

**WARREN METROPOLITAN  
HOUSING AUTHORITY**

**BASIC FINANCIAL STATEMENTS  
AND SINGLE AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2017**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

Board of Trustees  
Warren Metropolitan Housing Authority  
990 East Ridge Drive  
Lebanon, Ohio 45036-1678

We have reviewed the *Independent Auditor's Report* of the Warren Metropolitan Housing Authority, Warren County, prepared by James G. Zupka, 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 Warren 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

July 9, 2018

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**WARREN METROPOLITAN HOUSING AUTHORITY**  
**BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board  
Warren Metropolitan Housing Authority  
Lebanon, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Warren Metropolitan Housing Authority, Ohio, (the Authority) 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***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Warren Metropolitan Housing Authority as of December 31, 2017, and the changes in financial position and cash flows thereof 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 Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures 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 also not a required part of the basic financial statements.

The Financial Data Schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling 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 our opinion, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards 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*, we have also issued our report dated June 8, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James G. Zupka, CPA, Inc.".

James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 8, 2018

**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

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As management of the Warren Metropolitan Housing Authority (“the Authority”), we offer this narrative and analysis of the financial activities of the Authority for the year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements.

**FINANCIAL HIGHLIGHTS**

- The Authority’s assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources as of December 31, 2017 by \$9,885,627 (net position).
- The Authority’s cash balance at December 31, 2017 was \$2,135,853, representing a decrease of \$381,608 from the prior year.
- The Authority had revenues of \$6,787,905 in HUD Operating grants and \$6,638 of HUD Capital grants for the year ended December 31, 2017.
- The Authority’s total revenues were \$7,880,803 as of December 31, 2017, representing a decrease of \$562,777. Total expenses were \$8,641,018 representing an increase of \$202,466.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The following statements are included within this report:

- Statement of Net Position - reports the Authority’s current financial resources (short term expendable resources) with capital assets and long-term debt obligations.
- Statement of Revenue, Expenses, and Change in Net Position - reports the Authority’s operating and non-operating revenues, by major sources, along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows - reports net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

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**THE AUTHORITY’S PROGRAMS**

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income.

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 Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants’ rent at 30 percent of household income.

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

Continuum of Care Program (CoC) - “The Hearth Act” amended the McKinney Vento Homeless act and consolidated the Authority’s Supportive Housing and Shelter Plus Care programs under the Continuum of Care Program. The CoC is designed to promote community-wide commitment to the goal of ending homelessness; providing funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

State Program - Region 14 - The State Program is a pass-through program administered by the Authority for the State of Ohio. The annual funding represents the Ohio’s Homeless Crisis Response program that provides homelessness prevention and rapid re-housing assistance to individuals, families, and individuals who are below 30 percent median income and imminently at risk of homelessness in Butler, Warren, and Clermont Counties (Region 14). The key partners in providing this pass-through assistance are Access Counseling, Family Resource Center, Clermont Community Services, Greater Cincinnati and Interfaith Hospitality Network.

**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

**THE AUTHORITY'S STATEMENTS**

**Statement of Net Position**

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

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

	<u>2017</u>	<u>2016</u>
<b><u>Assets and Deferred Outflows</u></b>		
Current and Other Assets	\$ 2,163,253	\$ 2,805,579
Current Assets and Other Assets - Restricted	175,611	435,443
Capital Assets - Net	8,539,225	9,059,304
Deferred Outflows of Resources	<u>489,897</u>	<u>396,041</u>
<b>Total Assets and Deferred Outflows</b>	<b><u>\$11,367,986</u></b>	<b><u>\$12,696,367</u></b>
<b><u>Liabilities and Deferred Inflows</u></b>		
Current Liabilities	\$ 186,480	\$ 634,552
Noncurrent Liabilities	1,242,706	1,019,813
Deferred Inflows of Resources	<u>53,173</u>	<u>396,160</u>
<b>Total Liabilities and Deferred Inflows</b>	<b><u>1,482,359</u></b>	<b><u>2,050,525</u></b>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	8,539,225	9,059,304
Restricted - HAP	128,553	27,338
Unrestricted	<u>1,217,849</u>	<u>1,559,200</u>
<b>Total Net Position</b>	<b><u>9,885,627</u></b>	<b><u>10,645,842</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b><u>\$11,367,986</u></b>	<b><u>\$12,696,367</u></b>

For more detail information, see Statement of Net Position presented on page 12.

**MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION**

Total Cash of the Authority decreased by \$381,608 mainly due to the payment of previously accrued liabilities related to construction costs for the Capital Fund Program.

Current Assets (not including cash) of the Authority showed a decrease of \$520,079 from 2016 to 2017. The main reason for the decrease in current assets is Accounts Receivables from HUD.

Current Liabilities decreased by \$448,072 due to the payment of previously accrued liabilities related to construction costs.

**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

**Statement of Revenues, Expenses, and Changes in Net Position**

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

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

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
<b><u>Revenues</u></b>			
Total Tenant Revenues	\$ 397,072	\$ 381,344	\$ 15,728
Operating Subsidies and Grants - HUD	6,787,905	6,803,759	(15,854)
Capital Grants - HUD	6,638	576,291	(569,653)
Other Government Grants - State	608,716	632,500	(23,784)
Investment Income	3,584	2,920	664
Gain on Sale of Capital Assets	17,691	860	16,831
Other Revenues	<u>59,197</u>	<u>45,906</u>	<u>13,291</u>
<b>Total Revenues</b>	<u>7,880,803</u>	<u>8,443,580</u>	<u>(562,777)</u>
<b><u>Expenses</u></b>			
Administrative	988,306	963,724	24,582
Tenant Services	700,149	742,029	(41,880)
Utilities	90,691	78,882	11,809
Maintenance	529,292	497,418	31,874
General Expenses	390,506	325,267	65,239
Housing Assistance Payments	5,291,558	5,162,702	128,856
Depreciation	<u>650,516</u>	<u>668,530</u>	<u>(18,014)</u>
<b>Total Expenses</b>	<u>8,641,018</u>	<u>8,438,552</u>	<u>202,466</u>
Net Increase (Decrease)	<u>(760,215)</u>	<u>5,028</u>	<u>(765,243)</u>
Beginning Net Position	<u>10,645,842</u>	<u>10,640,814</u>	
Ending Net Position	<u>\$ 9,885,627</u>	<u>\$10,645,842</u>	

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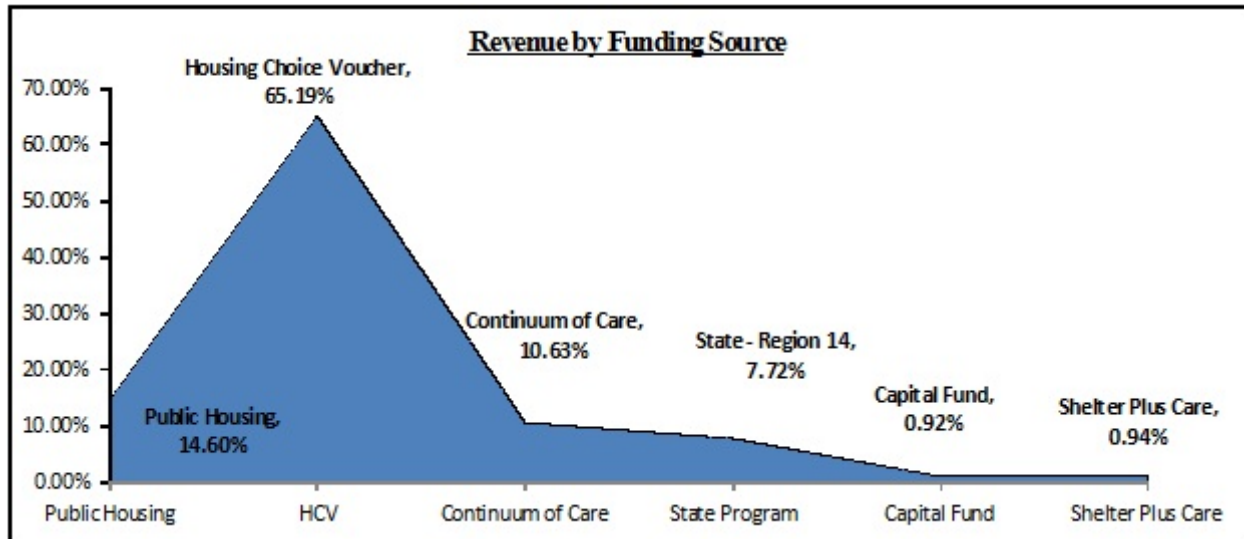
**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

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

The major factor reducing the overall revenue was a decrease in Capital Grants by \$569,653. Tenant revenues increased slightly. Gain on Sale of Capital assets increased by \$16,831 in 2017 due to the sale of several agency vehicles.

The overall increase in expenses can be primarily attributed to the rise in per unit costs for housing assistance payments for the Housing Choice Voucher and Supportive Housing Programs. There was a decrease in spending in Tenant services due to the reduction of funding for the State - Region 14 Program.

The table below shows percentage of total revenue by funding sources.

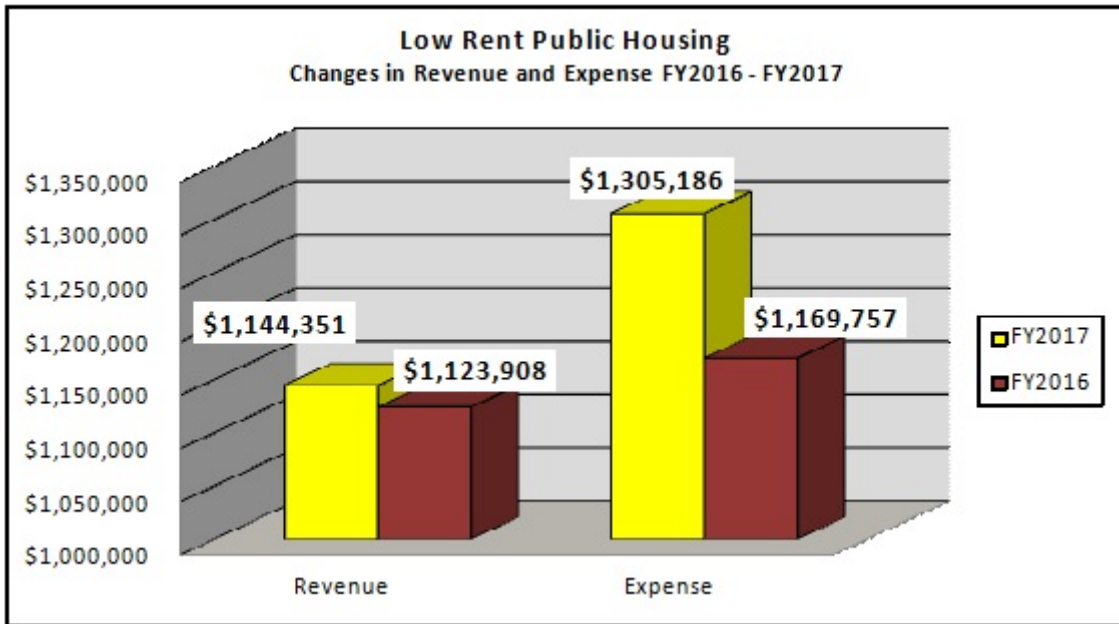


**FINANCIAL OVERVIEW BY PROGRAM**

**Low Rent Public Housing**

The table on the next page shows how the revenue and expenses have changed between the fiscal year ended 2016 and 2017 for the Low Rent Public Housing Program. Total revenue for fiscal year ended 2017 increased from fiscal year ended 2016 revenue by 2 percent which is due to the proration of Operating Subsidy in 2017 and increased tenant revenues. The increase in fiscal year ended 2017 total operating expenses from fiscal year ended 2016 operating expenses of 12 percent is attributed to additional spending on maintenance and protective services.

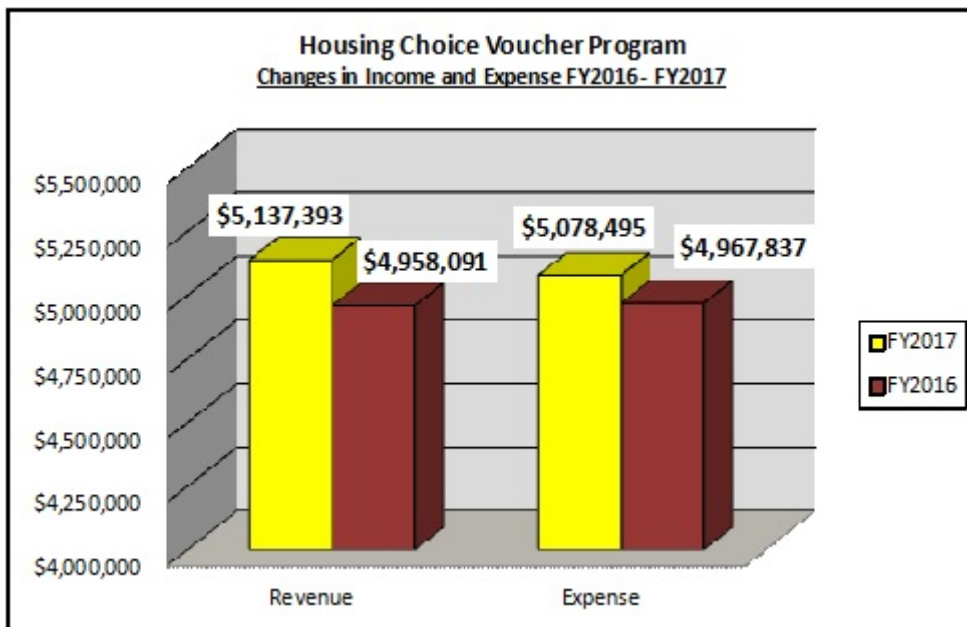
**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**



Note: The above table does not include depreciation.

**Housing Choice Voucher Programs:**

The following chart illustrates the Housing Choice Voucher Program changes in revenue and expenses for the years 2016 to 2017. Revenue and expenses increased in fiscal year ended 2017 for the HCV program due to rise in per unit costs for housing assistance payments.

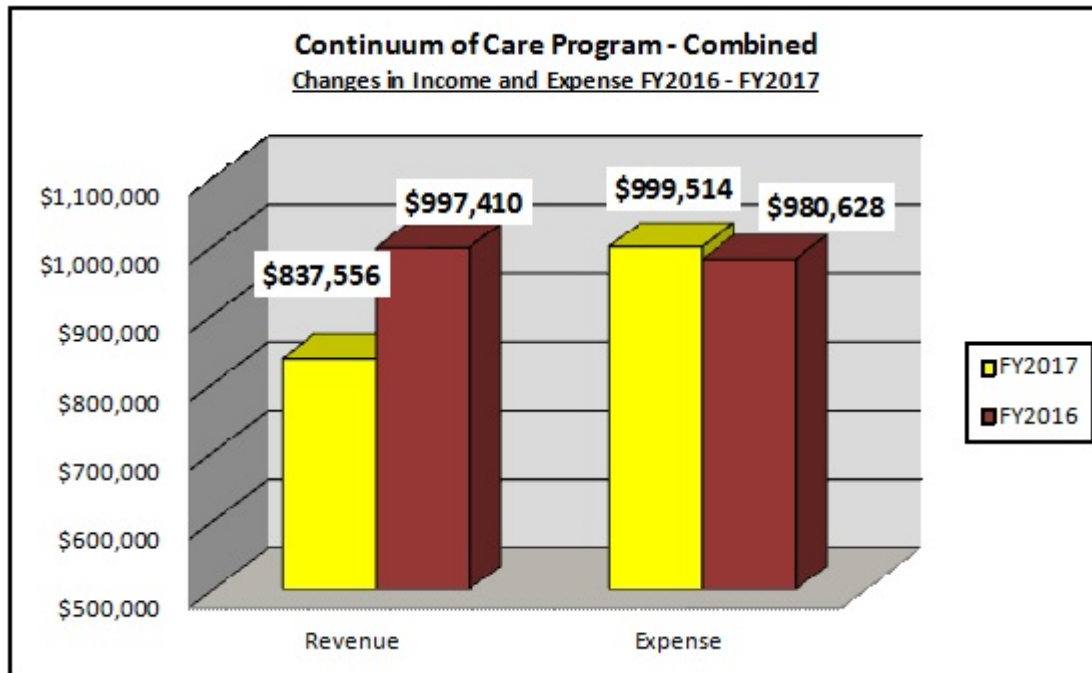


Note: The above table does not include depreciation.

**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

**Continuum of Care Program:**

The following chart illustrates the Continuum of Care Program (previously reported separately as the Supportive Housing and Shelter Plus Care Programs) changes in income and expenses for the fiscal year ended 2016 and 2017. The total revenue for fiscal year ended 2017 decreased from fiscal year ended 2016 revenue by 16 percent which is due to a reduction in operating subsidies available. The increase in fiscal year ended 2017 total operating expenses from fiscal year ended 2016 operating expenses is mainly attributed to rise in per unit costs for housing assistance payments.



Note: The above table does not include depreciation.

**Capital Assets**

The following table summarizes the changes in capital assets between December 31, 2016 and 2017:

**Table 3 - Condensed Statement of Changes in Capital Assets**

	2017	2016	Net Change
Land	\$ 1,638,445	\$ 1,638,445	\$ 0
Buildings	18,987,732	18,945,363	42,369
Equipment	1,766,659	1,769,185	(2,526)
Leasehold Improvements	10,731	10,731	0
Accumulated Depreciation	(13,864,342)	(13,304,420)	(559,922)
<b>Total</b>	<b>\$ 8,539,225</b>	<b>\$ 9,059,304</b>	<b>\$ (520,079)</b>



**WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)**

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**Debt**

The Authority had no debt at December 31, 2017.

**Economic Factors**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the U.S. 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**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. The individual to be contacted regarding this report is Jacqueline Adkins, Executive Director of the Warren Metropolitan Housing Authority. Specific requests may be submitted to the Warren Metropolitan Housing Authority at 990 East Ridge Drive, Lebanon, Ohio 45036-1678.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

**ASSETS**

Current Assets

Cash and Cash Equivalents	\$ 1,960,242
Restricted Cash and Cash Equivalents	175,611
Receivables, Net	153,839
Prepaid Expenses and Other Assets	35,734
<b>Total Current Assets</b>	<u>2,325,426</u>

Noncurrent Assets

<u>Capital Assets:</u>	
Non-Depreciable Capital Assets	1,638,445
Depreciable Capital Assets, Net	6,900,780
<b>Total Noncurrent Assets</b>	<u>8,539,225</u>

Other Non-Current Assets	<u>13,438</u>
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<b>Deferred Outflow of Resources</b>	<u>489,897</u>
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<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<u><u>\$ 11,367,986</u></u>
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**LIABILITIES**

Current Liabilities

Accounts Payable	\$ 47,778
Accrued Liabilities	79,012
Intergovernmental Payables	26,007
Tenant Security Deposits	26,445
Unearned Revenue	7,238
<b>Total Current Liabilities</b>	<u>186,480</u>

Noncurrent Liabilities

Accrued Compensated Absences Non-Current	42,450
Other Non-Current Liabilities	4,664
Net Pension Liability	1,195,592
<b>Total Noncurrent Liabilities</b>	<u>1,242,706</u>
<b>Total Liabilities</b>	<u>1,429,186</u>

<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>53,173</u>
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**Net Position**

Net Investment in Capital Assets	8,539,225
Restricted	128,553
Unrestricted	1,217,849
<b>Total Net Position</b>	<u>9,885,627</u>

<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<u><u>\$ 11,367,986</u></u>
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The accompanying notes to the basic financial statements are an integral part of these statements.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**Operating Revenues**

Tenant Revenues	\$ 397,072
Government Operating Grants and Subsidies	7,396,621
Other Revenues	<u>59,197</u>
<b>Total Operating Revenues</b>	<b><u>7,852,890</u></b>

**Operating Expenses**

Administrative	988,306
Tenant Services	700,149
Utilities	90,691
Maintenance	529,292
General	390,506
Housing Assistance Payments	5,291,558
Depreciation	<u>650,516</u>
<b>Total Operating Expenses</b>	<b><u>8,641,018</u></b>
Operating Income (Loss)	<u>(788,128)</u>

**Non-Operating Revenues**

Interest and Investment Revenue	3,584
Gain on Sale of Capital Assets	17,691
Capital Grants	<u>6,638</u>
<b>Total Non-Operating Revenues</b>	<b><u>27,913</u></b>

Change in Net Position	(760,215)
Total Net Position at Beginning of Year	<u>10,645,842</u>
<b>Total Net Position at End of Year</b>	<b><u>\$ 9,885,627</u></b>

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

<b><u>Cash Flows from Operating Activities</u></b>	
Operating Grants Received	\$ 7,876,038
Tenant Revenue Received	403,845
Other Revenue Received	59,197
Other Operating Expenses	(3,326,606)
Housing Assistance Payments	<u>(5,291,558)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(279,084)</u></b>
 <b><u>Cash Flows from Investing Activities</u></b>	
Interest Income	<u>3,584</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>3,584</u></b>
 <b><u>Cash Flows from Capital and Related Activities</u></b>	
Cash from Asset Sale	17,691
Capital Grant Funds Received	6,638
Property and Equipment Purchased	<u>(130,437)</u>
<b>Net Cash Provided (Used) by Capital and Related Activities</b>	<b><u>(106,108)</u></b>
 Net Increase (Decrease) in Cash	 (381,608)
 Cash and Cash Equivalents at Beginning of Year	 <u>2,517,461</u>
 <b>Cash and Cash Equivalents at End of Year</b>	 <b><u>\$ 2,135,853</u></b>
 <b><u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u></b>	
Net Operating Income (Loss)	\$ (788,128)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	650,516
(Increase) Decrease in:	
Accounts Receivable	528,358
Prepaid Assets	171
Deferred Outflow of Resources	(101,835)
Increase (Decrease) in:	
Accounts Payable	(29,508)
Intergovernmental Payable	782
Accrued Compensated Absences	9,828
Accrued Expenses Payable	(378,162)
Unearned Revenue	(40,705)
Tenant Security Deposits	(1,463)
Non-Current Liabilities - Other	(813)
Net Pension Liability	214,862
Deferred Inflow of Resources	<u>(342,987)</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ (279,084)</u></b>

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Summary of Significant Accounting Policies**

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

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, (as amended by GASB Statement No. 61) 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.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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

**Reporting Entity** (Continued)

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 of the Authority over which the Authority is financially accountable.

**Basis of Presentation**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the changes in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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

**Fund Accounting**

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

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

**Proprietary Fund Types**

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

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

**Description of Programs**

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

A. Public Housing Program

The public housing program is designed to provide low-cost housing within Warren 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.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
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NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Description of Programs** (Continued)

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. Continuum of Care Program

“The Hearth Act” amended the McKinney Vento Homeless act and consolidated the Authority’s Supportive Housing and Shelter Plus Care programs under the Continuum of Care (CoC) program. The Continuum of Care (CoC) Program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families ; and optimize self-sufficiency among individuals and families experiencing homelessness.

F. State Program - Region 14

The State Program is a pass-through program administered by the Authority for the State of Ohio. The annual funding represents the Ohio’s Homeless Crisis Response program that provides homelessness prevention and rapid re-housing assistance to individuals, families, and individuals who are below 30 percent median income and imminently at risk of homelessness in Butler, Warren, and Clermont Counties (Region 14). The key partners in providing this pass-through assistance are Access Counseling, Clermont Community Services, Family Resource Center, Greater Cincinnati, and Interfaith Hospitality Network.

**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, and certificates of deposit regardless of original maturity.

**Investments**

The provisions of the HUD regulations restrict investments. Investments are valued at market value. Interest income earned in the fiscal year ending December 31, 2017 totaled \$3,584.



**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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

**Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond the year end, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

**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. Depreciation is computed using the straight line method over the following estimated useful lives:

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

**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 absence accrual amount.

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

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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

**Unearned Revenue**

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

**Net Position**

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

**Operating Revenues and Expenses**

Operating revenues 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.

Operating expenses are those expenses that are generated from the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, bad debt and housing assistance payments.

**Capital Grant**

This represents grants provided by HUD that the Authority spends on capital assets.

**Budgetary Accounting**

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. Budgets are submitted to the Department of Housing and Urban Development when applicable. Budgets are adopted by the Board of the Housing Authority.

**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.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 5.

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

**Pension**

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

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**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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NOTE 2: **DEPOSITS AND INVESTMENTS**

**Deposits**

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

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

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

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**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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**NOTE 2: DEPOSITS AND INVESTMENTS**

At fiscal year end, December 31, 2017, the carrying amount of the Authority's deposits totaled \$2,135,853, and its bank balance was \$2,166,456. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2017, \$1,916,456 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Deposit Insurance Corporation.

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

**NOTE 3: RESTRICTED CASH**

The restricted cash balance of \$175,611 on the financial statements represents the following:

Cash on hand for Housing Assistance Payments	\$ 128,553
Cash Restricted for HAP expense accrued at December 31, 2017	15,949
FSS Escrow Cash Accounts	4,664
Tenant Security deposits in the Low Rent Public Housing Program	<u>26,445</u>
<b>Total Restricted Cash</b>	<b><u>\$ 175,611</u></b>

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**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 4: CAPITAL ASSETS**

The following is a summary of changes:

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
<b><i>Capital Assets Not Being Depreciated:</i></b>				
Land	\$ 1,638,445	\$ 0	\$ 0	\$ 1,638,445
<b><i>Total Capital Assets Not Being Depreciated</i></b>	<u>1,638,445</u>	<u>0</u>	<u>0</u>	<u>1,638,445</u>
<b><i>Capital Assets Being Depreciated:</i></b>				
Buildings	18,945,363	42,369	0	18,987,732
Furniture, Machinery, and Equipment	1,116,782	17,662	0	1,134,444
- Dwelling	652,403	70,406	(90,594)	632,215
- Administrative	10,731	0	0	10,731
Leasehold Improvements	<u>10,731</u>	<u>0</u>	<u>0</u>	<u>10,731</u>
<b><i>Total Capital Assets Being Depreciated</i></b>	<u>20,725,279</u>	<u>130,437</u>	<u>(90,594)</u>	<u>20,765,122</u>
<b><i>Accumulated Depreciation:</i></b>				
Buildings	(12,392,123)	(562,626)	0	(12,954,749)
Furniture, Machinery, and Equipment	(908,444)	(87,175)	90,594	(905,025)
Leasehold Improvements	<u>(3,853)</u>	<u>(715)</u>	<u>0</u>	<u>(4,568)</u>
<b><i>Total Accumulated Depreciation</i></b>	<u>(13,304,420)</u>	<u>(650,516)</u>	<u>90,594</u>	<u>(13,864,342)</u>
<b><i>Total Capital Assets Being Depreciated, Net</i></b>	<u>7,420,859</u>	<u>(520,079)</u>	<u>0</u>	<u>6,900,780</u>
<b>Total Capital Assets, Net</b>	<u>\$ 9,059,304</u>	<u>\$ (520,079)</u>	<u>\$ 0</u>	<u>\$ 8,539,225</u>

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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NOTE 5: **DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability*

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

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

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

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

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

**NOTE 5: DEFINED BENEFIT PENSION PLANS (Continued)**

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan and combined plans; therefore, the following disclosure focuses on these two 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 <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>	<b>Age and Service Requirements:</b>
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
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35



**WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)**

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$101,193 for fiscal year ending December 31, 2017.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

*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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.005662%	0.011220%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.005265%</u>	<u>0.024144%</u>	
Change in Proportionate Share	<u>-0.000397%</u>	<u>0.012924%</u>	
<b>Proportionate Share of the Net Pension</b>			
Liability/(Asset)	\$ 1,195,592	\$ (13,438)	\$ 1,182,154
Pension Expense	\$ 253,827	\$ 9,708	\$ 263,535

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$178,050	\$3,278	\$181,328
Changes of assumptions	189,635	3,275	\$192,910
Differences between expected and actual experience	1,621	0	\$1,621
Changes in proportion and differences between Agency contributions and proportionate share of contributions	12,686	159	12,845
Agency contributions subsequent to the measurement date	88,915	12,278	101,193
<b>Total Deferred Outflows of Resources</b>	<b><u>\$470,907</u></b>	<b><u>\$18,990</u></b>	<b><u>\$489,897</u></b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$7,116	\$6,874	\$13,990
Changes in proportion and differences between Agency contributions and proportionate share of contributions	33,718	5,465	39,183
<b>Total Deferred Inflows of Resources</b>	<b><u>\$40,834</u></b>	<b><u>\$12,339</u></b>	<b><u>\$53,173</u></b>

\$101,193 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:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	Total
Year Ending December 31:			
2018	\$144,098	(\$13)	\$144,085
2019	140,370	(14)	140,356
2020	61,910	(156)	\$61,754
2021	(5,220)	(1,315)	(\$6,535)
2022	0	(1,194)	(1,194)
Thereafter	0	(2,935)	(2,935)
<b>Total</b>	<b><u>\$341,158</u></b>	<b><u>(\$5,627)</u></b>	<b><u>\$335,531</u></b>

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

*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 in accordance with the requirements of GASB 67. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3 .25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple Through 2018, then 2.15 percent simple
Investment Rate of Return	7 .5 percent
Actuarial Cost Method	In individual Entry Age

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

The total pension asset in the December 31, 2016, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Wage Inflation	3 .25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
Cola or AD Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple Through 2018, then 2.15 percent simple
Investment Rate of Return	7 .5 percent
Actuarial Cost Method	In individual Entry Age

Mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Health Annuitant Mortality tables were used, adjusted for mortality improvement back to observant period base of 2006 and the established the base year as 2015. For females, Health 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.

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

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

OPERS manages investments in four investment portfolios: the Defined Benefits 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 of July 1, 2016. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, 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.

Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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

*Actuarial Assumptions - OPERS* (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.75%
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%
<b>Total</b>	<b>100.00%</b>	<b>5.66%</b>

***Discount Rate:*** The discount rate used to measure the total pension liability was 7.5 percent post experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 investment was applied to all period of projected 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:

<u>Authority's proportionate share of the net pension liability (Asset)</u>	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Tradition Plan	\$ 1,826,534	\$ 1,195,592	\$ 669,813
Combined Plan	966	(13,438)	(24,627)
<b>Total</b>	<b>\$ 1,827,500</b>	<b>\$ 1,182,154</b>	<b>\$ 645,186</b>

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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NOTE 6: **POST-EMPLOYMENT BENEFITS**

A. **Plan Description**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 20 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. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

OPERS issues 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 614-222-5601 or 1-800-222-7377, or by visiting <https://www.opers.org/investments/cafr.shtml>.



**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

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NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Funding Policy**

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0 percent both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0 percent. The portion of actual authority contributions for the years ended December 31, 2017, 2016 and 2015 which were used by OPERS to fund post-employment benefits were \$7,784, \$15,492 and \$15,076, respectively.

NOTE 7: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During fiscal year ending December 31, 2017, the Authority maintained comprehensive insurance coverage with private carriers for health, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(CONTINUED)**

**NOTE 8: CONTINGENCIES**

**Grants**

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grants may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2017.

**Litigations and Claims**

In the normal course of operations the Authority may be subject to litigation and claims. At December 31, 2017 the Authority was not aware of any such matters.

**NOTE 9: PAYMENT IN LIEU OF TAXES**

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expenses recognized for payment in lieu of taxes for the year ended December 31, 2017 totaled \$26,007.

**NOTE 10: SUMMARY OF CHANGES IN LONG-TERM LIABILITIES**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
FSS Escrows	\$ 5,477	\$ 3,710	\$ (4,523)	\$ 4,664	\$ 0
Compensated Absences	37,339	46,553	(36,725)	47,167	4,717
Net Pension Liability	980,730	296,812	(81,950)	1,195,592	0
Total	<u>\$ 1,023,546</u>	<u>\$ 347,075</u>	<u>\$ (123,198)</u>	<u>\$ 1,247,423</u>	<u>\$ 4,717</u>

**NOTE 11: SUBSEQUENT EVENTS**

There were no subsequent events through the date of the financial statements. Any subsequent events after that date have not been evaluated.

**WARREN METROPOLITAN HOUSING AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF  
NET PENSION LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST FOUR FISCAL YEARS (1)**

<b>Traditional Plan</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension Liability	0.005265%	0.005662%	0.005366%	0.005366%
Authority's Proportionate Share of the Net Pension Liability	\$1,195,592	\$98,0730	\$647,200	\$632,581
Authority's Covered-Employee Payroll	\$598,917	\$707,233	\$653,675	\$603,985
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	199.63%	138.67%	99.01%	104.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's Proportion of the Net Pension (Asset)	0.024144%	0.011220%	0.011910%	0.011910%
Authority's Proportionate Share of the Net Pension (Asset)	(\$13,438)	(\$54,59)	(\$4,586)	(\$1,249)
Authority's Covered-Employee Payroll	\$82,700	\$408,42	\$41,625	\$38,777
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	16.25%	13.37%	11.02%	3.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	116.55%	116.90%	114.83%	104.33%

(1) - Information prior to 2014 is not available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

**WARREN METROPOLITAN HOUSING AUTHORITY  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST FIVE FISCAL YEARS (1)**

	2017	2016	2015	2014	2013
Contractually Required Contributions					
Traditional Plan	81,676	71,870	84,868	78,441	78,518
Combined Plan	11,278	9,924	4,901	4,995	5,041
Total Required Contributions	\$92,954	\$81,794	\$89,769	\$83,436	\$83,559
Contributions in Relation to the Contractually Required Contribution	(\$92,954)	(\$81,794)	(\$89,769)	(\$83,436)	(\$83,559)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0
<u>Authority's Covered-Employee Payroll</u>					
Traditional Plan	\$628,277	\$598,917	\$707,233	\$653,675	\$603,985
Combined Plan	\$86,754	\$82,700	\$40,842	\$41,625	\$38,777
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>					
Traditional Plan	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	13.00%	12.00%	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available.

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

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

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**SUPPLEMENTAL FINANCIAL SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**  
**DECEMBER 31, 2017**

	Project Total	14,267 Continuum of Care Program	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	2 State/Local	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	887,692	124,128	26,022	-	-	922,400	1,960,242	-	1,960,242
113 Cash - Other Restricted	1,659	-	147,507	-	-	-	149,166	-	149,166
114 Cash - Tenant Security Deposits	26,445	-	-	-	-	-	26,445	-	26,445
<b>100 Total Cash</b>	<b>915,796</b>	<b>124,128</b>	<b>173,529</b>	<b>-</b>	<b>-</b>	<b>922,400</b>	<b>2,135,853</b>	<b>-</b>	<b>2,135,853</b>
122 Accounts Receivable - HUD Other Projects	-	50,863	-	-	-	-	50,863	-	50,863
124 Accounts Receivable - Other Government	-	-	-	-	76,697	-	76,697	-	76,697
126 Accounts Receivable - Tenants	1,770	5,579	-	-	-	-	7,349	-	7,349
126.1 Allowance for Doubtful Accounts - Tenants	-779	-1,001	-	-	-	-	-1,780	-	-1,780
127 Notes, Loans, & Mortgages Receivable - Current	20,710	-	-	-	-	-	20,710	-	20,710
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>21,701</b>	<b>55,441</b>	<b>-</b>	<b>-</b>	<b>76,697</b>	<b>-</b>	<b>153,839</b>	<b>-</b>	<b>153,839</b>
142 Prepaid Expenses and Other Assets	19,030	2,808	6,087	-	-	7,809	35,734	-	35,734
144 Inter Program Due From	-	-	-	-	-	54,610	54,610	-54,610	-
<b>150 Total Current Assets</b>	<b>956,527</b>	<b>182,377</b>	<b>179,616</b>	<b>-</b>	<b>76,697</b>	<b>984,819</b>	<b>2,380,036</b>	<b>-54,610</b>	<b>2,325,426</b>
161 Land	1,638,445	-	-	-	-	-	1,638,445	-	1,638,445
162 Buildings	18,594,964	-	-	-	-	392,768	18,987,732	-	18,987,732
163 Furniture, Equipment & Machinery - Dwellings	1,134,444	-	-	-	-	-	1,134,444	-	1,134,444
164 Furniture, Equipment & Machinery - Administration	269,539	104,817	138,678	-	-	119,181	632,215	-	632,215
165 Leasehold Improvements	-	2,352	8,379	-	-	-	10,731	-	10,731
166 Accumulated Depreciation	-13,418,241	-85,184	-93,722	-	-	-267,195	-13,864,342	-	-13,864,342
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>8,219,151</b>	<b>21,985</b>	<b>53,335</b>	<b>-</b>	<b>-</b>	<b>244,754</b>	<b>8,539,225</b>	<b>-</b>	<b>8,539,225</b>
174 Other Assets	5,106	2,151	3,225	-	-	2,956	13,438	-	13,438
<b>180 Total Non-Current Assets</b>	<b>8,224,257</b>	<b>24,136</b>	<b>56,560</b>	<b>-</b>	<b>-</b>	<b>247,710</b>	<b>8,552,663</b>	<b>-</b>	<b>8,552,663</b>
200 Deferred Outflow of Resources	186,160	78,385	117,575	-	-	107,777	489,897	-	489,897
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>9,366,944</b>	<b>284,898</b>	<b>353,751</b>	<b>-</b>	<b>76,697</b>	<b>1,340,306</b>	<b>11,422,596</b>	<b>-54,610</b>	<b>11,367,986</b>
312 Accounts Payable <= 90 Days	22,951	843	953	-	21,017	2,014	47,778	-	47,778
321 Accrued Wage/Payroll Taxes Payable	8,059	2,620	3,673	-	770	39,195	54,317	-	54,317
322 Accrued Compensated Absences - Current Portion	2,401	512	827	-	30	947	4,717	-	4,717
333 Accounts Payable - Other Government	26,007	-	-	-	-	-	26,007	-	26,007
341 Tenant Security Deposits	26,445	-	-	-	-	-	26,445	-	26,445
342 Unearned Revenue	6,483	5	-	-	-	750	7,238	-	7,238
346 Accrued Liabilities - Other	3,183	248	16,326	-	-	221	19,978	-	19,978
347 Inter Program - Due To	-	-	-	-	54,610	-	54,610	-54,610	-
<b>310 Total Current Liabilities</b>	<b>95,529</b>	<b>4,228</b>	<b>21,779</b>	<b>-</b>	<b>76,427</b>	<b>43,127</b>	<b>241,090</b>	<b>-54,610</b>	<b>186,480</b>
353 Non-current Liabilities - Other	1,659	-	3,005	-	-	-	4,664	-	4,664
354 Accrued Compensated Absences - Non Current	21,605	4,609	7,444	-	270	8,522	42,450	-	42,450

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**SUPPLEMENTAL FINANCIAL SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**  
**DECEMBER 31, 2017**

	Project Total	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	COCC	Subtotal	ELIM	Total
357 Accrued Pension and OPEB Liabilities	454,323	191,297	286,941	-	-	263,031	1,195,592	-	1,195,592
<b>350 Total Non-Current Liabilities</b>	477,587	195,906	297,390	-	270	271,553	1,242,706	-	1,242,706
<b>300 Total Liabilities</b>	573,116	200,134	319,169	-	76,697	314,680	1,483,796	-54,610	1,429,186
400 Deferred Inflow of Resources	20,206	8,508	12,761	-	-	11,698	53,173	-	53,173
508.4 Net Investment in Capital Assets	8,219,151	21,985	53,335	-	-	244,754	8,539,225	-	8,539,225
511.4 Restricted Net Position	-	-	128,553	-	-	-	128,553	-	128,553
512.4 Unrestricted Net Position	554,471	54,271	-160,067	-	-	769,174	1,217,849	-	1,217,849
<b>513 Total Equity - Net Assets / Position</b>	8,773,622	76,256	21,821	-	-	1,013,928	9,885,627	-	9,885,627
<b>600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net</b>	9,366,944	284,898	353,751	-	76,697	1,340,306	11,422,596	-54,610	11,367,986

**WARREN METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Project Total	14,267 Continuum of Care Program	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	2 State/Local	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	337,511	48,420	-	-	-	-	385,931	-	385,931
70400 Tenant Revenue - Other	11,141	-	-	-	-	-	11,141	-	11,141
<b>70500 Total Tenant Revenue</b>	<b>348,652</b>	<b>48,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397,072</b>	<b>-</b>	<b>397,072</b>
70600 HUD PHA Operating Grants	847,388	785,293	5,081,365	73,859	-	-	6,787,905	-	6,787,905
70610 Capital Grants	6,638	-	-	-	-	-	6,638	-	6,638
70710 Management Fee	-	-	-	-	-	316,748	316,748	-316,748	-
70720 Asset Management Fee	-	-	-	-	-	24,960	24,960	-24,960	-
70730 Book Keeping Fee	-	-	-	-	-	88,920	88,920	-88,920	-
70750 Other Fees	-	-	-	-	-	2,600	2,600	-2,600	-
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>433,228</b>	<b>433,228</b>	<b>-433,228</b>	<b>-</b>
70800 Other Government Grants	-	-	-	-	608,716	-	608,716	-	608,716
71100 Investment Income - Unrestricted	2,100	232	857	-	-	395	3,584	-	3,584
71400 Fraud Recovery	-	281	52,670	-	-	-	52,951	-	52,951
71500 Other Revenue	2,845	-	2,501	-	-	900	6,246	-	6,246
71600 Gain or Loss on Sale of Capital Assets	9,040	3,330	-	-	-	5,321	17,691	-	17,691
<b>70000 Total Revenue</b>	<b>1,216,663</b>	<b>837,556</b>	<b>5,137,393</b>	<b>73,859</b>	<b>608,716</b>	<b>439,844</b>	<b>8,314,031</b>	<b>-433,228</b>	<b>7,880,803</b>
91100 Administrative Salaries	102,368	41,283	136,873	3,236	28,642	132,624	445,026	-	445,026
91200 Auditing Fees	2,667	1,773	7,219	-	246	760	12,665	-	12,665
91300 Management Fee	177,552	26,612	112,584	-	-	-	316,748	-316,748	-
91310 Book-keeping Fee	18,555	-	70,365	-	-	-	88,920	-88,920	-
91400 Advertising and Marketing	2,160	-	657	-	-	-	2,817	-	2,817
91500 Employee Benefit contributions - Administrative	80,932	39,449	139,356	1,598	5,056	104,280	370,671	-	370,671
91600 Office Expenses	35,458	18,452	45,970	-	1,942	17,182	119,004	-	119,004
91700 Legal Expense	8,943	-	989	-	-	3,944	13,876	-	13,876
91800 Travel	922	1,940	446	-	79	-	3,387	-	3,387
91900 Other	5,215	1,375	909	-	-	15,961	23,460	-2,600	20,860
<b>91000 Total Operating - Administrative</b>	<b>434,772</b>	<b>130,884</b>	<b>515,368</b>	<b>4,834</b>	<b>35,965</b>	<b>274,751</b>	<b>1,396,574</b>	<b>-408,268</b>	<b>988,306</b>
92000 Asset Management Fee	24,960	-	-	-	-	-	24,960	-24,960	-
92100 Tenant Services - Salaries	10,674	55,071	-	-	-	-	65,745	-	65,745
92200 Relocation Costs	932	-	-	-	-	-	932	-	932
92300 Employee Benefit Contributions - Tenant Services	8,063	54,272	-	-	-	-	62,335	-	62,335
92400 Tenant Services - Other	1,015	1,625	-	-	567,713	784	571,137	-	571,137
<b>92500 Total Tenant Services</b>	<b>20,684</b>	<b>110,968</b>	<b>-</b>	<b>-</b>	<b>567,713</b>	<b>784</b>	<b>700,149</b>	<b>-</b>	<b>700,149</b>
93100 Water	35,945	1,766	3,107	-	-	1,218	42,036	-	42,036
93200 Electricity	33,852	1,766	2,060	-	-	1,766	39,444	-	39,444
93300 Gas	7,636	420	840	-	-	315	9,211	-	9,211
<b>93000 Total Utilities</b>	<b>77,433</b>	<b>3,952</b>	<b>6,007</b>	<b>-</b>	<b>-</b>	<b>3,299</b>	<b>90,691</b>	<b>-</b>	<b>90,691</b>
94100 Ordinary Maintenance and Operations - Labor	189,138	-	-	-	-	-	189,138	-	189,138



**WARREN METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Project Total	14,267 Continuum of Care Program	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	2 State/Local	COCC	Subtotal	ELIM	Total
94200 Ordinary Maintenance and Operations - Materials and Other	105,527	2,322	2,089	-	-	-	109,938	-	109,938
94300 Ordinary Maintenance and Operations Contracts	82,184	124	144	-	-	123	82,575	-	82,575
94500 Employee Benefit Contributions - Ordinary Maintenance	147,641	-	-	-	-	-	147,641	-	147,641
<b>94000 Total Maintenance</b>	<b>524,490</b>	<b>2,446</b>	<b>2,233</b>	<b>-</b>	<b>-</b>	<b>123</b>	<b>529,292</b>	<b>-</b>	<b>529,292</b>
95200 Protective Services - Other Contract Costs	56,787	-	-	-	-	-	56,787	-	56,787
<b>95000 Total Protective Services</b>	<b>56,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,787</b>	<b>-</b>	<b>56,787</b>
96110 Property Insurance	82,074	-	4,828	-	-	9,657	96,559	-	96,559
96120 Liability Insurance	5,579	888	2,081	-	-	6,555	15,103	-	15,103
96130 Workmen's Compensation	349	113	28	-	-	186	676	-	676
96140 All Other Insurance	3,976	2,242	759	-	-	502	7,479	-	7,479
<b>96100 Total insurance Premiums</b>	<b>91,978</b>	<b>3,243</b>	<b>7,696</b>	<b>-</b>	<b>-</b>	<b>16,900</b>	<b>119,817</b>	<b>-</b>	<b>119,817</b>
96200 Other General Expenses	1,656	-	1,596	-	-	-	3,252	-	3,252
96210 Compensated Absences	39,207	16,305	30,471	-	5,038	15,648	106,669	-	106,669
96300 Payments in Lieu of Taxes	26,007	-	-	-	-	-	26,007	-	26,007
96400 Bad debt - Tenant Rents	48,667	24,307	-	-	-	-	72,974	-	72,974
<b>96000 Total Other General Expenses</b>	<b>115,537</b>	<b>40,612</b>	<b>32,067</b>	<b>-</b>	<b>5,038</b>	<b>15,648</b>	<b>208,902</b>	<b>-</b>	<b>208,902</b>
<b>96900 Total Operating Expenses</b>	<b>1,346,641</b>	<b>292,105</b>	<b>563,371</b>	<b>4,834</b>	<b>608,716</b>	<b>311,505</b>	<b>3,127,172</b>	<b>-433,228</b>	<b>2,693,944</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>-129,978</b>	<b>545,451</b>	<b>4,574,022</b>	<b>69,025</b>	<b>-</b>	<b>128,339</b>	<b>5,186,859</b>	<b>-</b>	<b>5,186,859</b>
97200 Casualty Losses - Non-capitalized	5,000	-	-	-	-	-	5,000	-	5,000
97300 Housing Assistance Payments	-	707,409	4,512,726	69,025	-	-	5,289,160	-	5,289,160
97350 HAP Portability-In	-	-	2,398	-	-	-	2,398	-	2,398
97400 Depreciation Expense	626,384	4,884	4,529	-	-	14,719	650,516	-	650,516
<b>90000 Total Expenses</b>	<b>1,978,025</b>	<b>1,004,398</b>	<b>5,083,024</b>	<b>73,859</b>	<b>608,716</b>	<b>326,224</b>	<b>9,074,246</b>	<b>-433,228</b>	<b>8,641,018</b>
10010 Operating Transfer In	19,219	-	-	-	-	-	19,219	-19,219	-
10020 Operating transfer Out	-19,219	-	-	-	-	-	-19,219	19,219	-
<b>10100 Total Other financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>-761,362</b>	<b>-166,842</b>	<b>54,369</b>	<b>-</b>	<b>-</b>	<b>113,620</b>	<b>-760,215</b>	<b>-</b>	<b>-760,215</b>
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-
11030 Beginning Equity	9,534,984	243,098	-32,548	-	-	900,308	10,645,842	-	10,645,842
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	-	-	-106,732	-	-	-	-106,732	-	-106,732
11180 Housing Assistance Payments Equity	-	-	128,553	-	-	-	128,553	-	128,553

**WARREN METROPOLITAN HOUSING AUTHORITY  
 SUPPLEMENTAL FINANCIAL SCHEDULE  
 ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

	Project Total	14,267 Continuum of Care Program	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	2 State/Local	COCC	Subtotal	ELIM	Total
11190 Unit Months Available	2,484	869	9,576	131	-	-	13,060	-	13,060
11210 Number of Unit Months Leased	2,462	798	9,382	131	-	-	12,773	-	12,773

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

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CDFA Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<i>Direct Programs:</i>		
Low Rent Public Housing Program	14.850	\$ 781,714
Public Housing Capital Fund Program	14.872	<u>72,312</u>
<u>Housing Voucher Cluster:</u>		
Section 8 Housing Choice Voucher Program	14.871	<u>5,081,365</u>
Total Housing Voucher Cluster		<u>5,081,365</u>
Shelter Plus Care	14.238	<u>73,859</u>
Continuum of Care	14.267	<u>785,293</u>
<b>Total Direct Awards</b>		<u>6,794,543</u>
<b>Total U. S. Department of Housing and Urban Development</b>		<u>6,794,543</u>
<b>Total Federal Awards</b>		<u>\$ 6,794,543</u>

**WARREN METROPOLITAN HOUSING AUTHORITY**  
**WARREN COUNTY, OHIO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

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NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Warren Metropolitan Housing Authority under programs of the Federal government for the year ended December 31, 2017. 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 Warren Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Warren Metropolitan Housing Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the GAAP basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: **INDIRECT COST RATE**

Warren Metropolitan Housing Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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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**

To the Members of the Board  
Warren Metropolitan Housing Authority  
Lebanon, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We 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 Warren Metropolitan Housing Authority, Ohio, (the Authority) 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, and have issued our report thereon dated June 8, 2018.

***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive, flowing style.

James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 8, 2018

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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

To the Members of the Board  
Warren Metropolitan Housing Authority  
Lebanon, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

***Report on Compliance for Each Major Federal Program***

We have audited the Warren Metropolitan Housing Authority, Ohio's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Warren 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 program for the year ended December 31, 2017.

### ***Report on Internal Control over Compliance***

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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



James G. Zupka, CPA, Inc.  
Certified Public Accountants

June 8, 2018



**WARREN METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2017(iv)	Were there any material internal control weaknesses reported for major Federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major Federal programs?	No
2017(v)	Type of Major Programs' Compliance Opinion	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2017(vii)	Major Programs (list):  Housing Choice Voucher Cluster: Section 8 Housing Choice Voucher Program - CFDA #14.871	
2017(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$750,000 Type B: all others
2017(ix)	Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**WARREN METROPOLITAN HOUSING AUTHORITY  
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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The prior audit report, as of December 31, 2016, did not include any findings or management letter recommendations.



# Dave Yost • Auditor of State

**WARREN COUNTY METROPOLITAN HOUSING AUTHORITY**

**WARREN 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  
JULY 19, 2018**