350,688
161 Land	\$696,850	\$0	\$0	\$0	\$596,128	\$1,292,978	\$0	\$1,292,978
162 Buildings	\$6,280,993	\$0	\$0	\$0	\$5,062,474	\$11,343,467	\$0	\$11,343,467
163 Furniture, Equipment & Machinery - Dwellings	\$334,431	\$0	\$0	\$0	\$0	\$334,431	\$0	\$334,431
164 Furniture, Equipment & Machinery - Administration	\$55,323	\$0	\$128,651	\$0	\$70,818	\$254,792	\$0	\$254,792
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$86,685	\$86,685	\$0	\$86,685
166 Accumulated Depreciation	(\$4,651,602)	\$0	(\$116,009)	\$0	(\$1,131,561)	(\$5,899,172)	\$0	(\$5,899,172)
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,715,995	\$0	\$12,642	\$0	\$4,684,544	\$7,413,181	\$0	\$7,413,181
180 Total Non-Current Assets	\$2,715,995	\$0	\$12,642	\$0	\$4,684,544	\$7,413,181	\$0	\$7,413,181
200 Deferred Outflow of Resources	\$68,428	\$0	\$164,083	\$0	\$114,938	\$347,449	\$0	\$347,449

Athens Metropolitan Housing Authority
Financial Data Schedule
Fiscal Year Ending December 31, 2017

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	\$2,939,016	\$0	\$314,631	\$0	\$4,903,171	\$8,156,818	(\$45,500)	\$8,111,318
312 Accounts Payable <= 90 Days	\$11,782	\$0	\$8,328	\$0	\$5,843	\$25,953	\$0	\$25,953
321 Accrued Wage/Payroll Taxes Payable	\$2,909	\$0	\$10,133	\$0	\$3,287	\$16,329	\$0	\$16,329
322 Accrued Compensated Absences - Current Portion	\$4,788	\$0	\$27,613	\$0	\$14,520	\$46,921	\$0	\$46,921
333 Accounts Payable - Other Government	\$4,245	\$0	\$0	\$0	\$0	\$4,245	\$0	\$4,245
341 Tenant Security Deposits	\$19,313	\$0	\$0	\$0	\$29,625	\$48,938	\$0	\$48,938
342 Unearned Revenue	\$88	\$0	\$0	\$0	\$870	\$958	\$0	\$958
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$173,880	\$173,880	\$0	\$173,880
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$45,500	\$45,500	(\$45,500)	\$0
310 Total Current Liabilities	\$43,125	\$0	\$46,074	\$0	\$273,525	\$362,724	(\$45,500)	\$317,224
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$4,281,432	\$4,281,432	\$0	\$4,281,432
353 Non-current Liabilities - Other	\$0	\$0	\$7,418	\$0	\$0	\$7,418	\$0	\$7,418
354 Accrued Compensated Absences - Non Current	\$6,088	\$0	\$16,245	\$0	\$8,888	\$31,221	\$0	\$31,221
357 Accrued Pension and OPEB Liabilities	\$168,906	\$0	\$402,690	\$0	\$285,188	\$856,784	\$0	\$856,784
350 Total Non-Current Liabilities	\$174,994	\$0	\$426,353	\$0	\$4,575,508	\$5,176,855	\$0	\$5,176,855
300 Total Liabilities	\$218,119	\$0	\$472,427	\$0	\$4,849,033	\$5,539,579	(\$45,500)	\$5,494,079
400 Deferred Inflow of Resources	\$4,702	\$0	\$11,963	\$0	\$7,470	\$24,135	\$0	\$24,135
508.4 Net Investment in Capital Assets	\$2,715,995	\$0	\$12,642	\$0	\$229,232	\$2,957,869	\$0	\$2,957,869
511.4 Restricted Net Position	\$0	\$0	\$83,390	\$0	\$0	\$83,390	\$0	\$83,390
512.4 Unrestricted Net Position	\$200	\$0	(\$265,791)	\$0	(\$182,564)	(\$448,155)	\$0	(\$448,155)

Athens Metropolitan Housing Authority
Financial Data Schedule
Fiscal Year Ending December 31, 2017

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	ELIM	Total
513 Total Equity - Net Assets / Position	\$2,716,195	\$0	(\$169,759)	\$0	\$46,668	\$2,593,104	\$0	\$2,593,104
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,939,016	\$0	\$314,631	\$0	\$4,903,171	\$8,156,818	(\$45,500)	\$8,111,318
70300 Net Tenant Rental Revenue	\$167,895	\$0	\$0	\$0	\$508,588	\$676,483	\$0	\$676,483
70400 Tenant Revenue - Other	\$9,147	\$0	\$0	\$0	\$9,399	\$18,546	\$0	\$18,546
70500 Total Tenant Revenue	\$177,042	\$0	\$0	\$0	\$517,987	\$695,029	\$0	\$695,029
70600 HUD PHA Operating Grants	\$392,583	\$41,276	\$4,003,823	\$288,930	\$0	\$4,726,612	\$0	\$4,726,612
71100 Investment Income - Unrestricted	\$83	\$0	\$145	\$0	\$103	\$331	\$0	\$331
71400 Fraud Recovery	\$0	\$0	\$12,754	\$0	\$0	\$12,754	\$0	\$12,754
71500 Other Revenue	\$10,900	\$0	\$1,091	\$0	\$41,449	\$53,440	\$0	\$53,440
70000 Total Revenue	\$580,608	\$41,276	\$4,017,813	\$288,930	\$559,539	\$5,488,166	\$0	\$5,488,166
91100 Administrative Salaries	\$28,747	\$0	\$266,500	\$14,000	\$91,312	\$400,559	\$0	\$400,559
91200 Auditing Fees	\$943	\$0	\$9,589	\$0	\$901	\$11,433	\$0	\$11,433
91400 Advertising and Marketing	\$282	\$0	\$116	\$0	\$201	\$599	\$0	\$599
91500 Employee Benefit contributions - Administrative	\$29,094	\$0	\$172,389	\$6,457	\$40,492	\$248,432	\$0	\$248,432
91600 Office Expenses	\$3,081	\$0	\$20,864	\$0	\$3,199	\$27,144	\$0	\$27,144
91700 Legal Expense	\$12,951	\$0	\$5,229	\$0	\$7,043	\$25,223	\$0	\$25,223
91800 Travel	\$224	\$0	\$308	\$0	\$118	\$650	\$0	\$650
91900 Other	\$29,410	\$0	\$53,413	\$0	\$31,111	\$113,934	\$0	\$113,934
91000 Total Operating - Administrative	\$104,732	\$0	\$528,408	\$20,457	\$174,377	\$827,974	\$0	\$827,974
92100 Tenant Services - Salaries	\$0	\$41,276	\$0	\$0	\$0	\$41,276	\$0	\$41,276

Athens Metropolitan Housing Authority
Financial Data Schedule
Fiscal Year Ending December 31, 2017

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	ELIM	Total
92500 Total Tenant Services	\$0	\$41,276	\$0	\$0	\$0	\$41,276	\$0	\$41,276
93100 Water	\$10,282	\$0	\$2,568	\$0	\$11,244	\$24,094	\$0	\$24,094
93200 Electricity	\$104,651	\$0	\$15,555	\$0	\$35,483	\$155,689	\$0	\$155,689
93300 Gas	\$28,164	\$0	\$509	\$0	\$6,675	\$35,348	\$0	\$35,348
93600 Sewer	\$11,850	\$0	\$2,064	\$0	\$15,826	\$29,740	\$0	\$29,740
93000 Total Utilities	\$154,947	\$0	\$20,696	\$0	\$69,228	\$244,871	\$0	\$244,871
94100 Ordinary Maintenance and Operations - Labor	\$73,224	\$0	\$0	\$0	\$47,885	\$121,109	\$0	\$121,109
94200 Ordinary Maintenance and Operations - Materials and Other	\$66,958	\$0	\$6,773	\$0	\$45,254	\$118,985	\$0	\$118,985
94300 Ordinary Maintenance and Operations Contracts	\$104,038	\$0	\$6,450	\$0	\$58,932	\$169,420	\$0	\$169,420
94500 Employee Benefit Contributions - Ordinary Maintenance	\$73,798	\$0	\$0	\$0	\$11,955	\$85,753	\$0	\$85,753
94000 Total Maintenance	\$318,018	\$0	\$13,223	\$0	\$164,026	\$495,267	\$0	\$495,267
96110 Property Insurance	\$31,061	\$0	\$0	\$0	\$8,718	\$39,779	\$0	\$39,779
96120 Liability Insurance	\$0	\$0	\$10,730	\$0	\$0	\$10,730	\$0	\$10,730
96100 Total insurance Premiums	\$31,061	\$0	\$10,730	\$0	\$8,718	\$50,509	\$0	\$50,509
96300 Payments in Lieu of Taxes	\$4,245	\$0	\$0	\$0	\$0	\$4,245	\$0	\$4,245
96400 Bad debt - Tenant Rents	\$972	\$0	\$0	\$0	\$0	\$972	\$0	\$972
96000 Total Other General Expenses	\$5,217	\$0	\$0	\$0	\$0	\$5,217	\$0	\$5,217
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$53,589	\$53,589	\$0	\$53,589
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$53,589	\$53,589	\$0	\$53,589

Athens Metropolitan Housing Authority
Financial Data Schedule
Fiscal Year Ending December 31, 2017

	Project Total	14.896 PIH Family Self- Sufficiency Program	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	ELIM	Total
96900 Total Operating Expenses	\$613,975	\$41,276	\$573,057	\$20,457	\$469,938	\$1,718,703	\$0	\$1,718,703
97000 Excess of Operating Revenue over Operating Expenses	(\$33,367)	\$0	\$3,444,756	\$268,473	\$89,601	\$3,769,463	\$0	\$3,769,463
97300 Housing Assistance Payments	\$0	\$0	\$3,467,912	\$268,473	\$0	\$3,736,385	\$0	\$3,736,385
97350 HAP Portability-In	\$0	\$0	\$880	\$0	\$0	\$880	\$0	\$880
97400 Depreciation Expense	\$214,659	\$0	\$10,038	\$0	\$182,599	\$407,296	\$0	\$407,296
90000 Total Expenses	\$828,634	\$41,276	\$4,051,887	\$288,930	\$652,537	\$5,863,264	\$0	\$5,863,264
10010 Operating Transfer In	\$22,497	\$0	\$0	\$0	\$0	\$22,497	(\$22,497)	\$0
10020 Operating transfer Out	(\$22,497)	\$0	\$0	\$0	\$0	(\$22,497)	\$22,497	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$248,026)	\$0	(\$34,074)	\$0	(\$92,998)	(\$375,098)	\$0	(\$375,098)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$173,880	\$173,880	\$0	\$173,880
11030 Beginning Equity	\$2,964,221	\$0	(\$135,685)	\$0	\$139,666	\$2,968,202	\$0	\$2,968,202
11170 Administrative Fee Equity	\$0	\$0	(\$253,149)	\$0	\$0	(\$253,149)	\$0	(\$253,149)
11180 Housing Assistance Payments Equity	\$0	\$0	\$83,390	\$0	\$0	\$83,390	\$0	\$83,390
11190 Unit Months Available	852	0	9,996	504	936	12,288	0	12,288
11210 Number of Unit Months Leased	844	0	9,684	504	926	11,958	0	11,958



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**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**

Board of Commissioners
Athens Metropolitan Housing Authority

I have audited, in accordance with the 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 the Athens Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Athens Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated July 31, 2018.

Internal Control over Financial Reporting

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

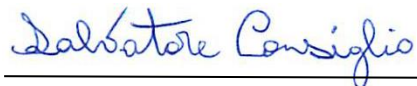
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Athens Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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 performed 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.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
July 31, 2018



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

Board of Commissioners
Athens Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

I have audited Athens Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Athens Metropolitan Housing Authority's major federal program for the year ended December 31, 2017. 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 programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for the Athens Metropolitan Housing Authority's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my 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 requirement 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 I 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 I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In my opinion, Athens Metropolitan Housing 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 programs for the year ended December 31, 2017.

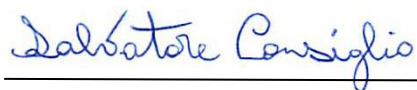
Report on Internal Control over Compliance

Management of the Athens Metropolitan Housing 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 my audit of compliance, I 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 an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
July 31, 2018

Athens Metropolitan Housing Authority
 Schedule of Findings
 2 CFR § 200.515
 December 31, 2017

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unmodified
Were there any material weakness reported at the financial statement level (GAGAS)?	No
Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
Was there any reported non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant internal control deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unmodified
Are there any reportable findings under 2 CFR § 200.516(a)?	No
Major Programs (list):	CFDA # 14.871 Housing Choice Voucher Program
Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All Others
Low Risk Auditee under 2 CFR § 200.520?	Yes

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

There are no findings or questioned costs for the year ended December 31, 2017.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no findings or questioned costs for the year ended December 31, 2017.

Athens Metropolitan Housing Authority
Summary Schedule of Prior Audit Findings
2 CFR 200.511(b)
December 31, 2017

There are no findings or questioned costs for the year ended December 31, 2016.

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Dave Yost • Auditor of State

ATHENS METROPOLITAN HOUSING AUTHORITY

ATHENS 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
OCTOBER 9, 2018**