PERRY & Associates

Certified Public Accountants, A.C.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

Single Audit
For the Year Ended December 31, 2017

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St.,
Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave.,
Suite 300
Cambridge, OH 43725
740.435.3417

www.perrycpas.com

Dave Yost · Auditor of State

Board of Directors
Logan County Metropolitan Housing Authority
119 N. Everett St.
Bellefontaine, OH 45402

We have reviewed the *Independent Auditor's Report* of the Logan County Metropolitan Housing Authority, Logan County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

June 25, 2018

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LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

June 15, 2018

Logan County Metropolitan Housing Authority
Logan County
119 North Everett Street
Bellefontaine, Ohio 45402

To the Director and Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of **Logan County Metropolitan Housing Authority**, Logan County, Ohio (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The actual modernization cost certificate presented on page 40 and the Financial Data Schedule presented on pages 35 through 37 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility and derive from and relate to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

UNAUDITED

The Housing Authority of the County of Logan's ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjuncture with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by $258,121 (or 5.86%) during 2017. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was $4.1 and $4.4 million for 2017 and 2016, respectively.

- Revenues decreased by $38,580 (or 2%) during 2017, and were $2.2 and 2.3 million for 2017 and 2016 respectively.

- The total expenses of all Authority programs decreased by $72,657 (or 2.82%). Total expenses were $2.5 and 2.6 million for 2017 and 2016 respectively.

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 Statement
~Authority Financial Statements ~
~Statement of Net Position ~
~ Statement of Revenues, Expenses and Changes in Net Position ~
~ Statement of Cash Flows ~
~ Notes to Financial Statements ~

Other Supplementary Information
~Supplementary Information ~

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

AUTHORITY-WIDE FINANCIAL STATEMENTS

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

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

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly net assets) 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.
>
> **Restricted Net Position**: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> **Unrestricted Net Position**: Consists of Net Position that do not meet the definition of" Net Investment in Capital Assets", or" Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as 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, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

FUND FINANCIAL STATEMENTS

The Authority administers several programs that are consolidated into a single proprietary type-enterprise fund. The enterprise fund consists of the following programs.

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

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Business Activities - Represents non-HUD resources developed from a variety of activities.

AUTHORITY-WIDE STATEMENTS

STATEMENT OF NET POSITION

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

	2017	2016
Current and Other Assets	$ 171,129	$ 319,777
Capital Assets	4,605,788	4,834,239
Deferred Outflows	215,458	159,763
Total Assets	4,992,375	5,313,779
Current Liabilities	138,376	169,981
Long-Term Liabilities	684,321	601,461
Total Liabilities	822,697	771,442
Deferred Inflows	20,806	135,344
Net Position:		
Net Investment in Capital Assets	4,397,804	4,610,693
Restricted Net Position	-	25,259
Unrestricted Net Position	(248,932)	(228,959)
Total Net Position	4,148,872	4,406,993
Total Liabilities, Deferred Inflows and Net Position	$ 4,992,375	$ 5,313,779

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

UNAUDITED

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

During 2017, current and other assets decreased by $148,648 (or 46.5%), and current liabilities decreased by $31,605 (or 18.6%). The decrease in current and other assets resulted from current year activities. Current liabilities decreased mainly due to fewer outstanding invoices not paid by the end of the year.

Capital assets also changed, decreasing from $4,834,239 to $4,605,788. The $228,451 (or 5%) decrease is primarily, due to a combination of net acquisitions, less current year depreciation and amortization.

	2017	2016
Revenues		
Total Tenant Revenues	$ 158,114	$ 215,269
Operating Subsidies	1,955,321	1,997,452
Capital Grants	71,037	14,292
Investment Income	9	10
Other Revenues	61,774	57,812
Total Revenues	**2,246,255**	**2,284,835**
Expenses		
Administrative	378,191	415,012
Tenant Services	37,903	38,847
Utilities	31,382	28,010
Insurance	32,067	40,682
Maintenance	238,801	296,378
General and Interest Expenses	26,803	51,646
Housing Assistance Payments	1,458,735	1,384,544
Depreciation	300,494	321,914
Total Expenses	**2,504,376**	**2,577,033**
Net Increases (Decreases)	**$ (258,121)**	**$ (292,198)**

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

Total revenue decrease by $38,580 was due mainly by decrease in tenant's rental income.

Expenses decreased in 2017. The decrease was due to cost savings measures that were implemented during the year. All expenses decrease with the exception of housing assistance payments. The housing authority continue to assist families as much as possible, even with cuts implemented. Housing assistance payments increase by $74,191 in comparison with prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had $4,605,788 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of $228,451 (or 5%) from the end of last year:

Condensed Statement of Changes in Capital Assets

	2017	2016
Land and Land Rights	$ 730,371	$ 730,371
Buildings	9,480,317	9,409,281
Equipment	575,268	574,261
Accumulated Depreciation	(6,180,168)	(5,879,674)
Total	$ 4,605,788	$ 4,834,239

The following reconciliation summarizes the change in Capital Assets.

Change in Capital Assets

BEGINNING BALANCE	$ 4,834,239
Current year additions	72,043
Depreciation Expense	(300,494)
ENDING BALANCE	$ 4,605,788

This year's additions are primarily capital improvement done with Capital Fund Program funding received from HUD.

DEBT ADMINISTRATION

At year end the Authority had $207,984 outstanding debt. The following is the activities for the year:

Beginning Balance - December 31, 2016	$ 223,546
Current Year Principal Payments	(15,562)
Ending Balance - December 31, 2017	$ 207,984

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Market rates for rental housing
- Local rental market rates and housing supply and demand, which affects the Authority's ability to maintain leasing rates.

IN CONCLUSION

Logan County Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on consistent and sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Gail Clark, Executive Director of the Logan County Metropolitan Housing Authority at (937) 599-1845.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2017

Assets	
Current Assets:	
Cash and Cash Equivalents - Unrestricted	$ 33,191
Cash and Cash Equivalents - Restricted	62,779
Total Cash and Cash Equivalents	95,970
Accounts Receivable, Net:	13,293
Inventories	23,432
Prepaid Expenses and Other Assets	22,818
Total Current Assets	155,513
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	730,371
Depreciable Capital Assets, Net of Accumulated Depreciation	3,875,417
Total Capital Assets	4,605,788
Net Pension Assets	15,616
Total Noncurrent Assets	4,621,404
Total Assets	4,776,917
Deferred Outflows:	
Deferred Outflows	215,458
Total Deferred Outflows	215,458
Total Asets and Deferred Outflows	$ 4,992,375
Liabilities	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	$ 40,420
Accounts Payable	7,765
Compensated Absences - Current	5,374
Tenant Security Deposits	38,763
Unearned Revenue	2,335
Accrued Interest Payable	955
Current Portion of Long-Term Debt	16,207
Other Current Liabilities	26,557
Total Current Liabilities	138,376
Long Term Liabilities:	
Long Term Debt, Net of Current Portion	191,777
Compensated Absences - Noncurrent	15,497
FSS Liability	24,016
Net Pension Liability	453,031
Total Long Term Liabilities	684,321
Total Liabilities	822,697
Deferred Inflows:	
Deferred Inflows	20,806
Total Deferred Inflows	20,806
Net Position:	
Net Investment in Capital Assets	4,397,804
Restricted	-
Unrestricted (Deficit)	(248,932)
Total Net Position	4,148,872
Total Liabilities, Deferred Outflows and Net Position	$ 4,992,375

See accompanying notes to the basic financial statements.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2017

Operating Revenues	
Tenant Rental Revenue	$ 158,114
Government Operating Grants	1,955,321
Other Revenue	61,774
Total Operating Revenues	2,175,209
Operating Expenses	
Administrative	378,191
Tenant Services	37,903
Utilities	31,382
Ordinary Maintenance & Operation	238,801
Insurance	32,067
General Expense	12,899
Housing Assistance Payments	1,458,735
Depreciation Expense	300,494
Total Operating Expenses	2,490,472
Operating Income/(Loss)	(315,263)
Non-Operating Revenues/(Expenses)	
Investment Income - Unrestricted	9
Interest Expense	(13,904)
Total Non-Operating Revenues/(Expenses)	(13,895)
Capital Grants	71,037
Change in Net Position	(258,121)
Net Position, Beginning of Year	4,406,993
Net Position, End of Year	$ 4,148,872

See accompanying notes to the basic financial statements.

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows From Operating Activities:	
Receipts From Tenants	$ 162,309
Receipts From Operating Grants	1,954,125
Other Operating Receipts	63,940
Housing Assistance Payments	(1,458,735)
Payments for General and Administrative Expense	(847,414)
Net Cash Used in Operating Activities	(125,775)
Cash Flows From Capital and Related Financing Activities:	
Capital Grants	70,781
Construction and Acquisition of Capital Assets	(72,043)
Capital Financing Interest and Principal	(29,466)
Net Cash Used in Capital and Related Financing Activities	(30,728)
Cash Flows From Investing Activities:	
Interest Received on Investments	9
Net Cash Provided by Investing Activities	9
Net Increase in Cash and Cash Equivalents	(156,494)
Cash at Beginning of Year	252,464
Cash at End of Year	$ 95,970
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Loss	$ (315,263)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities	
Depreciation Expense	300,494
(Increase)Decrease In:	
Accounts Receivable	1,123
Prepaid Expenses and Other Assets	(108)
Inventories	6,755
Deferred Outflows Pension	(55,695)
Other Assets	(15,616)
Increase(Decrease) In:	
Accrued Wages and Payroll Taxes Payable	(26,133)
Accounts Payable	14,396
Accrued Compensated Absences	(2,375)
Tenant Security Deposits	6,529
Other Current Liabilities	(24,247)
Other Noncurrent Liabilities	(525)
Net Pension Liability	99,428
Deferred Inflows Liability	(114,538)
Net Cash Provided by Operating Activities	$ (125,775)

See accompanying notes to the basic financial statements.

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

Summary of Significant Accounting Policies

The financial statements of the Logan County 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.

Reporting Entity

The Authority was created pursuant to 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 (GASB) 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.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

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

Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Enterprise Fund

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

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

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

Projects - Conventional Public Housing and Capital Fund Programs
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 Authority to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical (i.e. capital) and management improvements to the Authority's properties. Funds are provided by formula allocation and based on size and age of the units.

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 Assistant Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Fund (Continued)

Other Business Activities

Other Business Activities (OBA) – Represents non-HUD activities of the Authority that include providing affordable housing for low income people outside of the scope of the conventional and housing choice voucher programs.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less, and all non-negotiable certificates of deposits regardless of maturity.

Accounting and Reporting for Nonexchange Transactions

Non-exchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

1. Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
2. Imposed non-exchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e., property taxes and fines).
3. Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
4. Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

The Authority grants and subsidies will be defined as government-mandated or voluntary nonexchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are restricted by the provisions of the HUD regulations (See Note 3). Investments are valued at market value. At December 31, 2017, The Authority did not have any investments.

Receivables - Net of Allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. At December 31, 2017, the Authority believed $3,786 of the accounts receivable to be uncollectible.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is stated at cost and uses the Moving Average Costing flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used. The allowance for obsolete inventory was $847 at December 31, 2017.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life are expensed as incurred. The Authority's capitalization threshold is $750. The following are the useful lives used for depreciation purposes:

Buildings	40 years
Building improvements	15 years
Furniture and Equipment	3-7 years

Restricted Cash

Restricted cash represents amounts held in FSS escrow on behalf of tenants and HAP funds received.

Accrued Liabilities

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

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

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

Pensions

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

Deferred Outflow and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pension, explained further in note 7.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension

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

Unearned Revenue

Represent tenant's prepayment of rent.

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 balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grant from HUD and other miscellaneous revenue.

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

Capital Grant

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

Budgetary Accounting

The Authority annually prepares its program budgets as prescribed by the Department of Housing and Urban Development. These budgets are adopted by the Board of the Authority and submitted to the Federal agencies, as applicable.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

3. DEPOSITS AND INVESTMENTS

Deposits

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

A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

The carrying amount of the Authority's deposits was $95,970 at December 31 2017, including $300 petty cash. The corresponding bank balances were $179,849. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosure," as of December 31, 2017, $179,849 was covered by federal depository insurance. No balance was exposed to custodial risk.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivision of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

3. DEPOSITS AND INVESTMENTS (Continued)

Investments

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

Interest Rate Risk - The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the Authority's practice to limit its investments to three years or less.

Credit Risk - HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement specifically requires compliance with HUD requirements.

Concentration of Credit Risk - The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority's practice to do business with more than one depository.

The Authority had no investments at December 31, 2017.

4. CAPITAL ASSETS

A summary of changes in the Authority's capital assets for the year ended December 31, 2017, follows:

	Ending Balance 12/31/16	Additions	Deletions	Ending Balance 12/31/17
Capital Assets Not Being Depreciated:				
Land and Land Easements	$ 730,371	$ -	$ -	$ 730,371
Total Capital Assets Not Being Depreciated	730,371	-	-	730,371
Capital Assets Being Depreciated:				
Buildings	9,409,281	71,036	-	9,480,317
Furniture and Equipment	574,261	1,007	-	575,268
Total Capital Assets Being Depreciated	9,983,542	72,043	-	10,055,585
Less Accumulated Depreciation:				
Buildings	(5,335,497)	(290,233)	-	(5,625,730)
Furniture and Equipment	(544,177)	(10,261)	-	(554,438)
Total Accumulated Depreciation	(5,879,674)	(300,494)	-	(6,180,168)
Total Capital Assets Being Depreciated, Net	4,103,868	(228,451)	-	3,875,417
Total Capital Assets, Net	$ 4,834,239	$ (228,451)	$ -	$ 4,605,788

5. LONG-TERM OBLIGATIONS

Changes in activity in Long-Term Obligations is as follows:

	Balance 12/31/16	Additions	Retired	Balance 12/31/17	Due One Year
512 Walker	$ 53,788	$ -	$ 6,551	$ 47,237	$ 6,694
229 Walker	79,153	1	2,809	76,345	2,819
Pratt/Seymour	90,604	-	6,202	84,402	6,694
Net Pension Liability	353,603	99,428	-	453,031	-
	$ 577,148	$ 99,429	$ 15,562	$ 661,015	$ 16,207

The long-term debt consists of two mortgages and on construction Line of Credit that were assumed by the Authority on September 2, 2015. This debt is associated with several rental properties that were transferred to the Authority by the Not-for-Profit agency, (HAND), on that date. The principal amount owed at the time of transfer was $242,223. The property and associated debt were recorded on the Authority's Business Activities Ledger.

The original amount of the mortgage for 512 Walker is $71,250. Monthly payments of $747 started in 2014 and are required until the maturity date in 2024.

The original amount of the mortgage for 229 Walker is $120,000 in 2014. Due at the variable interest rate, Citizens Federal notifies the Authority of the yearly interest rate and monthly payment amount to begin in June each year. Due to the variance rate, the monthly payments changed from $432.45 in 2016 to $442.27 in 2017. This mortgage matures in 2037.

The original amount of the line of credit for Pratt/Seymour is $34,917 in 2008. Additional draws were made on the line of credit until the maximum of $120,000 was reached and the line of credit was terminated and converted into a permanent loan. No maturity date has been established.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	512 Walker	229 Walker	Pratt/ Seymour
2018	6,867	3,056	7,375
2019	7,200	3,133	7,987
2020	7,550	3,213	8,650
2021	7,916	3,294	9,368
2022	8,301	3,377	10,146
2023-2027	9,403	18,211	40,876
2028-2032	-	20,633	-
2033-2037	-	21,428	-
	$ 47,237	$ 76,345	$ 84,402

6. 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 the year ended December 31, 2017, the Authority maintained comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage and no settlements exceeded insurance coverage during the past three years.

Also, during 2016, the Authority was insured through the State Housing Authority Risk Pool Association, Inc. (SHARP), a public entity risk pool operating a common risk management and insurance program for its housing authority members. The State Housing Authority Risk Pool Association, Inc. is self-sustaining through member premiums and reinsures through commercial insurance companies.

On June 1, 2013, the Authority in conjunction with other entities jointly contracted with a commercial insurance carrier for risk of loss for employee health and accident insurance. Prior to June 1st the Authority was part of the Ohio Public Healthcare Risk Pool Joint Self Insurance Association, which was a member of the Jefferson Health plan. The OPHRP withdrew from the Jefferson plan prior to the expiration of their contract. At the time of their withdrawal, The Jefferson Health plan alleges that the OPHRP has a claims deficit of $769,159 plus addition charges and penalties of $519,936.

On July 23, 2015, The Ohio Public Health Care Risk Pool Joint Self Insurance Association and the Jefferson Health Plan reached a settlement agreement. The agreement requires the Ohio Public Healthcare Risk Pool Joint Self Insurance Association to pay $450,000.00 in total over a 4-year period, with $150,000.00 due by August 7, 2015 and $100,000.00 annual payments due on August 1 of 2016, 2017, and 2018.

The settlement amount was divided amongst the Ohio Public Healthcare Risk Pool Joint Self Insurance Association member organizations based on the number of participants each organization had enrolled in the plan in June of 2013, at a cost of $4,500.00 per member.

Logan County Metropolitan Housing Authority had 5 participants enrolled in the plan and therefore was allocated $22,500 of the settlement costs. This amount was charged to Employee Benefits expense and a liability in that amount was recorded in 2015. LCMHA made their third payment of $5,000 in 2017, leaving an outstanding balance of $5,000.

7. 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.

7. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Continued)

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 - The Authority participates in OPERS, a cost-sharing multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. OPERS administers three separate pension plans as described below:

a. The Traditional Pension Plan – A cost-sharing, multiple-employer defined benefit pension plan.
b. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.
c. The Combined Plan – A cost-sharing, multiple-employer defined plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

7. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Continued)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting 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 afer January 7, 2013
State and Local **Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**State and Local** **Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**State and Local** **Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Continued)

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $48,832 for 2017.

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

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan	Combined Plan	Total
Proportionate Share of Net Pension Liability / (Assets)	$ 453,031	$ (15,616)	$ 437,415
Percentate for Proportionate Share of Net Pension Liability	0.001995%	0.028057%	
Change in Proportion from Prior Measurement Date	-0.000133%	-0.002753%	
Pension Expense	$ 30,943	$ 13,106	$ 44,049

7. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (Continued)

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earning on pension plan investments	$ 75,377	$ 4,380	$ 79,757
Change in assumption	71,856	3,806	75,662
Difference Between Expected and Actual Experience	614	-	614
Change in prportionate share	14,081	-	14,081
Contributions after measurement date	31,853	13,491	45,344
Total Deferred Outflows of Resources	$ 193,781	$ 21,677	$ 215,458
Deferred Inflows of Resources			
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 7,910	$ 570	$ 8,480
Difference Between Expected and Actual Experience	2,696	7,986	10,682
Change in Porportion Share	-	1,644	1,644
Total Deferred Inflows of Resources	$ 10,606	$ 10,200	$ 20,806

$45,344 reported as deferred outflows of resources relate to pension resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows and deferred inflows related to pension will be recognized in pension expense as follows:

	Traditional Plan	Combined Plan	Total
Fiscal Year Ending December 31:			
2017	$ 64,412	$ 532	$ 64,944
2018	64,441	532	64,973
2019	24,447	367	24,814
2020	(1,978)	(983)	(2,961)
2021	-	(840)	(840)
Thereafter	-	(1,622)	(1,622)
Total	$ 151,322	$ (2,014)	$ 149,308

7. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

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

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

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

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

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

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

7. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

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

	1% Decrease (6.5%)	Current Discount rate of 7.5%	1% Increase (8.5%)
Authority's proporationate share of the net pension liability			
- Traditional Pension Plan	$692,105	$453,031	$253,804
- Combined Plan	($1,122)	($15,616)	($28,618)

8. POST-EMPLOYMENT BENEFITS

A. Plan Description

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. See the Plan Statement in OPERS 2015 CAFR for details.

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

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

B. Funding Policy

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

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

8. POST-EMPLOYMENT BENEFITS (Continued)

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

The portion of actual Authority contributions for the years ended December 31, 2017, 2016, and 2015 amounted to $3,488, $7,338, $5,540, respectively. All required contributions have been made through December 31, 2017.

9. COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners.

Annual vacation leave is given to all full time permanent employees on a pro-rate basis; two weeks per year of service one through five years, three weeks for six to ten years of service and four weeks for ten years of service or more. The annual leave does not accumulate for longer than a one-year period and must be schedule in the year earned.

Sick leave accrues for full time permanent employees on the basis of 10 hours per month, cumulative to 120 days or 960 hours. An Employee at the time of retirement from active service with the authority may elect to be paid cash for (1/4) of the value of accrued unused sick leave credit at the employee's rate of pay at the time of retirement. The Authority's policy is to begin to accrue sick leave for employees five (5) years before they are eligible for retirement. At December 31, 2017, the Authority had $23,246 sick and vacation leave accrued. The following is a summary of changes in compensated absences for the year ended December 31, 2017:

	Balance 12/31/16	Net Change	Balance 12/31/17	Due One Year
Compensated Absence Payable	$ 23,246	$ (2,375)	$ 20,871	$ 5,374

10. RESTRICTED ASSETS

The Authority's restricted assets are as follows:

Tenant Security Deposits	$ 38,763
Family Self-Sufficiency Program	24,016
	$ 62,779

11. CONTINGENCIES

Grants

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

Commitments and Contingencies

The Authority has, under its normal operations, entered into commitments for the purchase of maintenance, cleaning, and other services. Such commitments are monthly and annually.

Litigations

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

12. FAMILY SELF-SUFFICIENCY PROGRAM

The Logan County Metropolitan Housing Authority has a Family Self-Sufficiency Program (FSSP). This program is designed to assist families to become self-sufficient through an escrowed savings plan provided by the Authority. Upon completion of the objectives, the family receives their escrow balance.

At December 31, 2017, the Authority held in escrow $24,016 for the Family Self Sufficiency Program. The Authority recognizes the escrow as cash and FSS liability on the balance sheet.

13. PAYMENT IN LIEU OF TAXES

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes for the year ended December 31, 2017 totaled $4,892.

14. FINANCIAL DATA SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2017, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenue and expenses and changes in net position, and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

15. ECONOMIC DEPENDENCY

Both the Low Rent Public Housing Program and the Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD.

Required Supplementary Information

Logan County Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Porportionate Share of Net Pension Liability
For the Year Ended December 31, 2017

	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability				
Traditional Plan	0.001995%	0.002128%	0.002193%	0.002193%
Combined Plan	0.028057%	0.030810%	0.032903%	0.032903%
Authority's Proportionate Share of the Net Pension Liability (Asset)				
Traditional Plan	$ 453,031	$ 368,596	$ 264,500	$ 258,526
Combined Plan	(15,616)	(14,993)	(12,668)	(3,453)
Authority's covered payroll	348,800	367,070	389,917	338,069
Authority's Proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	125.41%	96.33%	64.59%	75.45%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability				
Traditional Plan	77.25%	81.08%	86.45%	86.36%
Combined Plan	116.55%	116.90%	114.83%	104.33%

Information prior to fiscal year 2014 is not available.

Logan County Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions
For the Year Ended December 31, 2017

	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 45,334	$ 44,051	$ 46,090	$ 46,790	$ 43,949
Contributions in Relation to Contractually Required Contribution	(45,334)	(44,051)	(46,090)	(46,790)	(43,949)
Contribution deficit (surplus)	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 348,800	$ 367,070	$ 384,083	$ 389,917	$ 338,069
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%	12.00%	13.00%

Information prior to 2013 is not available.

Total contributions reported include any amounts contributed to other post employment benefits in addition to the Traditional and Combined Plans.

LOGAN COUNTY METROPLOITAN HOUSING AUTHORITY
LOGAN COUNTY
FINANCIAL DATA SCHEDULE
AS OF DECEMBER 31, 2017

	Business Activities	14.871 Housing Choice Vouchers	Project Total	Subtotal	ELIM	TOTAL
111 Cash - Unrestricted	$10,775	$17,674	$4,742	$33,191	$0	$33,191
113 Cash - Other Restricted	$0	$24,016	$0	$24,016	$0	$24,016
114 Cash - Tenant Security Deposits	$6,055	$0	$32,708	$38,763	$0	$38,763
100 Total Cash	$16,830	$41,690	$37,450	$95,970	$0	$95,970
122 Accounts Receivable - HUD Other Projects	$0	$6,190	$5,717	$11,907	$0	$11,907
126 Accounts Receivable - Tenants	$8	$0	$889	$897	$0	$897
126.1 Allowance for Doubtful Accounts -Tenants	$0	$0	-$87	-$87	$0	-$87
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$576	$576	$0	$576
128 Fraud Recovery	$0	$3,699	$0	$3,699	$0	$3,699
128.1 Allowance for Doubtful Accounts - Fraud	$0	-$3,699	$0	-$3,699	$0	-$3,699
120 Total Receivables, Net of Allowances for Doubtful Accounts	$8	$6,190	$7,095	$13,293	$0	$13,293
142 Prepaid Expenses and Other Assets	$1,489	$618	$22,200	$24,307	$0	$24,307
143 Inventories	$0	$0	$22,790	$22,790	$0	$22,790
143.1 Allowance for Obsolete Inventories	$0	$0	-$847	-$847	$0	-$847
144 Inter Program Due From	$0	$0	$37,500	$37,500	-$37,500	$0
150 Total Current Assets	$18,327	$48,498	$126,188	$193,013	-$37,500	$155,513
161 Land	$47,170	$0	$683,201	$730,371	$0	$730,371
162 Buildings	$1,222,714	$0	$8,257,603	$9,480,317	$0	$9,480,317
163 Furniture, Equipment & Machinery - Dwellings	$0	$0	$141,958	$141,958	$0	$141,958
164 Furniture, Equipment & Machinery - Administration	$0	$101,911	$331,399	$433,310	$0	$433,310
166 Accumulated Depreciation	-$103,745	-$101,651	-$5,974,772	-$6,180,168	$0	-$6,180,168
160 Total Capital Assets, Net of Accumulated Depreciation	$1,166,139	$260	$3,439,389	$4,605,788	$0	$4,605,788
174 Other Assets	$0	$4,429	$11,187	$15,616	$0	$15,616
180 Total Non-Current Assets	$1,166,139	$4,689	$3,450,576	$4,621,404	$0	$4,621,404
200 Deferred Outflow of Resources	$0	$65,090	$150,368	$215,458	$0	$215,458
290 Total Assets an Deferred Outflow of Resources	$1,184,466	$118,277	$3,727,132	$5,029,875	-$37,500	$4,992,375
190 Total Assets	$1,184,466	$53,187	$3,576,764	$4,814,417	-$37,500	$4,776,917
312 Accounts Payable <= 90 Days	$2,365	$292	$5,108	$7,765	$0	$7,765
321 Accrued Wage/Payroll Taxes Payable	$0	$7,250	$33,170	$40,420	$0	$40,420
322 Accrued Compensated Absences - Current Portion	$0	$2,491	$2,883	$5,374	$0	$5,374
325 Accrued Interest Payable	$955	$0	$0	$955	$0	$955
331 Accounts Payable - HUD PHA Programs	$0	$1,114	$0	$1,114	$0	$1,114
333 Accounts Payable - Other Government	$0	$0	$0	$0	$0	$0
341 Tenant Security Deposits	$6,055	$0	$32,708	$38,763	$0	$38,763
342 Unearned Revenues	$127	$0	$2,208	$2,335	$0	$2,335
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$16,207	$0	$0	$16,207	$0	$16,207
345 Other Current Liabilities	$0	$5,866	$3,850	$9,716	$0	$9,716
346 Accrued Liabilities - Other	$0	$0	$15,727	$15,727	$0	$15,727
347 Inter Program - Due To	$37,500	$0	$0	$37,500	-$37,500	$0
310 Total Current Liabilities	$63,209	$17,013	$95,654	$175,876	-$37,500	$138,376
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$191,777	$0	$0	$191,777	$0	$191,777
352 Long-term Debt, Net of Current - Operating Borrowings				$0		$0
353 Non-current Liabilities - Other	$0	$24,016	$0	$24,016	$0	$24,016
354 Accrued Compensated Absences - Non Current	$0	$4,619	$10,878	$15,497	$0	$15,497
357 Accrued Pension and OPEB Liabilities	$0	$134,448	$318,583	$453,031		$453,031
350 Total Non-Current Liabilities	$191,777	$163,083	$329,461	$684,321	$0	$684,321
300 Total Liabilities	$254,986	$180,096	$425,115	$860,197	-$37,500	$822,697
400 Deferred Inflow of Resources	$0	$4,420	$16,386	$20,806	$0	$20,806
508.4 Net Investment in Capital Assets	$958,155	$260	$3,439,389	$4,397,804	$0	$4,397,804
511.1 Restricted Net Position	$0	$0	$0	$0	$0	$0
512.1 Unrestricted Net Position	-$28,675	-$66,499	-$153,758	-$248,932	$0	-$248,932
513 Total Equity - Net Assets/Position	$929,480	-$66,239	$3,285,631	$4,148,872	$0	$4,148,872
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$1,184,466	$118,277	$3,727,132	$5,029,875	-$37,500	$4,992,375

LOGAN COUNTY METROPLOITAN HOUSING AUTHORITY
LOGAN COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business Activities	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	Project Total	Subtotal	ELIM	TOTAL
70300 Net Tenant Rental Revenue	$80,814	$0	$0	$76,344	$157,158	$0	$157,158
70400 Tenant Revenue - Other	$956	$0	$0	$0	$956	$0	$956
70500 Total Tenant Revenue	$81,770	$0	$0	$76,344	$158,114	$0	$158,114
70600 HUD PHA Operating Grants	$0	$37,903	$1,533,979	$383,439	$1,955,321	$0	$1,955,321
70610 Capital Grants	$0	$0	$0	$71,037	$71,037	$0	$71,037
71100 Investment Income - Unrestricted	$3	$0	$4	$2	$9	$0	$9
71400 Fraud Recovery	$0	$0	$4,008	$0	$4,008	$0	$4,008
71500 Other Revenue	$43,244	$0	$7,277	$7,245	$57,766	$0	$57,766
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0	$0	$0	$0	$0
70000 Total Revenue	$125,017	$37,903	$1,545,268	$538,067	$2,246,255	$0	$2,246,255
91100 Administrative Salaries	$16,727	$0	$77,299	$102,570	$196,596	$0	$196,596
91200 Auditing Fees	$0	$0	$3,083	$7,549	$10,632	$0	$10,632
91400 Advertising and Marketing	$0	$0	$0	$113	$113	$0	$113
91500 Employee Benefit contributions - Administrative	$6,091	$0	$54,758	$39,911	$100,760	$0	$100,760
91600 Office Expenses	$0	$0	$4,245	$13,953	$18,198	$0	$18,198
91700 Legal Expense	$444	$0	$0	$1,472	$1,916	$0	$1,916
91800 Travel	$0	$0	$862	$384	$1,246	$0	$1,246
91900 Other	$2,407	$0	$15,420	$30,903	$48,730	$0	$48,730
91000 Total Operating - Administrative	$25,669	$0	$155,667	$196,855	$378,191	$0	$378,191
92100 Tenant Services - Salaries	$0	$37,903	$0	$0	$37,903	$0	$37,903
92500 Total Tenant Services	$0	$37,903	$0	$0	$37,903	$0	$37,903
93100 Water	$463	$0	$0	$4,216	$4,679	$0	$4,679
93200 Electricity	$426	$0	$0	$8,936	$9,362	$0	$9,362
93300 Gas	$525	$0	$0	$7,591	$8,116	$0	$8,116
93600 Sewer	$999	$0	$0	$8,226	$9,225	$0	$9,225
93000 Total Utilities	$2,413	$0	$0	$28,969	$31,382	$0	$31,382
94100 Ordinary Maintenance and Operations - Labor	$5,963	$0	$0	$108,886	$114,849	$0	$114,849
94200 Ordinary Maintenance and Operations - Materials and Other	$0	$0	$0	$25,698	$25,698	$0	$25,698
94300 Ordinary Maintenance and Operations Contracts	$0	$0	$0	$53,986	$53,986	$0	$53,986
94500 Employee Benefit Contributions - Ordinary Maintenance	$0	$0	$0	$44,268	$44,268	$0	$44,268
94000 Total Maintenance	$5,963	$0	$0	$232,838	$238,801	$0	$238,801
96110 Property Insurance	$1,650	$0	$0	$19,603	$21,253	$0	$21,253
96120 Liability Insurance	$116	$0	$621	$1,254	$1,991	$0	$1,991
96130 Workmen's Compensation	$0	$0	$1,428	$4,231	$5,659	$0	$5,659
96140 All Other Insurance	$0	$0	$0	$3,164	$3,164	$0	$3,164
96100 Total insurance Premiums	$1,766	$0	$2,049	$28,252	$32,067	$0	$32,067

LOGAN COUNTY METROPLOITAN HOUSING AUTHORITY
LOGAN COUNTY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business Activities	14.870 Resident Opportunity & Supportive Services	14.871 Housing Choice Vouchers	Project Total	ELIM	TOTAL
96210 Compensated Absences	$0	$0	$3,330	$3,996	$0	$7,326
96300 Payments in Lieu of Taxes	$154	$0	$0	$4,738	$0	$4,892
96400 Bad debt - Tenant Rents	$0	$0	$0	$681	$0	$681
96000 Total Other General Expenses	$154	$0	$3,330	$9,415	$0	$12,899
96710 Interest of Mortgage (or Bonds) Payable	$13,904	$0	$0	$0	$0	$13,904
96700 Total Interest Expense and Amortization Cost	$13,904	$0	$0	$0	$0	$13,904
96900 Total Operating Expenses	$49,869	$37,903	$161,046	$496,329	$0	$745,147
97000 Excess of Operating Revenue over Operating Expenses	$75,148	$0	$1,384,222	$41,738	$0	$1,501,108
97300 Housing Assistance Payments	$39,112	$0	$1,419,623	$0	$0	$1,458,735
97350 HAP Portability-In	$0		$0	$0	$0	$0
97400 Depreciation Expense	$44,462	$0	$32	$256,000	$0	$300,494
90000 Total Expenses	$133,443	$37,903	$1,580,701	$752,329	$0	$2,504,376
10010 Operating Transfer In	$0	$0	$0	$14,151	$0	$14,151
10020 Operating transfer Out	$0	$0	$0	-$14,151	$0	-$14,151
10093 Transfers between Program and Project - In	$0	$0	$0	$19,256	$0	$19,256
10094 Transfers between Project and Program - Out	-$19,256	$0	$0	$0	$0	-$19,256
10100 Total Other financing Sources (Uses)	-$19,256	$0	$0	$19,256	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$27,682	$0	-$35,433	-$195,006	$0	-$258,121
11020 Required Annual Debt Principal Payments	$16,207	$0	$0	$0	$0	$16,207
11030 Beginning Equity	$957,162	$0	-$30,806	$3,480,637	$0	$4,406,993
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0
11170 Administrative Fee Equity	$0	$0	-$66,239	$0	$0	-$66,239
11180 Housing Assistance Payments Equity	$0	$0	$0	$0	$0	$0
11190 Unit Months Available	$0	$0	3552	1200	$0	4752
11210 Number of Unit Months Leased	$0	$0	3509	1128	$0	4637
11270 Excess Cash	$0	$0	$0	-$52,355	$0	-$52,355
11650 Leasehold Improvements Purchases	$0	$0	$0	$14,292	$0	$14,292

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

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	2017 FEDERAL EXPENDITURES
DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Public and Indian Housing	14.850	$ 337,104
Section 8 Housing Choice Vouchers	14.871	1,533,979
Public Housing Capital Fund	14.872	117,372
Family Self-Sufficiency	14.896	37,903
TOTAL FEDERAL AWARDS EXPENDITURES		$ 2,026,358

See accompanying notes to this schedule.

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of **Logan County Metropolitan Housing Authority**, Logan County, Ohio (the Agency) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Agency.

Note B – Summary of Significant Accounting Policies

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

Note C – Subrecipients

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

Note D – Disclosure of Other Forms of Assistance

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

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

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2017

ACTUAL MODERNIZATION COST CERTIFICATE

MODERNIZATION PROJECT NUMBER: OH16-P072-501-15

Original Funds Approved:	$139,034
Funds Disbursed:	$139,034
Funds Expended (Actual Modernization Cost):	$139,034
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

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

June 15, 2018

Logan County Metropolitan Housing Authority
Logan County
119 North Everett Street
Bellefontaine, Ohio 45402

To the Director and Board of Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of **Logan County Metropolitan Housing Authority,** Logan County, (the Authority) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 15, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standard*s.

We did note a certain matter not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated June 15, 2018.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

June 15, 2018

Logan County Metropolitan Housing Authority
Logan County
119 North Everett Street
Bellefontaine, Ohio 45402

To the Director and Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited the **Logan County Metropolitan Housing Authority's**, Logan County, (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Authority's major federal program for the year ended December 31, 2017. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY
LOGAN COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2017

1. SUMMARY OF AUDIT RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR§200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Section 8 Housing Choice Vouchers, CFDA # 14.871
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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LOGAN COUNTY METROPOLITAN HOUSING AUTHORITY

LOGAN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 5, 2018

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