MANSFIELD METROPOLITAN HOUSING AUTHORITY

RICHLAND COUNTY

SINGLE AUDIT

JULY 1, 2017 – JUNE 30, 2018

WILSON, SHANNON & SNOW INC.

CPAs & ADVISORS

Dave Yost • Auditor of State

Board of Trustees
Mansfield Metropolitan Housing Authority
88 West 3rd St
PO Box 1029
Mansfield, OH 44902-1215

We have reviewed the *Independent Auditor's Report* of Mansfield Metropolitan Housing Authority, Richland County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

December 17, 2018

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MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

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WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Mansfield Metropolitan Housing Authority
Richland County
P.O. Box 1029
Mansfield, Ohio 44901

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Mansfield Metropolitan Housing Authority, Richland County, Ohio (the Authority), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mansfield Metropolitan Housing Authority, Richland County as of June 30, 2018, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the basic financial statements, during 2018, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

The Financial Data Schedules as required by the Department of Housing and Urban Development present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report December 7, 2018, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 7, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Mansfield Metropolitan Housing Authority's (the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, 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 statements (beginning on page 12).

FINANCIAL HIGHLIGHTS

- During fiscal year 2018, the Authority's net position decreased by $191,231 (or 21%). Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. Net positions were $921,157 (as restated) and $729,926 for fiscal year 2017 and fiscal year 2018 respectively.

- Total revenues decreased by $13,615 (or less than 1%) during fiscal year 2018, and was $9,336,843 and $9,323,228 for fiscal year 2017 and fiscal year 2018 respectively.

- Total expenses increased by $194,724 (or 2%) during fiscal year 2018 and were $9,319,735 and $9,514,459 for fiscal year 2017 and fiscal year 2018 respectively.

USING THIS ANNUAL REPORT

The Report includes the following sections:

MD&A ~ Management's Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information (Pension and OPEB Schedules) ~
Supplementary and Other Information ~ Financial Data Schedules ~ ~ Schedule of Expenditures of Federal Awards ~

The primary focus of the Authority's financial statement is on the Authority as a whole. The Authority operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden a basis for comparison (fiscal year to fiscal year or Authority to Authority) and enhance the Authority's accountability.

Basic Financial Statements

The 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 outflow of resources, minus liabilities and deferred inflow of resources, equal "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 Net Position (the "Unrestricted" portion) is designed to represent the net available liquid (non-capital) assets and deferred outflows, net of liabilities and deferred inflows, for the entire Authority. Net Position is reported in three broad categories:

Investment in Capital Assets: This component of Net Position consists of all Capital Assets, net of accumulated depreciation, 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 any outstanding debt.

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

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

The financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as grant revenue, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue, such as interest revenue and gain on sale of assets.

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

Finally, Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities, and from capital and related financing activities.

The Authority's Fund

The Authority consists of exclusively an Enterprise Fund. The Enterprise fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector. The fund maintained by the Authority is required by the Department of Housing and Urban Development (HUD).

Business-Type Activities:

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 (HAP) 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 adjusted household income.

Other Programs – In addition to the major program above, the Authority also maintains other activities which are listed below.

> Home Investment Partnerships Program – grant monies are received from local sources to administer this program in a manner similar to the Housing Choice Voucher Program.
>
> State/Local – represents resources developed from services provided to other metropolitan housing authorities.

The net pension liability (NPL) is the largest single liability reported by the Authority at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for 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 position 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 benefit 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 system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of 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 party for the unfunded portion. Due to the unique nature of how the net pension liability 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 as deferred inflows/outflows.

As a result of implementing GASB 75, the Authority is reporting a 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 June 30, 2017, from $1,427,181 to $921,157.

Statement of Net Position

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

STATEMENT OF NET POSITION

	2018	Restated 2017
Current and Other Non-Current Assets	$1,819,166	$1,902,409
Capital Assets	526,817	592,369
Total Assets	2,345,983	2,494,778
Deferred Outflow of Resources	190,285	494,529
Current Liabilities	64,856	73,928
Non-Current Liabilities	1,503,346	1,986,594
Total Liabilities	1,568,202	2,060,522
Deferred Inflow of Resources	238,140	7,628
Net Position:		
Investment in Capital Assets	526,817	592,369
Restricted	27,788	180,132
Unrestricted	175,321	148,656
Total Net Position	$ 729,926	$ 921,157

For more detailed information see page 12 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Current and other non-current assets decreased by $83,243 or 4.38% in fiscal year 2018 most of this decrease was due the spending of restricted cash for HAP expenses. Also, total liabilities decreased $492,320 or 23.89%. Major cause was GASB 68 & 75 adjustments and decreasing compensated absence liabilities for fiscal year 2018 due to the severance payout for the executive director. Capital assets decreased in fiscal year 2018; the net result of $65,552 for the current fiscal year depreciation and equipment purchases and equipment disposed. For more detail see "Capital Assets and Debt Administration" on page 10.

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

CHANGE OF UNRESTRICTED NET POSITION

Unrestricted Net position July 1, 2017, Restated		$ 148,656
Results of Operations	(38,415)	
Adjustments:		
Depreciation (1)	66,881	
Adjustment to balance NRP (2)	28	
Adjusted Results from Operations		28,494
Capital Expenditures		(1,829)
Unrestricted Net position as of June 30, 2018		$ 175,321

CHANGE OF RESTRICTED NET POSITION

Restricted Net position July 1, 2017		$ 180,132
Results of Operations		
HAP spent from reserves	(156,869)	
Recovery Payments	4,553	
Adjustment to Balance NRP to HUD (2)	(28)	
Adjusted Results from Operations		(152,344)
Restricted Net position as of June 30, 2018		$ 27,788

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net position.
(2) Adjustment necessary based on net restricted position (NRP) reconciliation performed by HUD.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

	2018	2017
Revenues		
HUD PHA Operating Grants	$8,889,741	$8,926,808
Interest	17,072	8,659
Other Revenues	407,010	388,428
Fraud Recovery	9,105	12,948
Gain on Sale of Assets	300	-
Total Revenue	9,323,228	9,336,843
Expenses		
Administrative	1,318,224	1,367,710
Maintenance and Operations	46,652	53,684
General	14,563	16,647
Housing Assistance Payments	8,068,139	7,815,067
Depreciation	66,881	66,627
Total Expenses	9,514,459	9,319,735
Change in Net Position	(191,231)	17,108
Net Position at July 1	921,157	N/A
Net Position at June 30	$ 729,926	$ 921,157

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

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

HUD PHA Grants for fiscal year 2018 decreased slightly by $37,067 or less than 1% due to funding decreases in both HAP & Admin. Also, Interest increased by $8,413 or 97.16% as the Authority receiving higher interest rates after a new bank negotiation. Other Revenues increased in fiscal year 2018 by $18,582 or 4.78% due to an increase in services provided to the other MHA's., including the addition of 2 new MHA's.

Housing Assistance Payments Expense in fiscal year 2018 increased by $253,072 or 3.24%, utilizing net restricted positon funds. Also, in fiscal year 2018 the HCV program had an increase in unit months leased with 23,734 compared to 21,360 leased in fiscal year 2017 or a 11.11% increase. HUD funded 40 additional units starting in April 2018.

The net decrease of $191,231 was primarily the result of a $152,344 decrease to HAP reserves and a $26,665 increase in the fiscal year administrative operations.

Other revenues represent income from providing services to other housing authorities, revenues from tenant fraud recovery, and service fees from other housing authorities. These revenues tend to fluctuate slightly between fiscal years.

Administrative expenses include salaries and related benefits, along with other administrative expense such as audit fees and office expenses. The Authority attempts to control these expenses to reduce spending as much as possible; these expenses fluctuate slightly between fiscal years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, the Authority had $526,817 invested in capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions, and depreciation).

CAPITAL ASSETS AT FISCAL YEAR-END
(NET OF ACCUMULATED DEPRECIATION)

	2018	2017
Land	$ 30,000	$ 30,000
Building & Improvements	1,165,476	1,165,476
Furniture & Equipment	121,563	119,734
Vehicles	46,976	58,139
Accumulated Depreciation	(837,198)	(780,980)
Total	$ 526,817	$ 592,369

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 23 of the notes.

CHANGE IN CAPITAL ASSETS

Beginning Balance, July 1, 2017	$ 592,369
Additions	1,829
Disposals, net	(500)
Depreciation	(66,881)
Ending Balance, June 30, 2018	$526,817

This fiscal year's additions of $1,829 consisted of: Laptop/software $1,129 and Shredder $700.

Debt Outstanding

As of fiscal year-end, the Authority has no outstanding debt (bonds, notes, etc.)

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the demand for housing assistance.
- Inflationary pressure on utility rates, supplies and other costs.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Marsha K. Inscho; Finance Manager for the Mansfield Metropolitan Housing Authority, at (419) 526-1622. Specific requests may be submitted to the Authority at P.O. Box 1029, Mansfield, OH 44901.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 1,742,840
Accounts Receivable	34,176
Prepaid Items	14,362
Total Current Assets	1,791,378
Non-Current Assets:	
Restricted Cash	27,788
Capital Assets:	
Nondepreciable Capital Assets	30,000
Depreciable Capital Assets	1,334,015
Accumulated Depreciation	(837,198)
Total Capital Assets	526,817
Total Non-Current Assets	554,605
Total Assets	2,345,983
Deferred Outflows of Resources	
Pension	150,249
OPEB	40,036
Total Deferred Outflows of Resources	190,285
Liabilities	
Current Liabilities:	
Accounts Payable	21,560
Accrued Wages and Payroll Taxes	5,696
Accrued Compensated Absences	37,600
Total Current Liabilities	64,856
Non-Current Liabilities:	
Accrued Compensated Absences	116,221
Net Pension Liability	843,076
Net OPEB Liability	544,049
Total Non-Current Liablities	1,503,346
Total Liabilities	1,568,202
Deferred Inflows of Resources	
Pension	197,612
OPEB	40,528
Total Deferred Inflows of Resources	238,140
Net Position	
Investment in Capital Assets	526,817
Restricted	27,788
Unrestricted	175,321
Total Net Position	$ 729,926

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

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Operating Revenues		
HUD PHA Operating Grants		$ 8,889,741
Fraud Recovery		9,105
Other Revenues		407,010
Total Operating Revenues		9,305,856
Operating Expenses		
Housing Assistance Payments	8,068,139	
Administrative	1,318,224	
Maintenance and Operations	46,652	
General	14,563	
Depreciation	66,881	
Total Operating Expenses		9,514,459
Operating Loss		(208,603)
Nonoperating Revenues		
Gain on Sale of Assets		300
Interest		17,072
Total Nonoperating Revenues		17,372
Change in Net Position		(191,231)
Net Position at July 1, 2017, Restated		921,157
Net Position at June 30, 2018		$ 729,926

The notes to the basic financial statements are an integral part of this statement.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Cash flows from operating activities:	
Cash received from HUD and other grantor agencies	$ 8,850,177
Cash received from other sources	416,115
Cash payments for employees for services	(1,040,439)
Cash payments for good or services - HUD	(8,068,139)
Cash payments for goods or services	(281,422)
Net cash used by operating activities	(123,708)
Cash flows from capital activities:	
Proceeds from sale of assets	800
Purchases of capital assets	(1,829)
Net cash used by capital activities	(1,029)
Cash flows from investing activities:	
Interest	16,738
Net cash provided by investing activities	16,738
Net change in cash	(107,999)
Cash at July 1, 2017	1,878,627
Cash at June 30, 2018	$ 1,770,628
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (208,603)
Depreciation	66,881
Changes in assets and liabilities:	
Accounts receivable, net	(24,623)
Prepaid items	201
Accounts payable	9,890
Unearned revenue	(18,851)
Accrued wages and payroll taxes	(37)
Compensated absences	(82,767)
Net pension liability	(438,580)
Net OPEB liability	38,025
Change in deferred outflow of resources	304,244
Change in deferred inflow of resources	230,512
Net cash used by operating activities	$ (123,708)

The notes to the basic financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, in that the basic 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. Based on the above criteria, the Authority has no component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus/Basis of Accounting

The Authority has prepared its basic financial statements in conformity with accounting principles generally accepted in the United States of America. The Authority follows the business-type activities reporting requirements of GASB statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. In accordance with GASB Statement No 34, the accompanying basic financial statements are reported on an Authority-Wide basis.

GASB Statement No. 34(as amended by GASB Statement No. 63) requires the following, which collectively make up the Authority's basic financial statements:

Basic Financial Statements:
- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Basic Financial Statements

Accounting and Reporting for Nonexchange Transactions

Nonexchange transactions occur when the Authority receives (or gives) value without directly giving equal value in return. Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* identifies four classes of nonexchange transactions as follows:

Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).

Imposed nonexhange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments imposed on exchange transactions (i.e. property taxes and fines).

Government-mandated nonexhange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e. federal programs that state or local governments are mandated to perform). Voluntary nonexchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Purpose restrictions specify the purpose for which the resources are required to be used (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, Authority's that receive resources with purpose restrictions should report resulting Net Position as restricted.

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

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

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

Fund Accounting

The Authority uses proprietary fund to report on its financial position and the results of its operations for the Section 8 Housing Choice Voucher program. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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 Authority's only proprietary fund type:

Enterprise Fund – The Authority is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Authority are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets cash flow needs.

The Authority accounts for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body 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.

Use of Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Accounts Receivable

Management considers all accounts receivable (excluding the fraud recovery receivable) to be collected in full.

Prepaid Items

Payments made to vendors for services that will benefit beyond fiscal year-end are recorded as prepaid items via the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and the expense is reported in the fiscal year services are consumed.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the assets life, are not capitalized. The capitalization threshold used by the Authority is $500. The following are the useful lives used for depreciation purposes:

Description	Estimated Useful Life – Years
Building	20-30 years
Building Improvements	5-15 years
Vehicles	7 years
Equipment	3-7 years

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. 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. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both 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 current liability.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposits and money market investments. The Authority did not have investments during the fiscal year or at June 30, 2018.

Accrued Interest Receivable

Accrued interest receivable represents the amount of interest earned but not collected on certificates of deposits as of the balance sheet date. Interest is collected upon maturity.

Interfund Receivable/Payables

The Authority reports advances in and advances out of interfunds loans. These items are not reflected as assets and liabilities in the accompanying basic financial statements.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Housing Assistance Payment equity balances of $27,788.

Deferred Inflows/Outflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) 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 are explained in Note 5 and 6.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position. The deferred inflows of resources related to pension and OPEB are explained in Note 5 and 6.

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 positon 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The 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 through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority did report restricted net position for HAP reserves of $27,788 at June 30, 2018.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are for Housing and Urban Development Grants and other revenues. Operating expenses are necessary costs to provide goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as non-operating revenues.

2. CASH AND CASH EQUIVALENTS

The provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Adoption of GASB Statement No. 40 had no effect on net position and change in net position in the prior or current fiscal year.

A. Deposits

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

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

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

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

At fiscal year end, the carrying amount of the Authority's deposits was $1,770,628 (including $50 of petty cash) and the bank balance was $1,795,724.

2. CASH AND CASH EQUIVALENTS - CONTINUED

Custodial Credit Risk
Custodial Credit Risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. The financial institution collateral pool that insures public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of the fiscal year-end deposits totaling $1,049,937 was covered by Federal Depository and $745,787 was covered by the collateral pool.

B. Investments

HUD, State Statue, and Board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investment to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools,* and records all its investments at fair value. However, at June 30, 2018, the Authority had no investments.

Interest Rate Risk
As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires those funds which are not operating reserve funds to be invested in investments with a maximum term of one year or the Authority's operating cycle. For investments of the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk
Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has no investment policy that would further limit its investment choices.

Concentration of Credit Risk
Generally, the Authority places on limit on the amount it may invest in any one insurer. However, the investment policy limits the investment of HUD – approved mutual funds to no more than 20 percent of the Authority's available investment funds. The Authority's deposits in financial institutions represent 100 percent of its deposits.

2. CASH AND CASH EQUIVALENTS - CONTINUED

Foreign Currency Risk
Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of the fiscal year-end, the Authority had no exposure to foreign currency rate risk, as regulated by HUD.

Custodial Credit Risk
For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.12(M) (2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee."

C. Restricted Cash
The Authority had $27,788 in restricted cash as of June 30, 2018. Restricted cash is the unspent HAP funding provided for the Housing Choice Voucher Program.

3. RISK MANAGEMENT

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. There was no significant reduction in coverage and no settlements exceeded insurance coverage, during the past three fiscal years.

Type of Coverage	Deductible	Coverage Limits
Property	$500	$2,092,000
General Liability	$0	$1,000,00/2,000,000
Automotive	$250/500	$1,000,000
Employee Dishonesty	$500	$1,000,000
Public Officials	$2,500	$2,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Medical Mutual for employee health care benefits. Settled claims have not exceeded the Authority's insurance in the past three fiscal years.

4. CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2018:

	Balance at July 1, 2017	Additions	Disposals	Balance at June 30, 2018
Capital Assets Not Depreciated				
Land	$ 30,000	$ -	$ -	$ 30,000
Total Capital Assets Not Depreciated	30,000	-	-	30,000
Capital Assets Depreciated				
Building and Improvements	1,165,476	-	-	1,165,476
Vehicles	58,139	-	(11,163)	46,976
Furniture, Equipment, and Machinery	119,734	1,829	-	121,563
Total Capital Assets Depreciated	1,343,349	1,829	(11,163)	1,334,015
Accumulated Depreciation				
Building and Improvements	(656,309)	(58,897)	-	(715,206)
Vehicles	(50,839)	(2,900)	10,663	(43,076)
Furniture, Equipment, and Machinery	(73,832)	(5,084)	-	(78,916)
Total Accumulated Depreciation	(780,980)	(66,881)	10,663	(837,198)
Total Capital Assets Depreciated, Net	562,369	(65,052)	(500)	496,817
Total Capital Assets, Net	$ 592,369	$(65,052)	$ (500)	$ 526,817

5. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

5. DEFINED BENEFIT PENSION PLAN – CONTINUED

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 fiscal year is included in *accounts payable* on the accrual basis of accounting.

Plan Description – All employees of the Authority are eligible to participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

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

2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual costs-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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Authority is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the OPERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The 14% employer contribution rate consisted of 13% allocated to pension and 1% allocated to post-employment health care benefits; starting January 1, 2018, the percentages were 14% to pension and 0% to post-employment health care benefits. The Retirement Board, acting with the advice of the actuary, allocates the contribution rate consistent across all three plans.

The Authority's contractually required pension contribution to OPERS was $95,774 for fiscal year 2018. Of this amount $7,975 is reported within accounts payable.

5. DEFINED BENEFIT PENSION PLAN – CONTINUED

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

The net pension liability was measured as of December 31, 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 the contributions to the pension plan relative to the contributions of all participating entities. The Authority's employees have only participated in the Traditional Plan. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan
Proportionate Share of the Net Pension Liability	$843,076
Proportion of the Net Pension Liability	0.005374%
Change in Proportion from Prior Measurement Date	(0.00027%)
Pension Expense	$181,006

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

	Total Deferred Outflows
Difference between expected and actual experience	$ 861
Changes of assumptions	100,753
Authority contributions subsequent to the measurement date	48,635
Total Deferred Outflows of Resources	$ 150,249

	Total Deferred Inflows
Difference between expected and actual experience	$ 16,615
Net difference between projected and actual investment earnings on pension plan investments	180,997
Total Deferred Inflows of Resources	$ 197,612

The $48,635 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 fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	
2019	($21,381)
2020	(21,380)
2021	(21,137)
2022	(16,048)
2023	(16,052)
Total	($95,998)

5. DEFINED BENEFIT PENSION PLAN – CONTINUED

Actuarial Assumptions

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

Actuarial Cost Method	Individual Entry Age
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost-of-living Adjustments	Pre-1/7/13 Retirees: 3.00% Simple Post-1/7/13 Retirees: 3.00% Simple Through 2018, then 2.15 Simple
Price Inflation	3%

Special tables are used for the period after disability retirement and post-retirement mortality. The most recent experience study was completed December 31, 2015. The long-term return expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation for 2017	Weighted Average Long-Term Expected Real Rate of Return
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 total pension liability was calculated using the discount rate of 8 percent. The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

5. DEFINED BENEFIT PENSION PLAN – CONTINUED

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate 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 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Single Discount Rate (7.5%)	1% Increase (8.5%)
Authority's proportionate share of the net pension liability	$1,497,089	$843,076	$297,827

Plan Fiduciary Net Position Detailed information about the Plan's fiduciary net position is available in the separately issued OPERS's financial report.

6. OTHER POST EMPLOYEMENT BENEFITS

Net OPEB Liability

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

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

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

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

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 fiscal year is included in *accounts payable* on the accrual basis of accounting.

6. OTHER POST EMPLOYEMENT BENEFITS – CONTINUED

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS)) administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member-directed plan is a defined contribution plan and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features.

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

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

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2018, Authority contributed at a rate of 14 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. Active member contributions do not fund health care. 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.

6. OTHER POST EMPLOYEMENT BENEFITS – CONTINUED

The portion of employer contributions allocated to healthcare was 1.0% for calendar year 2017. As recommended by OPERSs actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2018 decrease to 0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Authority's contractually required contribution was $99,400 for the fiscal year 2018. Of this amount, $3,626 was used to fund health care.

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

The net OPEB liability for OPERS 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:

Proportionate Share of the Net OPEB Liability	$544,049
Proportion of the Net OPEB Liability	0.005010%
Change in Proportion from Prior Measurement Date	(.000251%)
OPEB Expense	$46,400

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

	Total Deferred Outflows
Difference between expected and actual experience	$ 423
Changes of assumptions	39,613
Total Deferred Outflows of Resources	$ 40,036

	Total Deferred Inflows
Net difference between projected and actual investment earnings on pension plan investments	$ 40,528

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

Fiscal Year Ending June 30:	
2019	$ 4,844
2020	4,844
2021	4,844
2022	(6,920)
2022	(8,104)
Total	$ (492)

6. OTHER POST EMPLOYEMENT BENEFITS – CONTINUED

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of benefits 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 actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Wage Inflation	3.25%
Future Salary Increases, including inflation 3.25%	3.25 – 10.75%
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Health Care Cost Trend Rate	7.5% initial, 3.25% ultimate in 2028
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 allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment 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. Health care is a discretionary benefit.

The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

6. OTHER POST EMPLOYEMENT BENEFITS – CONTINUED

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
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: The single discount rate used to measure the OPEB liability was 3.85 percent. 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 discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine the 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 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 current period discount rate assumption 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	$722,793	$544,049	$399,447

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents 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% lower or 1.0% 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%. 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

6. OTHER POST EMPLOYEMENT BENEFITS – CONTINUED

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% in the most recent valuation.

	1% Decrease (6.50%)	Current Trend Rate (7.50%)	1% Increase (8.50%)
Authority's proportionate share of the net OPEB liability	$520,539	$544,049	$568,334

7. LONG-TERM LIABILITIES

The following is a summary of long-term liabilities at June 30, 2018:

	Restated Balance at July 1, 2017	Additions	Deductions	Balance at June 30, 2018	Due in One Year
Compensated Absences	$ 236,588	$ 37,674	$(120,441)	$ 153,821	$ 37,600
Net Pension Liability	1,281,656	-	(438,580)	843,076	-
Net OPEB Liability	506,024	38,025	-	544,049	-
Total	$2,024,268	$ 75,699	$(559,021)	$ 1,540,946	$ 37,600

See Note 5 for information on the Authority's net pension liability and Note 6 for information on the Authority's net OPEB liability.

8. COMPENSATED ABSENCES

Full time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. The current policy does not allow current vacation days earned to be carried over into next calendar year. Generally, upon termination after one year of service, employees are entitled to be paid all accrued vacation.

The following schedule details earned annual leave based on length of service:

1-8 years	12 days
9-14 years	18 days
15-19 years	24 days
20 years and over	30 days

Sick leave accrues to full time, permanent employees to specified maximums. Sick leave may be cumulative without limit. However, employees with 8 years or more service, upon termination of employment, may receive a percentage of their accumulated sick leave at one-third of the first 240 days, one-fourth of unused leave in excess of 240 hours but less than 960 hours, plus 15 percent of unused sick leave in excess of 960 hours. Employees, upon retirement, may receive 50 percent of their accumulated sick leave hours.

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to service already rendered and it is probable that the employee will be compensated through paid time off or some other means, such

8. COMPENSATED ABSENCES – CONTINUED

as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off as some other form of compensation because an employee has not met the minimum service requirement is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future. The Authority's estimated liability for compensated absences at June 30, 2018 is $153,821.

9. CONTINGENT LIABILITIES

A. 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 June 30, 2018.

B. Litigation

The Authority is unaware of any outstanding lawsuits or other contingencies.

10. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 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 fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

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

Net positon June 30, 2017	$1,427,181
Adjustments:	
Net OPEB Liability	(506,024)
Restated Net Positon June 30, 2017	$ 921,157

The Authority has made no restatement for deferred outflows/inflows of resources as the information needed to generate these restatements was not available.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.005374%	0.005644%	0.005819%	0.005604%	0.005604%
Authority's Proportionate Share of the Net Pension Liability	$843,076	$1,281,656	$1,007,924	$675,906	$660,639
Authority's Covered-Employee Payroll	$710,000	$704,550	$737,329	$715,979	$673,900
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	118.74%	181.91%	136.70%	94.40%	98.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%	89.19%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

2) Information prior to 2014 is not available.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TWO FISCAL YEARS

	2018	**2017**
Authority's Proportion of the Net OPEB Liability	0.005010%	0.005261%
Authority's Proportionate Share of the Net OPEB Liability	$544,049	$506,027
Authority's Covered-Employee Payroll	$710,000	$704,550
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	76.63%	71.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.14%	68.52%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

2) Information prior to 2017 is not available.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
LAST NINE FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required employer contribution:	$ 95,774	$ 84,546	$ 88,479	$ 85,917	$ 87,607	$ 70,664	$ 85,402	$94,321	$ 87,449
Pension									
OPEB	3,626	14,091	14,747	14,320	6,739	28,266	14,234	5,339	4,950
Contributions in Relation to the									
Contractually Required Contribution	(99,400)	(98,637)	(103,226)	(100,237)	(94,346)	(98,930)	(99,636)	(99,660)	(92,399)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-
Authority Covered-Employee Payroll	$710,000	$704,550	$737,329	$715,979	$673,900	$706,643	$711,686	$711,857	$659,993
Contributions as a Percentage of									
Covered-Employee Payroll:									
Pension	13.49%	12.00%	12.00%	1200%	13.00%	10.00%	12.00%	13.25%	13.25%
OPEB	0.51%	2.00%	2.00%	2.00%	1.00%	4.00%	2.00%	0.75%	0.75%

Information prior to 2010 is not available.

Ohio Public Employees' Retirement System

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Net Pension Liability
Changes in benefit terms: There were no changes in benefit terms from the amounts reported for the fiscal years presented.

Changes in assumptions: In 2016, actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review 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 most notable being a reduction in the actuarially assumed rate of return from 8.0% to 7.5% for the defined benefits investments. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

ENTITY WIDE BALANCE SHEET SUMMARY
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2018

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	State/Local	Total
	Current Assets			
	Cash			
111	Cash - Unrestricted	$ 393,845	$ 1,348,995	$ 1,742,840
113	Cash - Other Restricted	27,788	-	27,788
100	Total Cash	421,633	1,348,995	1,770,628
	Accounts Receivable			
122	Accounts Receivable - HUD Other Projects	20,713	-	20,713
124	Accounts Receivable - Other Government	11,767	-	11,767
126	Accounts Receivable - Tenants	973	-	973
128	Fraud Recovery	15,712	-	15,712
128.1	Allowance for Doubtful Accounts	(15,712)	-	(15,712)
129	Accrued Interest Receivable	-	723	723
120	Total Receivables, Net of Allowance for Doubtful Accounts	33,453	723	34,176
	Other Assets			
142	Prepaid Expenses and Other Assets	14,362	-	14,362
150	Total Current Assets	469,448	1,349,718	1,819,166
	Noncurrent Assets			
	Capital Assets			
161	Land	-	30,000	30,000
162	Buildings	-	295,000	295,000
164	Furniture and Equipment - Administration	97,811	70,728	168,539
165	Leasehold Improvements	122,339	748,137	870,476
166	Accumulated Depreciation	(150,082)	(687,116)	(837,198)
160	Total Capital Assets net of accumulated depreciation	70,068	456,749	526,817
180	Total Noncurrent Assets	70,068	456,749	526,817
200	Deferred Outflow of Resources	190,285	-	190,285
290	Total Assets and Deferred Outflow of Resources	$ 729,801	$ 1,806,467	$ 2,536,268
	Current Liabilities			
312	Accounts Payable	$ 21,560	$ -	$ 21,560
321	Accrued Wages and Payroll Taxes	5,696	-	5,696
322	Accrued Compensated Absences - Current	37,600	-	37,600
310	Total Current Liabilities	64,856	-	64,856
	Non-Current Liabilities			
354	Accrued Compensated Absences-Non-Current	116,221	-	116,221
357	Accrued Pension and OPEB Liabilities	1,387,125		1,387,125
350	Total Non-Current Liabilities	1,503,346	-	1,503,346
300	Total Liabilities	1,568,202	-	1,568,202
400	Deferred Inflow of Resources	238,140	-	238,140
	Net Position			
508.4	Invested in Capital Assets	70,068	456,749	526,817
511.4	Restricted Net Position	27,788	-	27,788
512.4	Unrestricted Net Position	(1,174,397)	1,349,718	175,321
	Total Net Position	(1,076,541)	1,806,467	729,926
600	Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 729,801	$ 1,806,467	$ 2,536,268

NOTE FOR REAC REPORTING: The accompanying statements have been prepared in accordance with the format as required for HUD's electronic filing REAC system. The format and classifications of various line items may differ from those used in the preparation of the financial statements presented in accordance with accounting principles generally accepted in the United States of America.

MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	14.239 HOME Investment Partnership Program	State/Local	Total
	Revenue				
70600-010	Housing Assistance Payment Revenues	$ 7,895,982			$ 7,895,982
70600-020	Administrative Fees Revenues	968,942			968,942
70600-050	Preliminary Fees Revenues	8,000			8,000
70600	HUD PHA Operating Grants	8,872,924	$ 16,817		8,889,741
71100	Investment Income - Unrestricted	4,265	-	12,807	17,072
71400-010	Housing Assistance Payments	4,553	-	-	4,553
71400-020	Administrative Fees	4,552	-	-	4,552
71400	Fraud Recovery	9,105	-	-	9,105
71500	Other Revenue	-	-	407,010	407,010
71600	Gain on Sale of Capital Assets	300	-	-	300
70000	Total Revenue	8,886,594	16,817	419,817	9,323,228
	Expenses				
91100	Administrative Salaries	568,737	1,529	235,487	805,753
91200	Auditing Fees	6,634	-	-	6,634
91400	Advertising and Marketing	3,865	-	-	3,865
91500	Employee Benefit Contributions - Administrative	283,233	-	61,226	344,459
91600	Office Expenses	125,150	-	21,256	146,406
91700	Legal Expenses	3,087	-	-	3,087
91800	Travel	8,020	-	-	8,020
91000	Total Operating - Administrative	998,726	1,529	317,969	1,318,224
94200	Ordinary Maintenance and Operations - Materials and Other	27,140	-	19,512	46,652
94000	Total Maintenance and Operations	27,140	-	19,512	46,652
96120	Liability Insurance	14,563	-	-	14,563
96100	Total Insurance Premiums	14,563	-	-	14,563
96900	Total Operating Expenses	1,040,429	1,529	337,481	1,379,439
97000	Excess Operating Revenue Over Operating Expenses	7,846,165	15,288	82,336	7,943,789
	Other Expenses				
97300	Housing Assistance Payments	8,052,851	15,288	-	8,068,139
97400	Depreciation Expense	17,675	-	49,206	66,881
	Total Other Expenses	8,070,526	15,288	49,206	8,135,020
90000	Total Expenses	9,110,955	16,817	386,687	9,514,459
10000	Excess of Revenues under Expenses	(224,361)	-	33,130	(191,231)
11030	Beginning Net Position	(346,156)	-	1,773,337	1,427,181
11040	Prior Period Adjustment	(506,024)	-	-	(506,024)
11170	Administrative Fee Equity	(861,574)	-	-	(861,574)
11180	Housing Assistance Payment Equity	27,788	-	-	27,788
	Total Ending Net Position	$ (1,076,541)	$ -	$ 1,806,467	$ 729,926

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MANSFIELD METROPOLITAN HOUSING AUTHORITY
RICHLAND COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass Through Grantor Program/Cluster Title	Pass-Through Number	Federal CFDA Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	$ 8,872,924
Passed through City of Mansfield:			
Home Investment Partnerships Program	M-17-MC-39-0221	14.239	16,817
Total Expenditures of Federal Awards			$ 8,889,741

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Mansfield Metropolitan Housing Authority (the Authority) under programs of the federal government for the fiscal year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Auhtority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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WILSON, SHANNON & SNOW INC.
CPAs & ADVISORS

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

Mansfield Metropolitan Housing Authority
Richland County
P.O. Box 1029
Mansfield, Ohio 44901

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards,* the financial statements of the Mansfield Metropolitan Housing Authority, Richland County, (the Authority) as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 7, 2018 wherein we noted the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 7, 2018

WILSON, SHANNON & SNOW INC.
CPAs & ADVISORS

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

Mansfield Metropolitan Housing Authority
Richland County
P.O. Box 1029
Mansfield, Ohio 44901

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited the Mansfield Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Mansfield Metropolitan Housing Authority's major federal program for the fiscal year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

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Opinion on the Major Federal Program

In our opinion, the Mansfield Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 7, 2018

MANSFIELD METROPOLITAN HOUSING AUTHROITY
RICHLAND COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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Dave Yost • Auditor of State

MANSFIELD METROPOLITAN HOUSING AUTHORITY

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 27, 2018

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