ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO

AUDIT REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Directors
Adams Metropolitan Housing Authority
401 E. Seventh St
Manchester, OH 45144

We have reviewed the *Independent Auditor's Report* of the Adams Metropolitan Housing Authority, Adams County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

The Authority's Project Manager, Donna Hendrix was responsible for managing some of the Authority's public housing units which included collecting tenant monthly rent payments and depositing the monies into the Authority's bank account.

During the period of January 1, 2013 through May 9, 2017, we identified 46 manual cash receipts totaling $11,116 issued by Ms. Hendrix to tenants for monthly rent payments that were not recorded in the Authority's system and the cash was not deposited into the Authority's bank account.

Also, we identified 14 manual cash receipts totaling $3,307 issued by Ms. Hendrix to tenants for monthly rent payments, however, only $1,790 in cash was deposited into the Authority's bank account related to these receipts resulting in $1,517 collected but unaccounted for.

In addition, we identified 40 unauthorized cash withdrawals totaling $419 made by Ms. Hendrix from the Authority's bank account while depositing monies collected for monthly rent payments.

During the period of January 1, 2013 through May 9, 2017, we identified seven personal checks issued by Ms. Hendrix totaling $1,272 that were deposited into the Authority's bank account and were related to the receipts collected and not deposited documented above.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public property which has been converted or misappropriated is hereby issued against Ms. Hendrix in the amount of $11,780, and in favor of the Authority.

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 Adams Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2019

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Adams Metropolitan Housing Authority
Manchester, 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 Adams Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Adams Metropolitan Housing Authority as of September 30, 2018, 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.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during 2018, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit 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 14, 2019, 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.

James G. Zupka, CPA, Inc.

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

June 14, 2019

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

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

FINANCIAL HIGHLIGHTS

- Total assets and Deferred Outflows of Resources were $3,497,548 and $3,842,256 in 2018 and 2017 (Restated), respectively. The Authority-wide statements reflect a decrease in total assets and deferred outflow of resources of $344,708 (or 9 percent) in 2018.

- Revenues decreased from $2,120,752 in 2017 to $1,978,480 in 2018, a decrease of 7 percent.

- The total expenses of all Authority programs decreased in the current period. Total expenses were $2,302,478 in 2017 and $2,271,943 in 2018, a decrease of $30,535 (or 1 percent).

- The Authority implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (and Certain Issues Related to OPEB Plan Reporting)* causing a restatement of beginning net position that is $178,808 less than net position reported at September 30, 2018.

USING THIS ANNUAL REPORT

This report includes three major sections, the Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information.

MD&A

-Management's Discussion and Analysis

Basic Financial Statements

-Authority-Wide Financial Statements

Other Required Supplementary Information

**-Required Supplementary Information
(other than the MD&A)**

The Authority's financial statements are designed to be corporate-like in that all business-type activities of the Authority are consolidated into one column that summarizes all financial activity for all the Authority's programs.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The Statement is presented in the format where assets, minus liabilities, equals Net Position, commonly referred to as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-Current."
The focus of the Statement of Net Position, the Unrestricted Net Position, represents the net available liquid (non-capital) assets, net of liabilities, of the Authority. Net position is reported in three broad categories:

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

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

Unrestricted Net Position: This component consists of Net Position that do not meet the definition of Net Investment in Capital Assets, or Restricted Net Position.

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

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

Finally, the Authority's financial statements also include a Statement of Cash Flows. This Statement reports net cash provided by or used for operating activities, non-operating financial activities, and capital and related financing activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar than these for the Authority. The Authority consists exclusively of enterprise funds rather than governmental funds. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector accounting rather than what is more common in financial statements for other types of governmental entities.

The Authority maintains its accounting records by program consistent with how funding is provided for these programs by the U.S. Department of Housing and Urban Development (HUD).

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 to enable the PHA to provide the housing at a rent that generally is based on 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 provide rental assistance to landlords so participants generally pay 30 percent of household income for rent and utilities.

Capital Fund Program
The Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. HUD's Capital Fund Program provides grant funds for development, renovation, and construction of Public Housing projects.

AUTHORITY STATEMENTS

Statement of Net Position

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

Table 1- Condensed Statement of Net Position

	2018	Restated 2017
Assets and Deferred Outflows of Resources		
Current Assets	$ 407,227	$ 341,423
Capital Assets	3,012,946	3,352,571
Deferred Outflows of Resources	77,375	148,262
Total Assets and Deferred Outflows of Resources	$ 3,497,548	$ 3,842,256
Liabilities and Deferred Inflows of Resources		
Current Liabilities	$ 69,725	$ 80,782
Long-Term Liabilities	567,175	666,815
Deferred Liabilities	97,123	37,671
Total Liabilities and Deferred Inflows of Resources	734,023	785,268
Net Position		
Investment in Capital Assets	3,012,946	3,352,571
Restricted	44,885	16,514
Unrestricted	(294,306)	(312,097)
Total Net Position	2,763,525	3,056,988
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 3,497,548	$ 3,842,256

For more detailed information see Statement of Net Position presented elsewhere in this report

Major Factors Affecting the Statement of Net Position

Current assets increased more than 19 percent. Current liabilities were virtually unchanged and the corresponding change in current assets was primarily to net position. A little less than half of the more than $65,000 change in current assets (about $28,000 of it) corresponded to a change in restricted net position. The restricted net position the Authority has is unspent funding from HUD to make rental assistance payments on behalf of Housing Choice Voucher Program families. A larger portion of the increase in current assets corresponds to favorable results from operations in the period.

The change in capital assets was equal to depreciation expense. There were no capital additions or deletions in the period.

Otherwise notable changes on this statement were to deferred outflow of resources, deferred inflow of resources and non-current liabilities, all due to reporting of pension and other postemployment benefits (OPEB) activity required by GASB 68 and GASB 75. GASB 68 and GASB 75 are accounting standards that essentially require Adams MHA to report what is determined to be its share of the unfunded pension and health insurance liability of the pension system, the Ohio Public Employees Retirement System (PERS). Employees of the Authority are required by state law to be members of PERS, and the Authority is required to make retirement contributions to PERS for all of its employees. The Net Pension and Health Insurance Liability in unlike other liabilities the Authority has in that these liabilities do not represent invoices to be paid by the Authority but rather is an attempt to estimate the extent to which contributions to PERS would have to increase in order for PERS to fully fund its future pension and healthcare obligations. GASB 68 was implemented a few years ago. GASB 75 is implemented with this reporting period. In addition to the impact on deferred outflow of resources, deferred inflow of resources, and non-current liabilities, the implementation of GASB 75 also caused net position to be restated as of June 30, 2018 by a value of about $179,000 less than what it was reported in last year's report.

Table 2 presents details on the changes in Unrestricted Net Position:

Table 2- Change in Unrestricted Net Position

Beginning Balance at October 1, 2017 (Restated)	$	(312,097)
Change in Net Position 2018		(293,463)
Adjustments:		
Current Year Depreciation Expense (1)		339,625
Change in Restricted Net Position		(28,371)
Ending Balance at September 30, 2018	$	(294,306)

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

While the change in net position is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides, for some, a clearer indication of the change in the financial well-being of the Authority. See the discussion in the following section where changes in revenues and expenses are addressed.

The following schedule compares the revenues and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

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

	2018	2017
Revenues		
Tenant Revenues - Rents and Others	$ 144,946	$ 179,378
Operating Subsidies and Grants	1,826,127	1,835,571
Capital Grants	0	84,063
Investment Income	51	52
Gain on Sale of Capital Assets	0	2,760
Other Reveues	7,356	18,928
Total Revenues	1,978,480	2,120,752
Expenses		
Administrative	392,453	369,502
Tenant Services	40,129	30,000
Utilities	141,890	139,965
Maintenance	318,887	324,894
General	54,826	96,834
Housing Assistance Payments	984,133	1,004,838
Depreciation	339,625	336,445
Total Expenses	2,271,943	2,302,478
Net (Decrease) in Net Position	(293,463)	(181,726)
Beginning Net Position	3,056,988	N/A
Ending Net Position	$ 2,763,525	$ 3,056,988

N/A - information necessary to restate fiscal year 2017 beginning balance and the 2017 OPEB expense related to implementation of GASB 75 is not available

For more detailed information see Combined Statement of Revenues, Expenses and Changes in Fund Net Position presented elsewhere in this report.

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

Overall revenues and expenses both dropped. Revenue dropped by more than expenses, so the results for the period were not quite as favorable as last year but the results from operations were still favorable.

Revenues dropped by a little more than $142,000. While each revenue line on the condensed comparative statement reflects a drop, the biggest piece was in capital grants revenue. Tenant revenues was where the next largest drop is noted (by $34,000 and 19 percent). Occupancy rate in the Public Housing Program increased slightly so since the tenant rent is based on what the family income is, the drop in tenant revenues indicates families seeking help from the Program have lower incomes.

Overall minor increases in administrative and tenant services expenses was more than offset by decreases in maintenance expenses, general expenses, and HAP expense. The increase in tenant services expenses is tied to an increase in grant funding for a family self-sufficiency coordinator. The family self-sufficiency coordinator works with Program participants to become more self-reliant with the goal being higher family incomes and less support from social programs. The decrease in maintenance expenses was related to a drop in use of Capital Fund Program funds by the Authority in the period. The drop in use of these funds does not mean the Authority was awarded less in funding but rather is more of a timing thing of when the work items to improve Authority housing units and properties were being completed. The drop in general expenses primarily reflects the drop in bad debt expense meaning collections of amounts charged tenants improved. HAP expense, rental assistance payments made to families helped by the Housing Choice Voucher Program, also dropped but the $20,000 drop in the expense is only a 2 percent drop meaning the expense was virtually unchanged.

CAPITAL ASSETS

As of year end, the Authority had about $3,013,000 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (current purchases less depreciation) of almost $340,000 (or 10 percent) from the end of last year. There were no capital additions in the period.

Table 4 - Capital Assets at Year-End (Net of Depreciation)

	2018	2017
Land and Land Rights	$ 379,202	$ 379,202
Buildings and Improvements	10,197,116	10,197,116
Equipment	402,028	402,028
Accumulated Depreciation	(7,965,400)	(7,625,775)
Total	$ 3,012,946	$ 3,352,571

DEBT

As of the year-end, the Authority had no debt.

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 is subject to cuts due to the tight Federal budget situation.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs.

FINANCIAL CONTACT

The individual to be contacted regarding this report is James R. Bowman III, Executive Director of the Adams Metropolitan Housing Authority, at (937) 549-2648. Specific requests may be submitted to the Adams Metropolitan Housing Authority at 401 East Seventh Street, Manchester, Ohio 45144-1401.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets	
Cash and Cash Equivalents	$ 125,237
Restricted Cash	91,773
Receivables, Net	185,682
Prepaid Expenses and Other Assets	4,535
Total Current Assets	407,227
Non-Current Assets	
Non-Depreciable Capital Assets	379,202
Depreciable Capital Assets, Net of Depreciation	2,633,744
Total Non-Current Assets	3,012,946
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension	63,950
Deferred Outflows of Resources - OPEB	13,425
Total Deferred Outflows of Resources	77,375
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,497,548
LIABILITIES. DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Current Liabilities	
Accounts Payable	$ 27,564
Accrued Compensated Absences	4,041
Accrued Liabilities	15,739
Intergovernmental Payables	8,255
Tenant Security Deposits	14,126
Total Current Liabilities	69,725
Non-Current Liabilities	
Accrued Compensated Absences Non-Current	69,749
Other Non-Current Liabilities	32,762
Net Pension Liability	282,228
OPEB Liability	182,436
Total Non-Current Liabilities	567,175
Total Liabilities	636,900
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pension	76,017
Deferred Inflows of Resources - OPEB	21,106
Total Deferred Inflows of Resources	97,123
Net Position	
Investment in Capital Assets	3,012,946
Restricted Net Position	44,885
Unrestricted Net Position	(294,306)
Total Net Position	2,763,525
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 3,497,548

See accompanying notes to the basic financial statements.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Operating Revenues	
Tenant Revenue	$ 144,946
Government Operating Grants	1,826,127
Other Revenue	7,356
Total Operating Revenues	1,978,429
Operating Expenses	
Administrative	392,453
Tenant Services	40,129
Utilities	141,890
Maintenance	318,887
General	54,826
Housing Assistance Payment	984,133
Depreciation	339,625
Total Operating Expenses	2,271,943
Operating Income (Loss)	(293,514)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	51
Total Non-Operating Revenues (Expenses)	51
Net Increase/(Decrease) in Net Position	(293,463)
Total Net Position - Beginning of Year - Restated	3,056,988
Total Net Position - End of Year	$ 2,763,525

See accompanying notes to the basic financial statements.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Cash Flows from Operating Activities		
Operating Grants Received	$	1,683,161
Tenant Revenue Received		182,602
Other Revenue Received		6,798
General and Administrative Expenses Paid		(970,540)
Housing Assistance Payments		(963,813)
Net Cash Used by Operating Activities		(61,792)
Cash Flows from Investing Activities		
Interest Earned		51
Net Cash Provided by Investing Activities		51
Net Increase in Cash		(61,741)
Cash and Cash Equivalents - Beginning of Year		278,751
Cash and Cash Equivalents - End of Year	$	217,010
Reconciliation of Net Operating Loss to		
Net Cash Provided by Operating Activities		
Net Operating Income (Loss)	$	(293,514)
Adjustments to Reconcile Operating Loss to		
Net Cash Used by Operating Activities:		
Depreciation		339,625
(Increase) Decrease in Accounts Receivable		
Accounts Receivable		(127,545)
Deferred Outflows		70,887
Increase (Decrease) in:		
Accounts Payable		(18,563)
Accrued Expenses Payable		12,486
Tenant Security Deposits		(1,271)
Compensated Absences		(13,548)
Deferred Inflows		59,452
Pension and OPEB Liabilities		(110,121)
Non-Current Liabilities - Other		20,320
Net Cash Provided by Operating Activities	$	(61,792)

See accompanying notes to the basic financial statements.

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

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, (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.

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. The 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 Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

Fund Accounting

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

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

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

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

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

Measurement Focus/Basis of Accounting
The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. 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.

Description of Programs
The following are the various programs which are included in the single enterprise fund of the Authority:

A. Public Housing Program

The Public Housing Program is designed to provide low-cost housing within Adams 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 of housing owned by the Authority.

C. Housing Choice Voucher Program

The Housing Choice Voucher Program is 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.

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

Investments
The provisions of HUD Regulations restrict investments. There were no investments at September 30, 2018. Interest income earned in fiscal year ending September 30, 2018 totaled $51.

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

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

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

Capital Contributions
This represents contributions made available to the Authority by HUD, which were used by the Authority to make capital improvements to its federally aided projects.

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.

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 using the vested method whereby the liability is recorded based on the sick leave accumulated at the balance sheet date by those employees who currently are expected to receive termination payouts. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment.

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

Compensated Absences (Continued)
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.

Budgetary Accounting
The Authority is required by contractual agreements to adopt annual operating budgets for all of its HUD funded programs. The budgets for its programs are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. The Board adopts the budget through passage of an Authority budget resolution.

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

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.

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

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

Deferred Outflows/Inflows of Resources

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

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

Change in Accounting Principle

For fiscal year 2018, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 85, Omnibus 2017, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).*

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the Authority's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported September 30, 2017:

Net Position September 30, 2017	$ 3,235,796
Adjustments:	
Net OPEB Liability	(180,796)
Deferred Outflow - Payments Subsequent to Measurement Date	1,988
Restated Net Position September 30, 2017	$ 3,056,988

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits

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

1. 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.

2. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two periods of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

3. 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 certificate 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.

At fiscal year-end September 30, 2018, the carrying amount of the Authority's deposits totaled $217,010 (including $75 petty cash) and its bank balance was $234,308. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of September 30, 2018, all $234,308 was covered by Federal Depository Insurance.

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

Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in a single financial institution's collateral pools at Federal Reserve banks, or at member banks of the Federal Reserve system, in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority. No deposits were subject to custodial credit risk at September 30, 2018.

NOTE 3: RESTRICTED CASH

Restricted cash balance as of September 30, 2018 or $91,773 represents cash on hand for the following:

Unspent Funding to make Rental Assistance Payments	$	44,885
FSS Escrow Funds Held for Tenants		32,762
Tenant Security Deposit		14,126
Total Restricted Cash	$	91,773

NOTE 4: NET RECEIVABLES

Receivable balances net of allowances for doubtful accounts as of September 30, 2018 of $185,682 represents amounts due to the Authority from the following:

HUD	$	142,966
Insurance Proceeds		22,948
Current and Former Tenants		37,268
Allowance for Doubtful Accounts		(17,500)
Total	$	185,682

NOTE 5: CAPITAL ASSETS

	Balance 9/30/17	Additions	Deletions	Balance 09/30/18
Capital Assets Not Being Depreciated				
Land	$ 379,202	$ 0	$ 0	$ 379,202
Total Capital Assets Not Being Depreciated	379,202	0	0	379,202
Capital Assets Being Depreciated				
Buildings and Improvements	10,197,116	0	0	10,197,116
Furniture, Equipment, and Machinery -				
Dwelling	229,391	0	0	229,391
Administrative	172,637	0	0	172,637
Total Capital Assets Being Depreciated	10,599,144	0	0	10,599,144
Accumulated Depreciation				
Buildings and Improvements	(7,310,559)	(330,143)	0	(7,640,702)
Furniture and Equipment	(315,216)	(9,482)	0	(324,698)
Total Accumulated Depreciation	(7,625,775)	(339,625)	0	(7,965,400)
Depreciable Assets, Net	2,973,369	(339,625)	0	2,633,744
Total Capital Assets, Net	$ 3,352,571	$ (339,625)	$ 0	$ 3,012,946

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

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 both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

	State and Local
2017 - 2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0 percent for 2017, and 0.0 percent for 2018.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.
The Authority's contractually required contribution for pension was $33,961 for fiscal year ending September 30, 2018.

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.001735%
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.001799%
Change in Proportionate Share	0.000064%
Proportionate Share of the Net Pension Liability/(Asset)	$ 282,228
Pension Expense	$ 34,718

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

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

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

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 0
Diffeerences begtween expected and actual experience	289
Changes of assumptions	33,727
Changes in proportion and differences between Authority contributions and proportionate share of contributions	4,125
Authority contributions subsequent to the measurement date	25,809
Total Deferred Outflows of Resources	$63,950
Deferred Inflows of Resources	
Changes of assumptions	$ 0
Net difference between projected and actual earnings on pension plan investments	60,591
Differences between expected and actual experience	5,561
Changes in proportion and differences between Authority contributions and proportionate share of contributions	9,865
Total Deferred Inflows of Resources	$76,017

$25,809 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan
Year Ending September 30:	
2019	$ 18,049
2020	(4,346)
2021	(26,683)
2022	(24,896)
2023	0
Thereafter	0
Total	$ (37,876)

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. 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	3.25 to 10.75 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	Individual Entry Age

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

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

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

Actuarial Assumptions – OPERS (Continued)

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 16.82 percent for 2017.

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 2017 and the long-term expected real rates of return:

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

Discount Rate The discount rate used to measure the total pension liability was 7.5 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net pension liability	$ 501,165	$ 282,228	$ 99,701

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Net OPEB Liability (Continued)

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

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

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest in health care over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in health care over a five-year period at a rate of 20 percent per year. Health care coverage is neither guaranteed nor statutorily required.

The ORC permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2017 CAFR.

Participants in the Member-Directed Plan are not eligible for health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a retiree medical account. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from these accounts.

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

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

An additional retiree medical account (RMA) was also established several years ago when three health care coverage levels were available to retirees. Monthly allowance amounts in excess of the cost of the retiree's selected coverage were notionally credited to the retiree's RMA. Retirees and their dependents could seek reimbursements from the RMA balances for qualified medical expenses. In 2013, the number of health care options available to retirees was reduced from three to one, eliminating the majority of deposits to the RMA. Wellness incentive payments were the only remaining deposits made to this RMA. Wellness incentives are no longer awarded starting with the 2017 plan year. These RMA balances were transferred to the HRA for retirees with both types of accounts. In addition, OPERS initiated an automatic claims payment process for reimbursements for retiree health care costs paid through pension deduction. This process will reimburse members for eligible health care premiums paid to OPERS, currently through pension deduction, up to the member's available RMA balance.

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of the Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0 percent for 2017, and decreased to 0.0 percent for 2018. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts was 4.0 percent for 2017. The Authority's contractually required contribution was $627 for fiscal year ending September 30, 2018.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of total contributions relative to the total contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.001790%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.001680%
Change in Proportionate Share	-0.000110%
Proportionate Share of the Net OPEB Liability	$ 182,436
OPEB Expense	$ 11,309

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

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 0
Differences between expected and actual experience	142
Changes of assumptions	13,283
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0
Authority contributions subsequent to the measurement date	0
Total Deferred Outflows of Resources	$ 13,425
Deferred Inflows of Resources	
Net differenes between projected and actual earnings on OPEB plan investments	$ 13,590
Differences between expected and actual experience	0
Changes in proportion and differences between Authority contributions and proportionate share of contributions	7,516
Total Deferred Inflows of Resources	$ 21,106

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

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

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

		OPERS
Year Ending September 30:		
2019	$	(573)
2020		(573)
2021		(3,139)
2022		(3,396)
2023		0
Thereafter		0
Total	$	(7,681)

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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The total OPEB liability was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74. 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. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Single Discount Rate	3.85 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Actuarial Cost Method	Individual Entry Age Normal

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

Actuarial Assumptions – OPERS (Continued)

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care 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 continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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

Actuarial Assumptions – OPERS (Continued)

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

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

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.85 percent) or one percentage point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Single Discount Rate (3.85%)	1% Increase (4.85%)
Authority's proportionate share of the net OPEB liability	$ 242,274	$ 182,436	$ 133,946

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

Actuarial Assumptions – OPERS (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$ 174,552	$ 182,436	$ 190,579

NOTE 8: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of the Authority and are based on local and state laws. All permanent employees will earn 4.6 hours of sick leave per eighty (80) hours of service. Unused sick leave may accumulate without limit. At the time of retirement, employees shall be paid the value of twenty-five (25) percent of unused sick leave subject to a maximum payment equal to sixty (60) days of sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Employees will be paid for all unused vacation time upon their separation from service.

NOTE 9: SUMMARY OF CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2018:

Description	Balance at 9/30/2017	Additions	Used	Balance at 9/30/2018	Amounts Due in One Year
Net Pension Liability	$ 393,989	$ 0	$ (111,761)	$ 282,228	$ 0
OPEB Liability	180,796	1,640	0	182,436	0
Compensated Absences	87,338	19,734	(33,282)	73,790	4,041
Family Self-Sufficiency Escrows	12,442	21,680	(1,360)	32,762	0
	$ 674,565	$ 43,054	$ (146,403)	$ 571,216	$ 4,041

NOTE 10: 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 September 30, 2018, 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.

NOTE 11: CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptures amounts would not have a material adverse effect on the overall financial position of the Authority at September 30, 2018.

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At September 30, 2018, the Authority was not aware of any such matters that would have a material effect on the financial statements.

Inspector General Audit/HUD Review

During the prior audit period, the Authority identified suspected theft of Authority receipts by a former employee, who subsequently passed away. The Authority contacted State and Federal authorities about the discovery, and HUD's Office of Inspector General and the Office of the Auditor of the State of Ohio commenced a review of the case. The results of the review are still pending and will be reported separately to the Authority at a later date in a report to be issued by HUD's Office of Inspector General. The effect of the suspected theft on the Authority's financial position is unknown but believed to be not a material amount. The Authority maintains fidelity coverage to protect it from loss related to employee theft.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS (1)

Traditional Plan	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.001799%	0.001735%	0.001885%	0.002412%	0.002412%
Authority's Proportionate Share of the Net Pension Liability	$ 282,228	$ 393,989	$ 326,506	$ 290,914	$ 284,343
Authority's Covered Payroll	$ 237,743	$ 224,322	$ 234,654	$ 295,731	$ 310,199
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	118.71%	175.64%	139.14%	98.37%	91.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) - Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

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

See accompanying notes to the required supplementary information

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIRMENT SYSTEM
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contributions	$ 33,961	$ 31,483	$ 27,734	$ 31,426	$ 36,424	$ 40,478	$ 33,409	$ 32,770	$ 28,173	$ 26,564
Contributions in Relation to the Contractually Required Contribution	(33,961)	(31,483)	(27,734)	(31,426)	(36,424)	(40,478)	(33,409)	(32,770)	(28,173)	(26,564)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll	$ 246,989	$ 246,925	$ 231,117	$ 261,883	$ 303,533	$ 311,369	$ 334,090	$ 327,700	$ 313,033	$ 312,518
Pension Contributions as a Percentage of Covered Payroll	13.75%	12.75%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.50%

Total contributions reported include any amounts contributed to the Member-Directed Plan.

See accompanying notes to the required supplementary information

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIRMENT SYSTEM
LAST TWO FISCAL YEARS (1)

	2018	2017
Authority's Proportion of the Net OPEB Liability	0.001680%	0.001790%
Authority's Proportionate Share of the Net OPEB Liability	$ 182,436	$ 180,796
Authority's Covered Payroll	$ 237,743	$ 248,046
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	76.74%	72.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

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

See accompanying notes to the required supplementary information.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIRMENT SYSTEM
LAST FOUR FISCAL YEARS (1)

	2018	2017	2016	2015
Contractually Required Contribution	$ 627	$ 3,241	$ 5,475	$ 4,795
Contributions in Relation to the Contractually Required Contribution	(627)	(3,241)	(5,475)	(4,795)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 247,059	$ 261,471	$ 258,561 0	$ 259,067
Contributions as a Percentage of Covered Payroll	0.25%	1.24%	2.12%	1.85%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

See accompanying notes to the required supplementary information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00 percent to 7.50 percent, (b) the expected long-term average wage inflation rate was reduced from 3.75 percent to 3.25 percent, (c) the expected long-term average price inflation rate was reduced from 3.00 percent to 2.50 percent, (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.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018.

ADAMS METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
SEPTEMBER 30, 2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	30,411	-	94,826	125,237	-	125,237
113 Cash - Other Restricted	2,484	-	75,163	77,647	-	77,647
114 Cash - Tenant Security Deposits	14,126	-	-	14,126	-	14,126
100 Total Cash	47,021	-	169,989	217,010	-	217,010
122 Accounts Receivable - HUD Other Projects	142,966	-	-	142,966	-	142,966
125 Accounts Receivable - Miscellaneous	22,948	-	-	22,948	-	22,948
126 Accounts Receivable - Tenants	21,561	-	-	21,561	-	21,561
126.1 Allowance for Doubtful Accounts -Tenants	-10,500	-	-	-10,500	-	-10,500
126.2 Allowance for Doubtful Accounts - Other	-4,500	-	-	-4,500	-	-4,500
127 Notes, Loans, & Mortgages Receivable - Current	8,767	-	-	8,767	-	8,767
128 Fraud Recovery	6,232	-	708	6,940	-	6,940
128.1 Allowance for Doubtful Accounts - Fraud	-2,500	-	-	-2,500	-	-2,500
120 Total Receivables, Net of Allowances for Doubtful Accounts	184,974	-	708	185,682	-	185,682
142 Prepaid Expenses and Other Assets	4,535	-	-	4,535	-	4,535
144 Inter Program Due From	9,601	-	-	9,601	-9,601	-
150 Total Current Assets	246,131	-	170,697	416,828	-9,601	407,227
161 Land	379,202	-	-	379,202	-	379,202
162 Buildings	10,197,116	-	-	10,197,116	-	10,197,116
163 Furniture, Equipment & Machinery - Dwellings	229,391	-	-	229,391	-	229,391
164 Furniture, Equipment & Machinery - Administration	123,815	-	48,822	172,637	-	172,637
166 Accumulated Depreciation	-7,920,088	-	-45,312	-7,965,400	-	-7,965,400
160 Total Capital Assets, Net of Accumulated Depreciation	3,009,436	-	3,510	3,012,946	-	3,012,946
180 Total Non-Current Assets	3,009,436	-	3,510	3,012,946	-	3,012,946
200 Deferred Outflow of Resources	60,352	-	17,023	77,375	-	77,375
290 Total Assets and Deferred Outflow of Resources	3,315,919	-	191,230	3,507,149	-9,601	3,497,548

ADAMS METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
SEPTEMBER 30, 2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	25,208	-	2,356	27,564	-	27,564
321 Accrued Wage/Payroll Taxes Payable	12,967	-	2,772	15,739	-	15,739
322 Accrued Compensated Absences - Current Portion	2,054	-	1,987	4,041	-	4,041
333 Accounts Payable - Other Government	8,255	-	-	8,255	-	8,255
341 Tenant Security Deposits	14,126	-	-	14,126	-	14,126
347 Inter Program - Due To	6,275	-	3,326	9,601	-9,601	-
310 Total Current Liabilities	68,885	-	10,441	79,326	-9,601	69,725
353 Non-current Liabilities - Other	2,484	-	30,278	32,762	-	32,762
354 Accrued Compensated Absences - Non Current	44,553	-	25,196	69,749	-	69,749
357 Accrued Pension and OPEB Liabilities	362,438	-	102,226	464,664	-	464,664
350 Total Non-Current Liabilities	409,475	-	157,700	567,175	-	567,175
300 Total Liabilities	478,360	-	168,141	646,501	-9,601	636,900
400 Deferred Inflow of Resources	75,757	-	21,366	97,123	-	97,123
508.4 Net Investment in Capital Assets	3,009,436	-	3,510	3,012,946	-	3,012,946
511.4 Restricted Net Position	-	-	44,885	44,885	-	44,885
512.4 Unrestricted Net Position	-247,634	-	-46,672	-294,306	-	-294,306
513 Total Equity - Net Assets / Position	2,761,802	-	1,723	2,763,525	-	2,763,525
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	3,315,919	-	191,230	3,507,149	-9,601	3,497,548

ADAMS METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	139,765	-	-	139,765	-	139,765
70400 Tenant Revenue - Other	5,181	-	-	5,181	-	5,181
70500 Total Tenant Revenue	144,946	-	-	144,946	-	144,946
70600 HUD PHA Operating Grants	652,005	40,129	1,133,993	1,826,127	-	1,826,127
71100 Investment Income - Unrestricted	51	-	-	51	-	51
71400 Fraud Recovery	-	-	558	558	-	558
71500 Other Revenue	115	-	6,683	6,798	-	6,798
70000 Total Revenue	797,117	40,129	1,141,234	1,978,480	-	1,978,480
91100 Administrative Salaries	109,618	-	72,425	182,043	-	182,043
91200 Auditing Fees	6,599	-	3,155	9,754	-	9,754
91500 Employee Benefit contributions - Administrative	79,359	-	26,396	105,755	-	105,755
91600 Office Expenses	52,040	-	18,604	70,644	-	70,644
91700 Legal Expense	2,169	-	-	2,169	-	2,169
91800 Travel	1,736	-	315	2,051	-	2,051
91900 Other	17,815	-	2,222	20,037	-	20,037
91000 Total Operating - Administrative	269,336	-	123,117	392,453	-	392,453
92100 Tenant Services - Salaries	-	24,885	-	24,885	-	24,885
92300 Employee Benefit Contributions - Tenant Services	-	15,244	-	15,244	-	15,244
92500 Total Tenant Services	-	40,129	-	40,129	-	40,129
93100 Water	116,996	-	-	116,996	-	116,996
93200 Electricity	22,564	-	-	22,564	-	22,564
93300 Gas	2,330	-	-	2,330	-	2,330
93000 Total Utilities	141,890	-	-	141,890	-	141,890
94100 Ordinary Maintenance and Operations - Labor	73,746	-	-	73,746	-	73,746
94200 Ordinary Maintenance and Operations - Materials and Other	82,599	-	-	82,599	-	82,599
94300 Ordinary Maintenance and Operations Contracts	88,516	-	-	88,516	-	88,516

ADAMS METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
94500 Employee Benefit Contributions - Ordinary Maintenance	52,156	-	-	52,156	-	52,156
94000 Total Maintenance	297,017	-	-	297,017	-	297,017
96110 Property Insurance	26,939	-	-	26,939	-	26,939
96120 Liability Insurance	-	-	2,187	2,187	-	2,187
96100 Total insurance Premiums	26,939	-	2,187	29,126	-	29,126
96300 Payments in Lieu of Taxes	304	-	-	304	-	304
96400 Bad debt - Tenant Rents	25,396	-	-	25,396	-	25,396
96000 Total Other General Expenses	25,700	-	-	25,700	-	25,700
96900 Total Operating Expenses	760,882	40,129	125,304	926,315	-	926,315
97000 Excess of Operating Revenue over Operating Expenses	36,235	-	1,015,930	1,052,165	-	1,052,165
97100 Extraordinary Maintenance	21,870	-	-	21,870	-	21,870
97300 Housing Assistance Payments	-	-	979,362	979,362	-	979,362
97350 HAP Portability-In	-	-	4,771	4,771	-	4,771
97400 Depreciation Expense	338,987	-	638	339,625	-	339,625
90000 Total Expenses	1,121,739	40,129	1,110,075	2,271,943	-	2,271,943
10010 Operating Transfer In	40,000	-	-	40,000	-40,000	-
10020 Operating transfer Out	-40,000	-	-	-40,000	40,000	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-324,622	-	31,159	-293,463	-	-293,463
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-
11030 Beginning Equity	3,225,894	-	9,902	3,235,796	-	3,235,796
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-139,470	-	-39,338	-178,808	-	-178,808

ADAMS METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
11170 Administrative Fee Equity	-	-	-43,162	-43,162	-	-43,162
11180 Housing Assistance Payments Equity	-	-	44,885	44,885	-	44,885
11190 Unit Months Available	1,692	-	3,456	5,148	-	5,148
11210 Number of Unit Months Leased	1,928	-	2,823	4,751	-	4,751

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Federal Grantor/ *Pass Through Grantor/* Program/Title	**Federal CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs		
Public and Indian Housing	14,850	$ 567,086
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	1,133,993
Total Housing Voucher Program		1,133,993
Public Housing Capital Fund	14.872	84,919
Family Self-Sufficiency Program	14.896	40,129
Total Direct Programs		1,826,127
Total U.S. Department of Housing and Urban Development		1,826,127
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 1,826,127

See accompanying note to the Schedule of Expenditures of Federal Awards.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Adams Metropolitan Housing Authority under programs of the Federal government for the year ended September 30, 2018. 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 of Schedule presents only a selected portion of the operations of Adams Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Adams 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**

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

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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
Adams Metropolitan Housing Authority
Manchester, 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 Adams Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 14, 2019, wherein we noted the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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.

James G. Zupka, CPA, Inc.

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

June 14, 2019

JAMES G. ZUPKA, C.P.A., INC.
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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
Adams Metropolitan Housing Authority
Manchester, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Adams 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 September 30, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 Adams 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 September 30, 2018.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on 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.

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

June 14, 2019

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2018

1. SUMMARY OF AUDITOR'S RESULTS

2018(i)	Type of Financial Statement Opinion	Unmodified
2018(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2018(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2018(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2018(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2018(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2018(v)	Type of Major Programs' Compliance Opinion	Unmodified
2018(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2018(vii)	Major Programs (list): Housing Voucher Cluster: Section 8 Housing Choice Vouchers - CFDA #14.871	
2018(viii)	Dollar Threshold: Type A\B Programs	Type A: $750,000 Type B: All Others
2018(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.

ADAMS METROPOLITAN HOUSING AUTHORITY
ADAMS COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

The prior audit report, as of September 30, 2017, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

OHIO AUDITOR OF STATE
KEITH FABER

ADAMS METROPOLITAN HOUSING AUTHORITY

ADAMS 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
SEPTEMBER 26, 2019