MIAMI METROPOLITAN HOUSING AUTHORITY

Financial Statements

For the Year Ended December 31, 2017

Dave Yost • Auditor of State

Board of Commissioners
Miami Metropolitan Housing Authority
1695 Troy Sidney Road
Troy, Ohio 45373

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

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

Dave Yost
Auditor of State

September 27, 2018

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MIAMI METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Miami Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Miami Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

The financial data schedule (FDS) and the PHA's Statement of Certification of Actual Modernization are presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is the responsibility of management, information was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditure of Federal Awards, the financial data schedule ("FDS") and the PHA's Statement of Certification of Actual Modernization are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 29, 2018, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

Salvatore Consiglio

Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
June 29, 2018

Unaudited

It is a privilege to present for you the financial picture of Miami Metropolitan Housing Authority for the fiscal year that ended December 31, 2017. The Miami Metropolitan Housing Authority's (the "Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify the single enterprise 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 conjunction with the Authority's basic financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's programs for the single enterprise fund are: Conventional Public-Housing, Capital Fund Program (CFP), and the Housing Choice Voucher Program (HCV).

- Total revenues increased by $129,139 (or 2.35%) during 2017, and were $5,612,964 and $5,483,825 for 2017 and 2016, respectively.

- Total expenses increased by $67,493 (or 1.15%). Total expenses were $5,911,671 and $5,844,178 for 2017 and 2016, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of these financial statements:

MD&A ~ Management's Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Change in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information ~

The clearly preferable focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability

BASIC FINANCIAL STATEMENTS

The basic financial statements are designed to be corporate-like in that all business-type programs are consolidated into one single enterprise fund for the 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, equals "Net Position", formerly known as Net Assets. 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 (as applicable):

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

Restricted: 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: This component of Net Position consists of assets that do not meet the definition of "Net Investment in Capital Assets", or "Restricted". This account resembles the old operating reserves account.

The basic 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, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in 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.

The Authority's programs that are consolidated into a single enterprise fund are as follows:

Project (Conventional Public Housing and Capital Fund Program) – 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 Subsidies to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

Business Activities – Represents the rental of office space to be used for future capital improvements on the building.

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table compares the condensed Statement of Net Position for the current and previous fiscal year.

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

	2017	2016
Assets and Deferred Outflows		
Current and Other Assets	$ 505,921	$ 622,511
Current and Other Assets - Restricted	53,169	438,999
Capital Assets	2,926,110	2,946,861
Deferred Outflow of Resources	484,190	452,803
Total Assets and Deferred Outflows of Resources	3,969,390	4,461,174
Liabilities and Deferred Inflows		
Current Liabilities	145,090	182,818
Non-Current Liabilities	1,115,579	978,996
Deferred Inflows of Resources	72,671	364,603
Total Liabilities and Deferred Inflows of Resources	1,333,340	1,526,417
Net Position		
Net Investment in Capital Assets	2,926,110	2,946,861
Restricted - HAP	5,038	47,365
Unrestricted	(295,098)	(59,469)
Total Net Position	$ 2,636,050	$ 2,934,757

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

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Restricted current assets decreased in the Authority's Housing Choice Voucher program during 2017 mainly due to the receipt of HUD Operating subsidy for January 2017 HAP in December 2016. Capital assets declined primarily due to depreciation expense and current year capital fund additions to building. Non-current liabilities increased during 2017 due to the Authority's proportionate share of pension liability of the Ohio Public Employees Retirement System (OPERS).

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

Table 2 - Statement of Revenue, Expenses & Changes in Net Position

	2017	2016
Revenues		
Tenant Revenue - Rents and Other	$633,661	$ 624,630
Operating Subsidies and Grants	4,676,467	4,756,670
Capital Grants	237,761	56,620
Investment Income/Other Revenues	65,075	45,905
Total Revenues	5,612,964	5,483,825
Expenses		
Administration	742,303	717,064
Tenant services	3,561	3,951
Utilities	264,121	245,777
Maintenance	391,688	344,307
Insurance	32,978	33,811
General	87,346	97,671
Housing Assistance Payments	4,048,457	4,077,402
Depreciation	341,217	324,195
Total Expenses	5,911,671	5,844,178
Change in Net Position	$ (298,707)	$ (360,353)

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

The major factor increasing the overall revenue was the usage of Capital Fund Program funds for Building improvements. There was also an increase in other revenues. Tenant revenues increased slightly.

Overall expenses increased due to the rise in cost for employee benefits related to OPERS and utilities. However, during 2017 there was a decrease in spending on housing assistance payments while leasing for the Housing Choice Voucher program remained constant.

CAPITAL ASSETS

As of December 31, 2017, the Authority had $2,926,110 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions, and depreciation) of $20,751 from the end of last fiscal year.

TABLE 3 - CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	2017	2016
Land and Land Rights	$ 357,350	$ 357,350
Buildings	11,482,858	11,176,176
Equipment - Administrative	9,549	9,549
Equipment - Dwellings	93,341	83,924
Accumulated Depreciation	(9,016,988)	(8,680,138)
TOTAL	$ 2,926,110	$ 2,946,861

The following reconciliation summarizes the change in Capital Assets.

TABLE 4 - CHANGE IN CAPITAL ASSETS

Beginning Balance - Net	$ 2,946,861
Additions - Capital fund	320,466
Disposals	(4,367)
Accumulated depreciation - disposals	4,367
Depreciation Expense	(341,217)
Ending Balance - Net	$ 2,926,110

DEBT

At December 31, 2017, the Authority had no debt.

ECONOMIC FACTORS

- Federal funding 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

IN CONCLUSION

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

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Jack Baird, Executive Director of the Miami Metropolitan Housing Authority at (937) 339-2111.

MIAMI METROPOLITAN HOUSING AUTHORITY
Statement of Net Position
December 31, 2017

ASSETS	
Current assets	
Cash and Cash Equivalents	$416,354
Restricted Cash and Cash Equivalents	53,169
Receivables, Net	13,425
Inventories, Net	31,216
Prepaid Expenses and Other Assets	44,926
Total Current Assets	**559,090**
Noncurrent Assets	
Capital Assets:	
Non-Depreciable Capital Assets	357,350
Depreciable Capital Assets	2,568,760
Total Noncurrent Assets	***2,926,110***
Deferred Outflows of Resources	*484,190*
Total Assets and Deferred Outflows of Resources	**$3,969,390**
LIABILITIES	
Current Liabilities	
Accounts Payable	$12,847
Accrued Wages/Payroll Taxes	12,296
Accrued Compensated Leave Current	32,076
Intergovernmental Payables	39,630
Tenant Security Deposits	48,131
Other current liabilities	110
Total Current Liabilities	***145,090***
Noncurrent liabilities	
Net Pension Liability Payable	1,115,579
Total Noncurrent Liabilities	***1,115,579***
Total Liabilities	**1,260,669**
Deferred Inflows of Resources	72,671
Total Liabilities and Deferred Inflows of Resources	**$1,333,340**
NET POSITION	
Net Investment in Capital Assets	$2,926,110
Restricted	5,038
Unrestricted	(295,098)
Total Net Position	**2,636,050**
Total Liabilities, Deferred Inflows and Net Position	**$3,969,390**

See accompanying notes to the basic financial statements

MIAMI METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended December 31, 2017

OPERATING REVENUES	
Tenant Revenue	$633,661
Government Operating Grants	4,676,467
Other Revenues	64,395
Total Operating Revenues	**5,374,523**
OPERATING EXPENSES	
Administrative	742,303
Tenant Services	3,561
Utilities	264,121
Maintenance	391,688
Insurance	32,978
General	87,346
Housing Assistance Payments	4,048,457
Depreciation	341,217
Total Operating Expenses	***5,911,671***
Operating Income (Loss)	**(537,148)**
NON-OPERATING REVENUES	
Interest and Investment Revenue	680
Total Non-Operating Revenues	***680***
Income (Loss) Before Contributions and Transfers	(536,468)
Capital Grants	237,761
Change in Net Position	(298,707)
Total Net Position, Beginning of Year	2,934,757
Total Net Position - End of Year	**$2,636,050**

See accompanying notes to the basic financial statements

MIAMI METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows
For the Year Ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Federal Operating Grants	$4,279,815
Cash Received from Tenants	627,184
Cash Received from Other Revenue	66,753
Cash Payments for General and Administrative expenses	(1,353,361)
Cash Payments for Housing Assistance	(4,048,457)
Net Cash Provided (Used) by Operating Activities	**(428,066)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	680
Net Cash Provided (Used) by Investing Activities	**680**
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES	
Capital Grants	237,761
Property and Equipment Purchased	(320,466)
Net Cash Provided (Used) by Capital and Related Activities	**(82,705)**
Net Increase (Decrease) in Cash	(510,091)
Cash and cash equivalents - Beginning of year	979,614
Cash and cash equivalents - End of year	**$469,523**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	($537,148)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	341,217
- (Increases) Decreases in Accounts Receivable	(6,839)
- (Increases) Decreases in Prepaid Assets	(410)
- Increases (Decreases) in Inventory	(422)
- (Increases) Decreases in Deferred Outflows	(31,387)
- Increases (Decreases) in Accounts Payable	7,559
- Increases (Decreases) in Accounts Payable - Intergovernmental	(796)
- Increases (Decreases) in Accrued Wages/Payroll Taxes	944
- Increases (Decreases) in Compensated Absence Payable	(902)
- Increases (Decreases) in Tenant Security Deposits	62
- Increases (Decreases) in Pension Liability	136,583
- Increases (Decreases) in Deferred Inflows	(291,932)
- Increases (Decreases) in Unearned Revenue	(44,595)
Net Cash Provided by Operating Activities	**($428,066)**

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

Oversight of the Miami Metropolitan Housing Authority is provided by a five (5) member board called the Board of Commissioners representing one (1) appointee of the Common Pleas Court, one (1) appointee of the County commissioners, one (1) appointee of the Probate Court and two (2) appointees of the largest municipality of the county, including one (1) appointee resident member nominated by the Resident Advisory Council.

The accompanying Basic Financial Statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *the Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34;* in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

Basis of Presentation

The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses and change in net position, and a statement of cash flows.

Fund Accounting

The Authority uses the enterprise fund to report on its financial position and results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The enterprise fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

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 changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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 the Housing Choice Voucher and Public 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:

Project (Conventional Public Housing and Capital Fund Program) – 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 Subsidies to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on the size and age of the Authority's units.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing

Authority subsidizes the balance.

Business Activities – Represents the rental of office space to be used for future capital improvements on the building as well as a Payroll Cost Pool.

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- Imposed nonexchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).
- Government-mandated nonexchange 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).
- Voluntary nonexchange 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).

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

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

- 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 nonexchange transactions.

- 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 nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received, whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

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.

Prepaid expenses

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

Capital Assets

Capital assets are stated at cost 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 not capitalized. The Authority's capitalization policy is $1,000. The following are the useful lives used for depreciation purposes:

Buildings	40
Building improvements	15
Furniture – dwelling	5
Furniture – non-dwelling	5
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	7
Computer hardware	5
Computer software	5
Leasehold improvements	15

Accrued Liabilities

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

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 either by internal or external restrictions.

Compensated Absences

The liability for Compensated Absences balances are accounted for by The Authority in accordance with GASB Statement No. 16.

Sick Leave – Regular employees accrue sick leave at the rate of one and one-fourth days per month. Accrual is unlimited and not a claim against the Agency, except an employee will be paid upon disability or service retirement equal to 25% of the value of their accumulated sick leave with a 30 day maximum liability.

Annual Leave – Regular employees accrue annual leave at the rate of one through five years of service equals ten days of earned vacation a year; six through ten years of service equals fifteen days of earned vacation a year; eleven years of service and over equals twenty-one days of earned vacation a year. Annual leave may be carried over for up to one year.

The following is a summary of changes in compensated absences for the year ended December 31, 2017:

	Balance 12/31/16	Increases	Decreases	Balance 12/31/17	Due Within
Compensated Absences Payable	$ 32,978	$ 40,615	$ 41,517	$ 32,076	$ 32,076

Operating/Nonoperating 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 grants from HUD and other miscellaneous revenue. Nonoperating revenues are HUD capital grants and interest income. HUD capital grants are the amounts received by the Authority for capital improvements and administration of the Public Housing program.

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

Capital Contributions

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

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

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.

Tenant 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. The allowance for doubtful accounts was $780 at December 31, 2017.

Inventories
Inventories are comprised of maintenance materials and supplies and are stated at cost. The allowance for obsolete inventory was $3,468 at December 31, 2017.

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension and HAP funding for January 2017. Deferred inflows of resources related to pension and HAP funding are reported on the government-wide statement of net position. The deferred inflows of resources related to pension are explained in Note 5.

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

2. DEPOSITS AND INVESTMENTS

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

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

2. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-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.

3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time 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 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 surety company bonds deposited with the treasurer by the financial institution 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 $469,523 at December 31, 2017. The corresponding bank balances were $537,048. Based on the criteria described in GASB Statement No. 40, *"Deposits and Investment Risk Disclosure,"* at December 31, 2017, $250,000 was covered by federal depository insurance, while $287,048 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% 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 banks and pledged as a pool of collateral against all 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 subdivisions 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.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon 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.

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.

At December 31, 2017, the Authority did not have any investments.

3. RESTRICTED CASH

Restricted cash balance at December 31, 2017 of $53,169 represents cash on hand for the following:

	Balance 12/31/17
Tenant Security Deposits	$ 48,131
Cash on hand for Housing assistance payments	5,038
Total Restricted Cash	$ 53,169

4. CAPITAL ASSETS

The following is a summary of capital assets:

	Balance 12/31/2016	Additions	Deletions/ Transfers	Balance 12/31/2017
CAPITAL ASSETS, NOT BEING DEPRECIATED				
Land	$ 357,350	$ -	$ -	$ 357,350
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	$ 357,350	$ -	$ -	$ 357,350
CAPITAL ASSETS BEING DEPRECIATED				
Building and Improvements	$ 11,176,176	$ 306,682	$ -	$ 11,482,858
Furniture and equipment	93,473	13,784	(4,367)	102,890
Totals at Historical Costs	11,269,649	320,466	(4,367)	11,585,748
Less: Accumulated Depreciation	(8,680,138)	(341,217)	4,367	(9,016,988)
TOTAL CAPITAL ASSETS, BEING DEPRECIATED, NET	$ 2,589,511	$ (20,751)	$ -	$ 2,568,760
TOTAL CAPITAL ASSETS, NET	$ 2,946,861	$ (20,751)	$ -	$ 2,926,110
Accumulated Depreciation by Class:				
Buildings				$ 8,946,189
Furniture and Equipment				70,799
TOTAL ACCUMULATED DEPRECIATION				$ 9,016,988

5. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - 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:

1. The Traditional Pension Plan – A cost-sharing, multiple-employer defined benefit pension plan.

2. 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.

3. 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.

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 after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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

2017 Statutory Maximum Contribution Rates	
Employer	14%
Employee	10%

2017 Actual Contrubution Rates	
Employer:	
Pension	13%
Post-employment Health Care Benefits	1%
Total Employer	14%
Employee:	10%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contributions to OPERS for fiscal year 2017 was $101,444 for the Traditional Plan. The full amount was contributed during the fiscal year.

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:

Net Pension Liability	Traditional	Combined	Member-Directed	Total
Proportionate Share of the Net Pension Liability	$ 1,121,109	$ (5,483)	$ (47)	$ 1,115,579
Proportion of the Net Pension Liability	0.004937%	0.0098510%	0.0112060%	
Pension Expense	$ 238,014	$ 3,961	$ 58	$ 242,033

Deferred Outflows of Resources	Traditional	Combined	Member-Directed	Total
Net difference between projected and actual investment earnings on pension plan investments	$ 346,300	$ 2,674	$ 568	$ 349,542
Changes in proportionate share	33,204	-	-	33,204
Authority contributions subsequent to the measurement date	101,444	-	-	101,444
Total Deferred Outflows of Resources	$ 480,948	$ 2,674	$ 568	$ 484,190

Deferred Inflows of Resources	Traditional	Combined	Member-Directed	Total
Net difference between projected and actual earnings on pension plan investments	$ 6,672	$ 2,804	$ -	9,476
Changes in proportionate share	63,195			63,195
Total Deferred Inflows of Resources	$ 69,867	$ 2,804	$ -	$ 72,671

$101,444 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	Total
2018	135,876
2019	119,931
2020	57,542
2021	(4,608)
2022	337
Thereafter	997
Total	$ 310,075

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 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	Combined, & Member-Directed Plans
Valuation Date	December 31, 2016	December 31, 2016
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary	Increases 3.25% - 10.75% (includes wage inflation at 3.25%)	Increases 3.25% - 8.25% (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 were 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.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the 401 (h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401 (h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 8.3% percent for 2016.

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

Asset Class	Target Allocation for 2016	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	18.00%	4.92%
	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 8 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 (7 percent) or one-percentage-point higher (9 percent) than the current rate:

Authority's proportionate share of the net pension liability (asset)	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Traditional Plan	$ 1,712,744	$ 1,121,109	$ 628,085
Combined Plan	394	(5,483)	(10,048)
Member-Directed Plan	112	(47)	(112)
Total	$ 1,713,250	$ 1,115,579	$ 617,925

6. 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.

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, 2015, and 2014 amounted to $101,444, 102,863, $111,589, and $106,520, respectively. All required contributions have been made through December 31, 2017.

7. CONTINGENCIES

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2017.

8. COMMITMENTS

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.

9. RISK MANAGEMENT

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

The Authority carried commercial insurance for risk of loss for employee health and accident insurance. There has been no significant reduction in coverage from last year. Settled claims have not exceeded this coverage in any of the last three years.

10. 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 $39,630.

11. FDS 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 revenues, expenses and change in net asset and other data to HUD as required on the accrual basis of accounting. The audited version of the entity wide balance sheet summary and entity wide revenue and expense summary are included as supplemental data. The schedules are presented in the manner prescribed by U. S. Department of Housing and Urban Development.

12. RELATED PARTY TRANSACTION

The Miami Metropolitan Housing Authority has an "Employer of Record" contract with Miami County Community Action Council. This contract provides staffing services in which a contract is signed to provide services as determined by the Housing Authority. The Community Action Council has a separate audit of its financial records under the same guidelines as Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

13. 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.

14. NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

The accompanying schedule of federal awards expenditures is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the accrual basis of accounting.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2018, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

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MIAMI METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER		EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
DIRECT PROGRAMS			
PHA Owned Housing:			
Public and Indian Housing	14.850	$	130,178
Public Housing Capital Fund	14.872		237,761
Housing Assistance Payments:			
Section 8 Housing Choice Voucher	14.871		4,546,289
Total FEDERAL AWARDS		**$**	**4,914,228**

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE B – SUBRECIPIENTS

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

NOTE C – DISCLOSURE OF OTHER FORMS OF ASSISTANCE

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

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

MIAMI METROPOLITAN HOUSING AUTHORITY

Ceritfication of Actual Modernization Costs

Fiscal Year Ending December 31, 2017

	CFP 501-14
Funds approved	$129,042
Funds expended	129,042
Excess of (deficiency) of funds approved	$ -
Funds advanced	$129,042
Funds expended	129,042
Excess of (deficiency) of funds advanced	$ -

1. The total amount of costs as shown on the Actual Modernization Cost Certificate is in agreement with the Authority's cost ledgers for all included projects.

2. All modernization work in connection with the periods has been completed.

3. The entire Actual Modernization Cost or liabilities incurred by the Authority have been fully paid.

MIAMI METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
FISCAL YEARS AVAILABLE

Traditional, Combined, & Member-Directed Plans	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability/(Asset) - Traditional	0.004937%	0.005678%	0.004994%	0.004994%
Authority's Proportion of the Net Pension Liability/(Asset) - Combined	0.009851%	0.009164%	0.026125%	0.026125%
Authority's Proportion of the Net Pension Liability/(Asset) - Member-Directed	0.011206%	0.011947%	0.000000%	0.000000%
Authority's Proportionate Share of the Net Pension Liability	$ 1,115,579	$ 978,996	$ 592,251	$ 585,964
Authority's Covered-Employee Payroll	$ 724,602	$ 734,738	$ 797,064	$ 760,858
Authority's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	153.96%	133.24%	74.30%	77.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional	77.25%	81.08%	86.45%	86.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Combined	116.55%	116.90%	114.83%	104.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Member-Directed	103.40%	103.91%	0.00%	0.00%

(1) Information prior to 2014 is not available

MIAMI METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Contractually Required Contributions	2017	2016	2015	2014	2013
Traditional, Combined, and Member-Directed Plans Total Required Contributions	$ 101,444	$ 102,863	$ 111,589	$ 106,520	$ 106,004
Contributions In Relation to the Contractually Required Contributions	(101,444)	(102,863)	(111,589)	(106,520)	(106,004)
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll					
Traditional, Combined, and Member-Directed Plans Total Required Contributions	$ 724,602	$ 734,738	$ 797,064	$ 760,858	$ 757,167
Contributions as a Percentage of Covered-Employee	14.00%	14.00%	14.00%	14.00%	14.00%

Contractually Required Contributions	2012	2011	2010	2009	2008
Traditional, Combined, and Member-Directed Plans Total Required Contributions	$ 113,191	$ 131,968	$ 141,206	$ 129,272	$ 104,552
Contributions In Relation to the Contractually Required Contributions	(113,191)	(131,968)	(141,206)	(129,272)	(104,552)
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll					
Traditional, Combined, and Member-Directed Plans Total Required Contributions	$ 808,504	$ 942,629	$ 1,008,613	$ 923,373	$ 746,801
Contributions as a Percentage of Covered-Employee	14.00%	14.00%	14.00%	14.00%	14.00%

MIAMI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	$131,411	$195,873	$89,070	$416,354	$0	$416,354
113 Cash - Other Restricted	$0	$5,038	$0	$5,038	$0	$5,038
114 Cash - Tenant Security Deposits	$48,131	$0	$0	$48,131	$0	$48,131
100 Total Cash	$179,542	$200,911	$89,070	$469,523	$0	$469,523
122 Accounts Receivable - HUD Other Projects	$8,492	$0	$0	$8,492	$0	$8,492
125 Accounts Receivable - Miscellaneous	$0	$0	$1,814	$1,814	$0	$1,814
126 Accounts Receivable - Tenants	$3,899	$0	$0	$3,899	$0	$3,899
126.1 Allowance for Doubtful Accounts -Tenants	($780)	$0	$0	($780)	$0	($780)
120 Total Receivables, Net of Allowances for Doubtful Accounts	$11,611	$0	$1,814	$13,425	$0	$13,425
142 Prepaid Expenses and Other Assets	$18,564	$3,272	$23,090	$44,926	$0	$44,926
143 Inventories	$34,684	$0	$0	$34,684	$0	$34,684
143.1 Allowance for Obsolete Inventories	($3,468)	$0	$0	($3,468)	$0	($3,468)
150 Total Current Assets	$240,933	$204,183	$113,974	$559,090	$0	$559,090
161 Land	$357,350	$0	$0	$357,350	$0	$357,350
162 Buildings	$11,482,858	$0	$0	$11,482,858	$0	$11,482,858
163 Furniture, Equipment & Machinery - Dwellings	$9,549	$0	$0	$9,549	$0	$9,549
164 Furniture, Equipment & Machinery - Administration	$93,341	$0	$0	$93,341	$0	$93,341
166 Accumulated Depreciation	($9,016,988)	$0	$0	($9,016,988)	$0	($9,016,988)
160 Total Capital Assets, Net of Accumulated Depreciation	$2,926,110	$0	$0	$2,926,110	$0	$2,926,110
180 Total Non-Current Assets	$2,926,110	$0	$0	$2,926,110	$0	$2,926,110
200 Deferred Outflow of Resources	$213,041	$271,149	$0	$484,190	$0	$484,190

MIAMI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	$3,380,084	$475,332	$113,974	$3,969,390	$0	$3,969,390
312 Accounts Payable <= 90 Days	$9,867	$2,939	$41	$12,847	$0	$12,847
321 Accrued Wage/Payroll Taxes Payable	$5,669	$6,627	$0	$12,296	$0	$12,296
322 Accrued Compensated Absences - Current Portion	$14,740	$17,336	$0	$32,076	$0	$32,076
333 Accounts Payable - Other Government	$39,630	$0	$0	$39,630	$0	$39,630
341 Tenant Security Deposits	$48,131	$0	$0	$48,131	$0	$48,131
345 Other Current Liabilities	$0	$0	$110	$110	$0	$110
310 Total Current Liabilities	$118,037	$26,902	$151	$145,090	$0	$145,090
357 Accrued Pension and OPEB Liabilities	$490,856	$624,723	$0	$1,115,579	$0	$1,115,579
350 Total Non-Current Liabilities	$490,856	$624,723	$0	$1,115,579	$0	$1,115,579
300 Total Liabilities	$608,893	$651,625	$151	$1,260,669	$0	$1,260,669
400 Deferred Inflow of Resources	$31,975	$40,696	$0	$72,671	$0	$72,671
508.4 Net Investment in Capital Assets	$2,926,110	$0	$0	$2,926,110	$0	$2,926,110
511.4 Restricted Net Position	$0	$5,038	$0	$5,038	$0	$5,038
512.4 Unrestricted Net Position	($186,894)	($222,027)	$113,823	($295,098)	$0	($295,098)
513 Total Equity - Net Assets / Position	$2,739,216	($216,989)	$113,823	$2,636,050	$0	$2,636,050
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$3,380,084	$475,332	$113,974	$3,969,390	$0	$3,969,390
70300 Net Tenant Rental Revenue	$623,728	$0	$0	$623,728	$0	$623,728
70400 Tenant Revenue - Other	$9,933	$0	$0	$9,933	$0	$9,933
70500 Total Tenant Revenue	$633,661	$0	$0	$633,661	$0	$633,661

MIAMI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
70600 HUD PHA Operating Grants	$130,178	$4,546,289	$0	$4,676,467	$0	$4,676,467
70610 Capital Grants	$237,761	$0	$0	$237,761	$0	$237,761
71100 Investment Income - Unrestricted	$161	$519	$0	$680	$0	$680
71500 Other Revenue	$10,719	$320	$182,254	$193,293	($128,898)	$64,395
70000 Total Revenue	$1,012,480	$4,547,128	$182,254	$5,741,862	($128,898)	$5,612,964
91100 Administrative Salaries	$116,598	$265,650	$0	$382,248	$0	$382,248
91200 Auditing Fees	$1,061	$6,924	$0	$7,985	$0	$7,985
91500 Employee Benefit contributions - Administrative	$85,988	$195,370	$0	$281,358	$0	$281,358
91600 Office Expenses	$67,309	$112,003	$0	$179,312	($128,898)	$50,414
91700 Legal Expense	$1,000	$0	$0	$1,000	$0	$1,000
91800 Travel	$3,016	$1,373	$10	$4,399	$0	$4,399
91900 Other	$2,413	$12,480	$6	$14,899	$0	$14,899
91000 Total Operating - Administrative	$277,385	$593,800	$16	$871,201	($128,898)	$742,303
92400 Tenant Services - Other	$3,561	$0	$0	$3,561	$0	$3,561
92500 Total Tenant Services	$3,561	$0	$0	$3,561	$0	$3,561
93100 Water	$36,952	$0	$1,970	$38,922	$0	$38,922
93200 Electricity	$149,463	$0	$14,016	$163,479	$0	$163,479
93300 Gas	$26,337	$0	$8,917	$35,254	$0	$35,254
93600 Sewer	$24,606	$0	$1,860	$26,466	$0	$26,466
93000 Total Utilities	$237,358	$0	$26,763	$264,121	$0	$264,121
94100 Ordinary Maintenance and Operations - Labor	$77,625	$0	$11,714	$89,339	$0	$89,339
94200 Ordinary Maintenance and Operations - Materials and Other	$45,038	$0	$7,546	$52,584	$0	$52,584
94300 Ordinary Maintenance and Operations Contracts	$53,563	$0	$84,680	$138,243	$0	$138,243

MIAMI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
94500 Employee Benefit Contributions - Ordinary Maintenance	$59,369	$0	$4,482	$63,851	$0	$63,851
94000 Total Maintenance	$235,595	$0	$108,422	$344,017	$0	$344,017
96110 Property Insurance	$12,638	$0	$5,387	$18,025	$0	$18,025
96120 Liability Insurance	$6,957	$1,226	$2,965	$11,148	$0	$11,148
96140 All Other Insurance	$983	$2,402	$420	$3,805	$0	$3,805
96100 Total insurance Premiums	$20,578	$3,628	$8,772	$32,978	$0	$32,978
96200 Other General Expenses	$0	$1,267	$0	$1,267	$0	$1,267
96210 Compensated Absences	$16,757	$23,858	$0	$40,615	$0	$40,615
96300 Payments in Lieu of Taxes	$39,630	$0	$0	$39,630	$0	$39,630
96400 Bad debt - Tenant Rents	$5,834	$0	$0	$5,834	$0	$5,834
96000 Total Other General Expenses	$62,221	$25,125	$0	$87,346	$0	$87,346
96900 Total Operating Expenses	$836,698	$622,553	$143,973	$1,603,224	($128,898)	$1,474,326
97000 Excess of Operating Revenue over Operating Expenses	$175,782	$3,924,575	$38,281	$4,138,638	$0	$4,138,638
97100 Extraordinary Maintenance	$21,831	$0	$25,840	$47,671	$0	$47,671
97300 Housing Assistance Payments	$0	$4,048,457	$0	$4,048,457	$0	$4,048,457
97400 Depreciation Expense	$341,217	$0	$0	$341,217	$0	$341,217
90000 Total Expenses	$1,199,746	$4,671,010	$169,813	$6,040,569	($128,898)	$5,911,671
10093 Transfers between Program and Project - In	$40,000	$0	$0	$40,000	($40,000)	$0
10094 Transfers between Project and Program - Out	$0	$0	($40,000)	($40,000)	$40,000	$0
10100 Total Other financing Sources (Uses)	$40,000	$0	($40,000)	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	($147,266)	($123,882)	($27,559)	($298,707)	$0	($298,707)

MIAMI METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
11030 Beginning Equity	$2,886,482	($93,107)	$141,382	$2,934,757	$0	$2,934,757
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0	$0	$0	$0
11170 Administrative Fee Equity	$0	($222,027)	$0	($222,027)	$0	($222,027)
11180 Housing Assistance Payments Equity	$0	$5,038	$0	$5,038	$0	$5,038
11190 Unit Months Available	1,524	11,820	0	13,344	0	13,344
11210 Number of Unit Months Leased	1,519	11,581	0	13,100	0	13,100
11620 Building Purchases	$237,761	$0	$0	$237,761	$0	$237,761

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

Board of Commissioners
Miami Metropolitan Housing Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Miami Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Miami Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated June 29, 2018.

Internal Control over Financial Reporting

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

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

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

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

I did note a certain matter not requiring inclusion in this report that I reported to the Authority's management in a separate letter dated June 29, 2018.

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

Salvatore Consiglio

Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
June 29, 2018

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

Board of Commissioners
Miami Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

I have audited Miami Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Miami Metropolitan Housing Authority's major federal program for the year ended December 31, 2017. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In my opinion, Miami Metropolitan Housing Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control over Compliance

Management of the Miami Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Salvatore Consiglio

Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
June 29, 2018

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

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

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

Miami Metropolitan Housing Authority
Schedule of Prior Audit Findings
December 31, 2017

The audit report for the fiscal year ending December 31, 2016 contained no audit findings.

MIAMI COUNTY METROPOLITAN HOUSING AUTHORITY

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 11, 2018

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