Gallia Metropolitan Housing Authority
Gallia County

Financial Statements

For the Year Ended December 31, 2018

GALLIA METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

GALLIA METROPOLITAN HOUSING AUTHORITY
GALLIA COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
UNAUDITED

The Gallia 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 position, and (d) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The Authority's Net Position decreased by $194,015 (or 4.52%) during 2018, resulting from the operations of the Authority. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type Net Position. Net Position was $4,095,214 and $4,289,229 (restated) for 2018 and 2017 respectively.

- Revenues increased by $179,274 (or 11.53%) during 2018, and were $1,734,752 and $1,555,478 for 2018 and 2017 respectively.

- The total expenses increased by $22,429 (or 1.18%). Total expenses were $1,928,767 and $1,906,338 for 2018 and 2017 respectively.

USING THIS ANNUAL REPORT

This Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary information":

MD&A
~Management's Discussion
and Analysis ~

Basic Financial Statement
~Authority Financial Statements ~
~ Notes to Basic Financial Statements ~

Other Required Supplementary Information
~Required Supplementary Information~
~ Pension and OPEB Schedules ~

Authority Financial Statements

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

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources, equals "Net Position". 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 New Position (the "Unrestricted New Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position are reported in three broad categories:

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. The Authority does not have outstanding debt related to capital assets as of December 31, 2018.

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

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

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

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

Fund Financial Statements

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

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

The Authority's Programs

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

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

New GASB 75 Reporting

The net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net pension and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability.* GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service

2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised code permits, but does not require the retirement systems to provide healthcare to eligible healthcare recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, n the case of the compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for deferred inflows/outflows.

As a result of implementing GASB 75, the Authority is reporting net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017 from $4,500,349 to $4,289,229.

AUTHORITY STATEMENTS

Statement of Net Position

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

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

	2018	Restated 2017
Current and Other Assets	$ 624,932	$ 520,581
Capital Assets	4,170,304	4,405,664
Deferred Outflows	106,454	216,885
Total Assets and Deferred Outflows of Resources	$ 4,901,690	$ 5,143,130
Current Liabilities	$ 70,756	$ 74,688
Long-Term Liabilities	632,173	767,288
Total Liabilities	$ 702,929	$ 841,976
Deferred Inflows of Resources	$ 103,547	$ 11,925
Net Position:		
Investment in Capital Assets	4,170,304	4,405,664
Restricted Net Position	128,556	110,182
Unrestricted Net Position	(203,646)	(226,617)
Total Net Position	4,095,214	4,289,229
Total Liabilities, Deferred Inflows and Net Position	$ 4,901,690	$ 5,143,130

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

Major Factors Affecting the Statement of Net Position

During 2018, current and other assets increased by $104,351 and total liabilities decreased by $139,047. The current and other assets, primarily cash and investments, increased due to results from operation. Total liabilities decrease is due to change in pension liability as per GASB 68 and 75.

Capital assets also changed, decreasing from $4,405,664 to $4,170,304. The $235,360 decrease can be contributed primarily to current year depreciation expense less purchase of current year assets.

TABLE 2 - CHANGE OF NET POSITION

		Unrestricted		Investment in Capital Assets		Restricted
Net Position December 31, 2017 - Restated	$	(226,617)	$	4,405,664	$	110,182
Results of Operation		(212,389)		-		18,374
Adjustments:						
Current year Depreciation Expense (1)		392,693		(392,693)		-
Capital Expenditure (2)		(157,329)		157,329		-
Rounding Adjustment		(4)		4		-
Net Position December 31, 2018	$	(203,646)	$	4,170,304	$	128,556

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

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

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

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

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

	2018	2017
Revenues		
Total Tenant Revenues	$ 152,289	$ 149,559
Operating Subsidies	1,385,716	1,352,701
Capital Grants	156,147	27,003
Investment Income	1,389	50
Other Revenues	39,211	27,458
Gain/(Loss) on Disposal of Assets	-	(1,293)
Total Revenues	**1,734,752**	**1,555,478**
Expenses		
Administrative	363,399	358,519
Utilities	119,070	112,869
Maintenance	325,225	302,189
Protective services	24,170	21,559
General Expenses	70,630	64,755
Housing Assistance Payments	633,580	642,665
Depreciation	392,693	403,782
Total Expenses	**1,928,767**	**1,906,338**
Net Increases (Decreases)	$ (194,015)	$ (350,860)
Total beginning net position - restated	4,289,229	N/A
Total net position - ending	**4,095,214**	**4,289,229**

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effect of the implementation of GASB 75 is not available.

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

Total revenue increased compared to the prior year by $179,274. This increase was due to additional grant revenue earned from HUD.

The expenses increased by $22,429 in current year. The increase was due to maintenance expenses incurred for the year.

CAPITAL ASSETS

Capital Assets

As of year end, the Authority had $4,170,304 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease due to current year addition less depreciation expense. See table 5 for detail of current year change.

TABLE 4 - CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATON)

	2018	2017
Land and Land Rights	$ 869,068	$ 869,068
Buildings	13,899,019	13,751,283
Equipment	401,541	406,532
Construction in Progress	15,678	7,844
Accumulated Depreciation	(11,015,002)	(10,629,063)
Total	$ 4,170,304	$ 4,405,664

The following reconciliation summarizes the change in Capital Assets, which presented in detail on the notes to the financial statements.

TABLE 5 – CHANGE IN CAPITAL ASSETS
Table 5 - Changes in Capital Assets

Beginning Balance - December 31, 2017	$ 4,405,664
Current year Additions	157,329
Current year Depreciation Expense	(392,693)
Rounding Adjustment	4
Ending Balance - December 31, 2018	$ 4,170,304
Current year Additions are summarized as follows:	
Building Improvements	$ 157,329
Total 2018 Additions	$ 157,329

Debt Outstanding

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

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Les Young, Executive Director of the Gallia Metropolitan Housing Authority, at (740) 446-0251. Specific requests may be submitted to the Gallia Metropolitan Housing Authority at 381 Buck Ridge Road, Bidwell, Ohio 45614.

Gallia Metropolitan Housing Authority
Statement of Net Position
December 31, 2018

ASSETS	
Current assets	
Cash and cash equivalents	$413,505
Restricted cash and cash equivalents	160,619
Receivables, net	1,166
Prepaid items and other assets	22,284
Inventory, net	27,358
Total current assets	**624,932**
Noncurrent assets	
Capital assets:	
Land	869,068
Building and equipment	14,300,560
Construction in Progress	15,678
Less accumulated depreciation	(11,015,002)
Total noncurrent assets	**4,170,304**
Total assets	**$4,795,236**
Deferred Outflows of Resources	
Pension	$89,513
OPEB	16,941
	$106,454
LIABILITIES	
Current liabilities	
Accounts payable	$10,023
Accrued liabilities	17,406
Accrued compensated absences current	11,264
Tenant security deposits	32,063
Total current liabilities	**70,756**
Noncurrent liabilities	
Accrued compensated absences Non-current	45,054
Net pension liability	356,903
Net OPEB liability	230,216
Total noncurrent liabilities	***632,173***
Total liabilities	**$702,929**

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

Gallia Metropolitan Housing Authority
Statement of Net Position
December 31, 2018

Deferred Inflows of Resources	
Pension	$86,397
OPEB	17,150
	$103,547
Net Position	
Net Invested in capital assets	$4,170,304
Restricted Net Position	128,556
Unrestricted Net Position	(203,646)
Total Net Position	**$4,095,214**

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

Gallia Metropolitan Housing Authority
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018

OPERATING REVENUES	
Tenant Revenue	$152,289
Government operating grants	1,385,716
Other revenue	39,211
Total operating revenues	**1,577,216**
OPERATING EXPENSES	
Administrative	363,399
Utilities	119,070
Maintenance	325,225
Protective services	24,170
General and Insurance	70,630
Housing assistance payment	633,580
Depreciation	392,693
Total operating expenses	***1,928,767***
Operating Loss	**(351,551)**
NONOPERATING REVENUES	
Interest	1,389
Total nonoperating revenues	***1,389***
Income (loss) before contributions and transfers	(350,162)
Capital Grants	156,147
Change in Net Position	(194,015)
Net Position at January 1, 2018 - Restated	4,289,229
Total Net Position - ending	**$4,095,214**

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

Gallia Metropolitan Housing Authority
Statement of Cash Flows
For the Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	$1,385,716
Tenant revenue received	152,321
Other revenue received	39,440
General and administrative expenses paid	(850,829)
Housing assistance payments	(633,580)
Net cash provided (used) by operating activities	**93,068**
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	1,389
Net cash provided (used) by investing activities	**1,389**
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES	
Capital grant funds received	156,147
Property and equipment purchased	(157,329)
Net cash provided (used) by financing activities	**(1,182)**
Net increase (decrease) in cash	93,275
Cash and cash equivalents - Beginning of year	480,849
Cash and cash equivalents - End of year	**$574,124**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	($351,551)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	392,693
- (Increases) Decreases in Accounts Receivable	286
- (Increases) Decreases in Prepaid Assets	(7,563)
- (Increases) Decreases in Inventory	(3,799)
- (Increases) Decreases in Deferred Outflows	110,431
- Increases (Decreases) in Accounts Payable	(4,747)
- Increases (Decreases) in Accrued Compensated Absence	1,550
- Increases (Decreases) in Accrued Expenses Payable	(673)
- Increases (Decreases) in Deferred Inflows	91,622
- Increases (Decreases) in Pension Liability	(136,355)
- Increases (Decreases) in Tenant Security Deposits	1,174
Net cash provided by operating activities	**$93,068**

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable. The Authority has no component units nor is a component unit of another entity.

Basis of Presentation

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

Fund Accounting

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

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

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use proprietary fund accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Description of programs

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

A. **Public Housing Program**

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

B. **Capital Fund Program**

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

C. **Housing Choice Voucher Program**

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

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2018 totaled $1,389.

Capital Assets

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

Buildings	40 years
Buildings Improvements	15 years
Furniture and Equipment	7 years
Vehicles	5 years

Net Position

Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority did have net position restricted for HAP reserve of $128,556 at December 31, 2018

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

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

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

Cash and Cash Equivalents
Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

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

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items using the consumption method. A current asset for the amount is recorded at the time of purchase and an expense is reported in the year in which the services are consumed.

Receivables – net of allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable and fraud recovery balances at the end of the year. The allowance for doubtful accounts was $3,031 at December 31, 2018.

Inventories

Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was $2,608 at December 31, 2018.

Accrued Liabilities

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

Budgetary Accounting

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

Accounting and Reporting for Non-exchange Transactions

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

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

Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

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

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

GASB 75 established standards for measuring and recognizing postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

Net Position - December 31, 2017	$	4,500,349
Adjustments:		
Net OPEB Liability		(214,127)
Deferred Outflows		3,007
Restated Net Position - December 31, 2017	$	4,289,229

NOTE 3: DEPOSITS AND INVESTMENTS

Deposits

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

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

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

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

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

At December 31, 2018, the carrying amount of the Authority's deposits totaled $574,124 and its bank balance was $602,474. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2018, $352,474 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Depository Insurance Corporation.

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

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

NOTE 4: RESTRICTED CASH

Restricted cash as of December 31, 2018 represent money held that can only be used for specific purpose or money held on behalf of the tenants:

Cash advance by HUD that is to be used for the Housing Assistance Payments	$18,485
Tenant security deposit	32,063
Proceeds from sale of a house	110,071
Total Restricted Cash Balance	$160,619

NOTE 5: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year ending December 31, 2018 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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

NOTE 6: CAPITAL ASSETS

This is a summary of the changes in Capital Assets:

	Balance 12/31/2017	Adjustment	Additions	Deletions	Balance 12/31/2018
Capital Assets Not Being Depreciated:					
Land	$869,068	$0	$0	$0	$869,068
Construction in Progress	7,844	(7,844)	15,678	0	15,678
Total Capital Assets Not Being Depreciated	**876,912**	**(7,844)**	**15,678**	**0**	**884,746**
Capital Assets Being Depreciated:					
Buildings	13,751,283	6,085	141,651	0	13,899,019
Furnt, Mach. and Equip.	406,532	0	0	(4,991)	401,541
Total Capital Assets Being Depreciated	**14,157,815**	**6,085**	**141,651**	**(4,991)**	**14,300,560**
Accumulated Depreciation:					
Buildings	(10,244,933)	0	(384,393)	0	(10,629,326)
Furnt, Mach. and Equip.	(384,130)	1,763	(8,300)	4,991	(385,676)
Total Accumulated Depreciation	**(10,629,063)**	**1,763**	**(392,693)**	**4,991**	**(11,015,002)**
Total Capital Assets Being Depreciated, Net	**3,528,752**	**7,848**	**(251,042)**	**0**	**3,285,558**
Total Capital Assets, Net	**$4,405,664**	**$4**	**($235,364)**	**$0**	**$4,170,304**

NOTE 7: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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 accounts payable on the accrual basis of accounting.

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

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

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after after January 7, 2013	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 and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**Formula:**
2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service form the first 30 years and 2.5% for service years in excess of 35

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $42,672 for the year ended December 31, 2018. Of this amount $1,305 is report with accrued liabilities.

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

The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	$356,903
Percentate for Proportionate Share of Net Pension Liability	0.002275%
Change in Proportion from Prior Measurement Date	0.000032%
Pension Expense	$46,393

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan
Deferred Outflows of Resources	
Change in Assumption	$42,652
Difference Between Expected and Actual Experience	364
Change in propportionate share	3,825
Authority contributions subsequent to the measurement date	42,672
Total Deferred Outflows of Resources	$89,513
Deferred Inflows of Resources	
Net difference between projected and actual earning on pension plan investments	$76,623
Difference between expected and actual experience	7,033
Difference Between Expected and Actual Experience	2,741
Total Deferred Inflows of Resources	$86,397

$42,672 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:		
	2019	$31,631
	2020	(5,962)
	2021	(33,740)
	2022	(31,485)
	Total	($39,556)

Actuarial Assumptions – PERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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

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

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

	1% Decrease (6.5%)	Current Discount rate of 7.5%	1% Increase (8.5%)
Authority's proporationate share of the net pension liability - Traditional Pension Plan	$633,770	$356,903	$126,081

NOTE 8 – DEFINED BENEFIT OPEB PLAN

<u>Net OPEB Liability</u>

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions, between an employer and its employees, of salaries and benefits for employee services.

OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

GASB 75 assumes the liability is solely the obligation of the employer, because (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 OPEB plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each OPEB plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Authority's contractually required contribution for OPEB was $0 for year ending December 31, 2018.

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

The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS Traditional OPEB Plan
Proportion of the OPEB Liability Prior Measurement Date	0.002120%
Proportion of the Net OPEB Liability Current Measurement Date	0.002120%
Change in Proportionate Share	0.000000%
Proportionate Share of the Net OPEB Liability	$ 230,216
OPEB Expense	$ 19,305

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS Traditional OPEB Plan
Deferred Outflows of Resources	
Assumption Changes	$16,762
Difference between expected and actual experience	179
Total Deferred Outflows of Resources	$16,941
Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$17,150
Total Deferred Inflows of Resources	$17,150

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

	OPERS Traditional OPEB Plan
Year Ending December 31:	
2019	($3,813)
2020	($3,813)
2021	3,546
2022	4,289
Total	$209

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The total OPEB liability was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

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

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

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

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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

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

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

	1% Decrease (2.85%)	**Single Discount Rate (3.85%)**	**1% Increase (4.85%)**
Authority's proportionate share of the net OPEB liability	$305,852	$230,216	$169,028

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

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

	1% Decrease (6.50%)	**Current Health Care Cost Trend Rate Assumption (7.50%)**	**1% Increase (8.50%)**
Authority's proportionate share of the net OPEB liability	$220,268	$230,216	$240,493

NOTE 10: COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of December 31, 2018, the accrual for compensated absences totaled $56,318 and has been included in the accrued liabilities account balance in the accompanying Statement of Net Position. The Authority considers all compensated absences payable as due within one year.

The following is a summary of changes in compensated absence for the year ended December 31, 2018:

Description	Balance 1/1/18	Additions	Deletions	Balance 12/31/18	Due Within One Year
Compensated Absence Payable	$54,768	$32,646	($31,096)	$56,318	$11,264

NOTE 10: LONG-TERM LIABILITIES

The change in the Authority's long-term obligations during 2018 were as follows:

Description	Restated Balance 1/1/18	Additions	Deletions	Balance 12/31/18	Due Within One Year
Net Pension Liability	$509,347	$0	($152,444)	$356,903	$0
Net OPEB Liability	214,127	16,089	0	230,216	0
Total	$723,474	$16,089	($152,444)	$587,119	$0

NOTE 11: CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at December 31, 2018.

Litigations and Claims

In the normal course of operations the PHA may be subject to litigation and claims. At December 31, 2018 the PHA was involved in such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

NOTE 12: <u>REPAYMENT AGREEMENT WITH HUD</u>

On May 8, 2017, the Authority entered into a repayment agreement with HUD to resolve an audit finding issued by the Office of Inspector General back in 2008. The original finding noted that the Low Rent Public Housing Program was paying expense that related to the administration of the Housing Choice Voucher Program. The finding required that the Voucher Program had to reimburse the Public Housing Program $158,974. The repayment agreement signed with the Cleveland Office of HUD established a repayment amount up to $36,000, but not less than $6,000 annually. The funds for the repayment shall come from the Housing Choice Voucher Program Unrestricted Net Position and the payment to be made no later than ninety days after the end of the fiscal year starting with fiscal year ending December 31, 2018.

For the Fiscal Year Ending December 31, 2018, the Financial Data Schedule properly report the Low Rent Public Housing Program an Asset of $146,974 and the Housing Choice Voucher Program reported a non-current liability of $146,974. Since these amount are an Inter-Agency asset and liability; the amounts are eliminated to properly report the entity wide financial statements.

Gallia Metropolitan Housing Authority
Schedule of Expenditures of Federal Award
For the Year Ended December 31, 2018

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program:		
Low Rent Public Housing	14.850	$625,943
Housing Choice Vouchers	14.871	717,553
Public Housing Capital Fund Program	14.872	198,367
Total Direct Programs		**1,541,863**
TOTAL EXPENDITURE OF FEDERAL AWARDS		**$1,541,863**

GALLIA METROPOLITAN HOUSING AUTHORTIY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 minims indirect cost rate as allowed under the Uniform Guidance.

NOTE B – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ending December 31, 2018.

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, 2018.

The Authority had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended December 31, 2018.

Gallia Metropolitan Housing Authority
Required Supplementary Information
Schedule of Gallia Metropolitan Housing Authority
Proportionate Share of the Net Pension Liability
Fiscal Years Available

Traditional Plan	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.002275%	0.002243%	0.002305%	0.002382%	0.002382%
Authority's Proportionate Share of the Net Pension Liability	$356,903	$509,347	$399,255	$287,296	$280,807
Authority's Covered-Employee Payroll	$304,803	$300,662	$289,946	$297,775	$294,207
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	117.09%	169.41%	137.70%	96.48%	95.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.
(2) The amounts presented for each fiscal year were determined as of the calendar year-ended that occurred within the fiscal year.

Gallia Metropolitan Housing Authority
Required Supplementary Information
Schedule of Gallia Metropolitan Housing Authority
Proportionate Share of the Net OPEB Liability
For the Last Ten Fiscal Years

	2017	**2016**
Authority's Proportion of the Net OPEB Liability	0.002120%	0.002120%
Authority's Proportionate Share of the Net OPEB Liability	$230,216	$214,127
Authority's Covered Payroll	$304,803	$300,662
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	75.53%	71.22%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	68.52%

(1) The amounts presented is as of the Authority plan measurement date, which is the prior calendar yea

(2) Information prior to 2016 is not available.

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

	2018	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Contractually Required Contribution										
- Pension	$42,672	$39,086	$34,796	$35,737	$36,613	$31,882	$29,720	$31,333	$27,274	$23,967
- OPEB	$0	$3,007	$5,797	$5,955	$4,576	$2,453	$13,171	$12,532	$13,316	$21,254
Contributions in Relation to the Contractually Required Contribution	$42,672	$42,093	$40,593	$41,692	$41,189	$34,335	$42,891	$43,865	$40,590	$45,221
Authority's Covered-Employee Payroll	$304,803	$300,662	$289,946	$297,775	$294,207	$304,803	$300,662	$289,946	$297,775	$294,207
Contributions as a Percentage of Covered-Employee Payroll										
- Pension	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.00%
- OPEB	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.00%	4.00%	5.00%	6.00%

Ohio Public Employees' Retirement System

Net Pension Liability

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Net OPEB Liability

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

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

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	$377,528	$35,977	$413,505	$0	$413,505
112 Cash - Restricted - Modernization and Development	$0	$0	$0	$0	$0
113 Cash - Other Restricted	$110,071	$18,485	$128,556	$0	$128,556
114 Cash - Tenant Security Deposits	$32,063	$0	$32,063	$0	$32,063
115 Cash - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0
100 Total Cash	$519,662	$54,462	$574,124	$0	$574,124
121 Accounts Receivable - PHA Projects	$0	$0	$0	$0	$0
122 Accounts Receivable - HUD Other Projects	$0	$0	$0	$0	$0
124 Accounts Receivable - Other Government	$0	$0	$0	$0	$0
125 Accounts Receivable - Miscellaneous	$0	$0	$0	$0	$0
126 Accounts Receivable - Tenants	$730	$0	$730	$0	$730
126.1 Allowance for Doubtful Accounts -Tenants	-$213	$0	-$213	$0	-$213
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0
127 Notes, Loans, & Mortgages Receivable - Current	$649	$0	$649	$0	$649
128 Fraud Recovery	$0	$2,818	$2,818	$0	$2,818
128.1 Allowance for Doubtful Accounts - Fraud	$0	-$2,818	-$2,818	$0	-$2,818
129 Accrued Interest Receivable	$0	$0	$0	$0	$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	$1,166	$0	$1,166	$0	$1,166
131 Investments - Unrestricted	$0	$0	$0	$0	$0
132 Investments - Restricted	$0	$0	$0	$0	$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0	$0	$0
142 Prepaid Expenses and Other Assets	$22,129	$155	$22,284	$0	$22,284

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
143 Inventories	$29,966	$0	$29,966	$0	$29,966
143.1 Allowance for Obsolete Inventories	-$2,608	$0	-$2,608	$0	-$2,608
144 Inter Program Due From	$0	$0	$0	$0	$0
145 Assets Held for Sale	$0	$0	$0	$0	$0
150 Total Current Assets	$570,315	$54,617	$624,932	$0	$624,932
161 Land	$869,068	$0	$869,068	$0	$869,068
162 Buildings	$13,899,019	$0	$13,899,019	$0	$13,899,019
163 Furniture, Equipment & Machinery - Dwellings	$121,298	$0	$121,298	$0	$121,298
164 Furniture, Equipment & Machinery - Administration	$279,891	$352	$280,243	$0	$280,243
165 Leasehold Improvements	$0	$0	$0	$0	$0
166 Accumulated Depreciation	-$11,014,826	-$176	-$11,015,002	$0	-$11,015,002
167 Construction in Progress	$15,678	$0	$15,678	$0	$15,678
168 Infrastructure	$0	$0	$0	$0	$0
160 Total Capital Assets, Net of Accumulated Depreciation	$4,170,128	$176	$4,170,304	$0	$4,170,304
171 Notes, Loans and Mortgages Receivable - Non-Current	$0	$0	$0	$0	$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0	$0	$0
173 Grants Receivable - Non Current	$0	$0	$0	$0	$0
174 Other Assets	$146,974	$0	$146,974	-$146,974	$0
176 Investments in Joint Ventures	$0	$0	$0	$0	$0
180 Total Non-Current Assets	$4,317,102	$176	$4,317,278	-$146,974	$4,170,304
200 Deferred Outflow of Resources	$76,259	$30,195	$106,454	$0	$106,454

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	$4,963,676	$84,988	$5,048,664	-$146,974	$4,901,690
311 Bank Overdraft	$0	$0	$0	$0	$0
312 Accounts Payable <= 90 Days	$7,456	$0	$7,456	$0	$7,456
313 Accounts Payable >90 Days Past Due	$0	$0	$0	$0	$0
321 Accrued Wage/Payroll Taxes Payable	$7,623	$1,225	$8,848	$0	$8,848
322 Accrued Compensated Absences - Current Portion	$8,478	$2,786	$11,264	$0	$11,264
324 Accrued Contingency Liability	$0	$0	$0	$0	$0
325 Accrued Interest Payable	$0	$0	$0	$0	$0
331 Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0
332 Account Payable - PHA Projects	$0	$0	$0	$0	$0
333 Accounts Payable - Other Government	$2,567	$0	$2,567	$0	$2,567
341 Tenant Security Deposits	$32,063	$0	$32,063	$0	$32,063
342 Unearned Revenue	$0	$0	$0	$0	$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0
344 Current Portion of Long-term Debt - Operating Borrowings	$0	$0	$0	$0	$0
345 Other Current Liabilities	$0	$0	$0	$0	$0
346 Accrued Liabilities - Other	$8,558	$0	$8,558	$0	$8,558
347 Inter Program - Due To	$0	$0	$0	$0	$0
348 Loan Liability - Current	$0	$0	$0	$0	$0
310 Total Current Liabilities	$66,745	$4,011	$70,756	$0	$70,756
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$0

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
352 Long-term Debt, Net of Current - Operating Borrowings	$0	$0	$0	$0	$0
353 Non-current Liabilities - Other	$0	$146,974	$146,974	-$146,974	$0
354 Accrued Compensated Absences - Non Current	$33,912	$11,142	$45,054	$0	$45,054
355 Loan Liability - Non Current	$0	$0	$0	$0	$0
356 FASB 5 Liabilities	$0	$0	$0	$0	$0
357 Accrued Pension and OPEB Liabilities	$471,621	$115,498	$587,119	$0	$587,119
350 Total Non-Current Liabilities	$505,533	$273,614	$779,147	-$146,974	$632,173
300 Total Liabilities	$572,278	$277,625	$849,903	-$146,974	$702,929
400 Deferred Inflow of Resources	$88,021	$15,526	$103,547	$0	$103,547
508.4 Net Investment in Capital Assets	$4,170,128	$176	$4,170,304	$0	$4,170,304
511.4 Restricted Net Position	$110,071	$18,485	$128,556	$0	$128,556
512.4 Unrestricted Net Position	$23,178	-$226,824	-$203,646	$0	-$203,646
513 Total Equity - Net Assets / Position	$4,303,377	-$208,163	$4,095,214	$0	$4,095,214
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$4,963,676	$84,988	$5,048,664	-$146,974	$4,901,690
70300 Net Tenant Rental Revenue	$144,736	$0	$144,736	$0	$144,736
70400 Tenant Revenue - Other	$7,553	$0	$7,553	$0	$7,553
70500 Total Tenant Revenue	$152,289	$0	$152,289	$0	$152,289
70600 HUD PHA Operating Grants	$668,163	$717,553	$1,385,716	$0	$1,385,716

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70610 Capital Grants	$156,147	$0	$156,147	$0	$156,147
70710 Management Fee	$0	$0	$0	$0	$0
70720 Asset Management Fee	$0	$0	$0	$0	$0
70730 Book Keeping Fee	$0	$0	$0	$0	$0
70740 Front Line Service Fee	$0	$0	$0	$0	$0
70750 Other Fees	$0	$0	$0	$0	$0
70700 Total Fee Revenue	$0	$0	$0	$0	$0
70800 Other Government Grants	$0	$0	$0	$0	$0
71100 Investment Income - Unrestricted	$1,377	$12	$1,389	$0	$1,389
71200 Mortgage Interest Income	$0	$0	$0	$0	$0
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0	$0	$0
71310 Cost of Sale of Assets	$0	$0	$0	$0	$0
71400 Fraud Recovery	$0	$2,904	$2,904	$0	$2,904
71500 Other Revenue	$13,886	$22,421	$36,307	$0	$36,307
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0	$0	$0
72000 Investment Income - Restricted	$0	$0	$0	$0	$0
70000 Total Revenue	$991,862	$742,890	$1,734,752	$0	$1,734,752
91100 Administrative Salaries	$113,785	$44,911	$158,696	$0	$158,696
91200 Auditing Fees	$4,561	$1,652	$6,213	$0	$6,213
91300 Management Fee	$0	$0	$0	$0	$0
91310 Book-keeping Fee	$0	$0	$0	$0	$0
91400 Advertising and Marketing	$0	$0	$0	$0	$0

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
91500 Employee Benefit contributions - Administrative	$96,240	$32,638	$128,878	$0	$128,878
91600 Office Expenses	$21,308	$3,498	$24,806	$0	$24,806
91700 Legal Expense	$6,029	$0	$6,029	$0	$6,029
91800 Travel	$792	$72	$864	$0	$864
91810 Allocated Overhead	$0	$0	$0	$0	$0
91900 Other	$29,847	$8,066	$37,913	$0	$37,913
91000 Total Operating - Administrative	$272,562	$90,837	$363,399	$0	$363,399
92000 Asset Management Fee	$0	$0	$0	$0	$0
92100 Tenant Services - Salaries	$0	$0	$0	$0	$0
92200 Relocation Costs	$0	$0	$0	$0	$0
92300 Employee Benefit Contributions - Tenant Services	$0	$0	$0	$0	$0
92400 Tenant Services - Other	$0	$0	$0	$0	$0
92500 Total Tenant Services	$0	$0	$0	$0	$0
93100 Water	$39,423	$0	$39,423	$0	$39,423
93200 Electricity	$24,443	$0	$24,443	$0	$24,443
93300 Gas	$1,531	$0	$1,531	$0	$1,531
93400 Fuel	$0	$0	$0	$0	$0
93500 Labor	$0	$0	$0	$0	$0
93600 Sewer	$53,673	$0	$53,673	$0	$53,673
93700 Employee Benefit Contributions - Utilities	$0	$0	$0	$0	$0
93800 Other Utilities Expense	$0	$0	$0	$0	$0
93000 Total Utilities	$119,070	$0	$119,070	$0	$119,070

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	$138,394	$0	$138,394	$0	$138,394
94200 Ordinary Maintenance and Operations - Materials and Other	$37,765	$0	$37,765	$0	$37,765
94300 Ordinary Maintenance and Operations Contracts	$78,430	$0	$78,430	$0	$78,430
94500 Employee Benefit Contributions - Ordinary Maintenance	$70,636	$0	$70,636	$0	$70,636
94000 Total Maintenance	$325,225	$0	$325,225	$0	$325,225
95100 Protective Services - Labor	$18,528	$0	$18,528	$0	$18,528
95200 Protective Services - Other Contract Costs	$0	$0	$0	$0	$0
95300 Protective Services - Other	$5,373	$0	$5,373	$0	$5,373
95500 Employee Benefit Contributions - Protective Services	$269	$0	$269	$0	$269
95000 Total Protective Services	$24,170	$0	$24,170	$0	$24,170
96110 Property Insurance	$41,444	$0	$41,444	$0	$41,444
96120 Liability Insurance	$16,505	$2,050	$18,555	$0	$18,555
96130 Workmen's Compensation	$3,762	$633	$4,395	$0	$4,395
96140 All Other Insurance	$0	$0	$0	$0	$0
96100 Total insurance Premiums	$61,711	$2,683	$64,394	$0	$64,394
96200 Other General Expenses	$0	$0	$0	$0	$0
96210 Compensated Absences	$0	$0	$0	$0	$0
96300 Payments in Lieu of Taxes	$6,236	$0	$6,236	$0	$6,236
96400 Bad debt - Tenant Rents	$0	$0	$0	$0	$0
96500 Bad debt - Mortgages	$0	$0	$0	$0	$0

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
96600 Bad debt - Other	$0	$0	$0	$0	$0
96800 Severance Expense	$0	$0	$0	$0	$0
96000 Total Other General Expenses	$6,236	$0	$6,236	$0	$6,236
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$0
96720 Interest on Notes Payable (Short and Long Term)	$0	$0	$0	$0	$0
96730 Amortization of Bond Issue Costs	$0	$0	$0	$0	$0
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$808,974	$93,520	$902,494	$0	$902,494
97000 Excess of Operating Revenue over Operating Expenses	$182,888	$649,370	$832,258	$0	$832,258
97100 Extraordinary Maintenance	$0	$0	$0	$0	$0
97200 Casualty Losses - Non-capitalized	$0	$0	$0	$0	$0
97300 Housing Assistance Payments	$0	$613,191	$613,191	$0	$613,191
97350 HAP Portability-In	$0	$20,389	$20,389	$0	$20,389
97400 Depreciation Expense	$392,623	$70	$392,693	$0	$392,693
97500 Fraud Losses	$0	$0	$0	$0	$0
97600 Capital Outlays - Governmental Funds	$0	$0	$0	$0	$0
97700 Debt Principal Payment - Governmental Funds	$0	$0	$0	$0	$0
97800 Dwelling Units Rent Expense	$0	$0	$0	$0	$0
90000 Total Expenses	$1,201,597	$727,170	$1,928,767	$0	$1,928,767

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
10010 Operating Transfer In	$29,563	$0	$29,563	-$29,563	$0
10020 Operating transfer Out	-$29,563	$0	-$29,563	$29,563	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0	$0	$0
10040 Operating Transfers from/to Component Unit	$0	$0	$0	$0	$0
10050 Proceeds from Notes, Loans and Bonds	$0	$0	$0	$0	$0
10060 Proceeds from Property Sales	$0	$0	$0	$0	$0
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0	$0	$0
10080 Special Items (Net Gain/Loss)	$0	$0	$0	$0	$0
10091 Inter Project Excess Cash Transfer In	$0	$0	$0	$0	$0
10092 Inter Project Excess Cash Transfer Out	$0	$0	$0	$0	$0
10093 Transfers between Program and Project - In	$0	$0	$0	$0	$0
10094 Transfers between Project and Program - Out	$0	$0	$0	$0	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$209,735	$15,720	-$194,015	$0	-$194,015
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0
11030 Beginning Equity	$4,691,799	-$191,450	$4,500,349	$0	$4,500,349
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$178,687	-$32,433	-$211,120	$0	-$211,120
11050 Changes in Compensated Absence Balance	$0	$0	$0	$0	$0
11060 Changes in Contingent Liability Balance	$0	$0	$0	$0	$0
11070 Changes in Unrecognized Pension Transition Liability	$0	$0	$0	$0	$0
11080 Changes in Special Term/Severance Benefits Liability	$0	$0	$0	$0	$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	$0	$0	$0	$0	$0

GALLIA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
11100 Changes in Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0
11170 Administrative Fee Equity	$0	-$226,648	-$226,648	$0	-$226,648
11180 Housing Assistance Payments Equity	$0	$18,485	$18,485	$0	$18,485
11190 Unit Months Available	1,722	2,208	3,930	0	3,930
11210 Number of Unit Months Leased	1,675	1,874	3,549	0	3,549
11650 Leasehold Improvements Purchases	$156,147	$0	$156,147	$0	$156,147