MEDINA METROPOLITAN HOUSING AUTHORITY

MEDINA COUNTY

SINGLE AUDIT

JULY 1, 2018 – JUNE 30, 2019

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

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(800) 282-0370

Board of Commissioners
Medina Metropolitan Housing Authority
850 Walter Road
Medina, Ohio 44256-1515

We have reviewed the *Independent Auditor's Report* of the Medina Metropolitan Housing Authority, Medina County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 24, 2019

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MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY

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WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Medina Metropolitan Housing Authority
Medina County
850 Walter Street
Medina, Ohio 44256

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the Medina Metropolitan Housing Authority, Medina County, Ohio (the Authority), as of and for the fiscal year ended June 30, 2019, 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 the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Medina Metropolitan Housing Authority, Medina County as of June 30, 2019, 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.

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

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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, 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 6, 2019

Medina Metropolitan Housing Authority's ("the Authority") Management 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 Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 12).

Financial Highlights

- The Authority's Net Position decreased by $663,658 during the fiscal year 2019. Net Position was $5,402,536 and $6,066,194 for 2019 and 2018, respectively.

- Revenues decreased by $216,727 during fiscal year 2019, and were $6,596,281 and $6,813,008 for 2019 and 2018 respectively.

- The total expenses of the Authority's programs increased by $374,910. Total expenses were $7,259,939 and $6,885,029 for 2019 and 2018, respectively.

Overview of the Financial Statements

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the basic financial statements for a summary of the Authority's significant accounting policies and practices.

USING THIS REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)," "Basic Financial Statements," and "Required Supplementary Information". The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide).

Authority-Wide Financial Statements

The basic financial statements are designed to be corporate-like in that all business type activities are consolidated into one single enterprise fund for the Authority.

These statements include a <u>Statement of Net Position</u>, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources, minus liabilities and deferred inflows of resources, 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 Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the Authority. Net Position (formerly equity) is reported in three broad categories:

> *Net Investment in Capital Assets*: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> *Restricted Net Position*: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, the Authority's Board of Commissioners, etc.
>
> *Unrestricted Net Positions*: This component of Net Position consists of unrestricted assets that do not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position."

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

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

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

THE AUTHORITY'S PROGRAMS

Rental Assistance Demonstration Program is a voluntary program of the Department of Housing and Urban Development (HUD). RAD seeks to preserve public housing by providing Public Housing Agencies with access to more stable funding to make needed improvements to properties. RAD allows PHAs to manage a property using one of two types of HUD funding contracts that are tied to a specific building:

- Section 8 project-based voucher (PBV); or
- Section 8 project-based rental assistance (PBRA)

On July 1, 2016, Medina Metropolitan Housing Authority converted its public housing units to RAD and selected the PBRA model. Under this model, Medina Metropolitan Housing Authority is the property owner of the building known as North View Manor and HUD removed the declaration of trust.

The Authority entered into a contract agreement with HUD to subsidize the rent for tenants residing at the units. The contract agreement equals to the operating subsidies and capital improvement funding previously received under the public housing program.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own rental property for use by eligible families. The Authority subsidizes the families' rent through a monthly 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 contracts that set the families' rent at 30% of household income.

Shelter Plus Care Program – The Shelter Plus Care program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families if they are also homeless.

Business Activities – This represents non-HUD resources developed from a variety of activities. These include:

> *Leases* – The Authority leases residential property from two different entities: the Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC). The housing units are then sublet to eligible households consistent with the Authority's mission. The fee income and operating expenses for those services are noted in the Statement of Revenues, Expenses, and Changes in Net Position.
>
> *Service Contracts* – The Authority provides property management services for three properties owned by the Medina County ADAMH Board. The properties provide housing to persons with severe mental illness. The Authority also administers a program for the ADAMH Board that provides affordable housing services for persons with low to moderate income that have been diagnosed with severe mental illness.
>
> The Authority provided management services to a 70-unit residential apartment complex owned by Menwa Apartments, L.P. in Wadsworth, Ohio. The Authority also provided management services to a 54-unit residential apartment complex owned by Southwick Manor Apartments, LLC in Brunswick, Ohio. The Authority also provided management services to a 48-unit residential apartment complex owned by South Court Senior Villas, LLC in Medina, Ohio.
>
> In addition the Authority has an agreement with Battered Women's Shelter to provide maintenance services.

The fee income and operating expenses for those services are noted in the Statement of Revenues, Expenses, and Changes in Net Position.

Grants
The Authority administers one state grant and other local grants, the purpose of which is to provide emergency assistance for households experiencing a housing crisis. The fee income and operating expenses for services are noted in the Statement of Revenues, Expenses, and Changes in Net Position.

Interest Income
The Authority manages its surplus cash in compliance with HUD and State guidelines. The Authority generates interest income from the investment of surplus cash. Interest income is also derived from allowable forms of investment, including loans to affiliated organizations, which furthers the development of housing. The loans are secured by notes and mortgages.

Other Rental Units
Wadsworth Villas - The Authority constructed a new five unit, non-subsidized housing development in fiscal year 2011 named Wadsworth Villas. These units are designated for persons with sensory and/or mobility impairments. The units were constructed using Authority funds (lent to the development) and a loan from the Ohio Housing Finance Agency.

AUTHORITY-WIDE STATEMENTS

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

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	2019	2018
Current and Other Noncurrent Assets	$ 5,940,378	$ 6,271,743
Capital Assets	3,111,052	2,848,414
Deferred Outflows of Resources	743,915	267,636
Total Assets & Deferred Outflows of Resources	$ 9,795,345	$ 9,387,793
Current Liabilities	$ 476,909	$ 368,053
Long-Term Liabilities	3,874,217	2,644,324
Deferred Inflows of Resources	41,683	309,222
Total Liabilities and Deferred Inflows of Resources	4,392,809	3,321,599
Net Positions:		
Net Investment in Capital Assets	2,489,418	2,195,154
Restricted Net Positions	860,122	1,030,449
Unrestricted Net Positions	2,052,996	2,840,591
Total Net Positions	5,402,536	6,066,194
Total Liabilities, Deferred Inflows and Net Positions	$ 9,795,345	$ 9,387,793

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

Major Factors Affecting the Statement of Net Positions

Total assets and deferred outflows of resources increased $407,552 from 2018 to 2019. The increase was due mainly due to change in capital assets and the calculation of deferred outflows of resources.

Total liabilities and deferred inflows of resources increased by $1,071,210 due to OPEB and pension liability accruals.

Capital assets net of accumulated depreciation increased by $262,638. The change is due to current fiscal year acquisitions less depreciation expense for the fiscal year.

The following table presents details on the change in Net Position.

	Unrestricted Net Position	Net Investment in Capital Assets	Restricted Net Position
Beginning Net Position	$ 2,840,591	$ 2,195,154	$ 1,030,449
Results from Operation	(463,059)	(30,272)	(170,327)
Adjustment:			
Current Year Depreciation Expense	240,255	(240,255)	0
Current Year Capital Expenditures	(533,164)	533,164	0
Rounding Adjustment	(1)	1	0
Net Change in Debt Balance	(31,626)	31,626	0
Ending Net Positions	$ 2,052,996	$ 2,489,418	$ 860,122

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

The following table reflects the condensed Statement of Revenues, Expenses and Changes in Net Positions compared to prior fiscal year.

	2019	2018
Revenues		
Tenant Revenues	$ 1,863,097	$ 1,888,506
Operating Subsidies Grants	4,059,030	4,295,459
Interest Income	101,010	99,437
Gain (Loss) on disposal of capital assets	(30,272)	10,500
Other Revenue	603,416	519,106
Total Revenues	**6,596,281**	**6,813,008**
Expenses		
Administrative	1,847,997	1,620,443
Tenant Services	768	1,181
Utilities	284,477	279,672
Maintenance	725,029	680,023
General Expenses	827,655	587,158
Housing Assistance Payments	3,319,210	3,421,886
Interest Expense	14,548	58,480
Depreciation	240,255	236,186
Total Expenses	**7,259,939**	**6,885,029**
Change in Net Position	(663,658)	(72,021)
Beginning Net Position	6,066,194	6,138,215
Ending Net Position	**$ 5,402,536**	**$ 6,066,194**

Major Factors Affecting the Statement of Revenues, Expenses, and Changes in Net Position

Total revenue decreased by $216,727 in comparison with last fiscal year. The decrease was mainly due to decrease in operating grants received from HUD.

Total expenses increased $374,910. The increase in expenses is mainly due to increase in general and administrative expenses offset by a decrease in housing assistance payments. The increase in administrative expenses was due to expense recorded due to the change in GASB 68 and 75 activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year-end, the Authority had $3,111,052 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions less disposals and depreciation) of $262,638 from the end of last fiscal year.

	2019	2018
Land	$ 545,040	$ 297,081
Building & Improvements	5,350,919	5,326,834
Equipment	1,272,100	1,222,101
Construction in Progress	115,700	25,668
Accumulated Depreciation	(4,172,707)	(4,023,270)
Total	$ 3,111,052	$ 2,848,414

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the Note 8.

Beginning Balance	$ 2,848,414
Current year purchases	533,164
Less Depreciation Expense	(240,255)
Loss on Disposal	(30,272)
Rounding Adjustment	1
Ending Balance	$ 3,111,052

Current year purchases are summarized as follows:

- Purchase of land for Santee Landing	$	247,959
- Rehab of North View Manor property		40,810
- Parking lot paving Manhattan Place		31,750
- Drain Excavation Jefferson North		14,900
- A/C repair Jefferson units		3,945
- Land Improvements		3,132
- Purchase of various equipment		9,189
- Construction in Progress		90,032
- Rehab of Wadsworth Tower Units		60,099
- Various Leasehold Improvements Wadsworth Towers		31,348
Total Current Additions	$	533,164

Debt Outstanding

The following is a summary of the change in outstanding debt:

		2019		2018
Beginning Balance	$	891,624	$	674,958
Current year debt issued		-		231,739
Current year debt retired		(31,626)		(15,073)
Ending Balance	$	859,998	$	891,624

Debt is presented in detail in Note 10.

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, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income and the overall costs associated with the Section 8 Housing Choice Voucher Program.
- Inflationary pressure on utility rates, supplies and other costs.
- Decreased rates of return on investments which affect investment income.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Skip Sipos, Executive Director of the Medina Metropolitan Housing Authority. Specific requests may be submitted to Mr. Sipos' attention at 850 Walter Road; Medina, Ohio 44256-1515 or skip@mmha.org. His telephone number is 330-725-7531.

MEDINA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 436,946
Restricted Cash and Cash Equivalents	986,508
Notes Receivables	3,316,225
Receivables, net	117,211
Prepaid Items	95,213
Total Current Assets	4,952,103
Non-Current Assets:	
Capital Assets:	
Nondepreciable Capital Assets	660,740
Depreciable Capital Assets	6,623,019
Accumulated Depreciation	(4,172,707)
Total Capital Assets	3,111,052
Notes Receivable	988,275
Total Non-Current Assets	4,099,327
Total Assets	9,051,430
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension	608,760
Deferred Outflows of Resources - OPEB	135,155
Total Deferred Outflows of Resources	743,915
Liabilities	
Current Liabilities:	
Accounts Payable	12,357
Accrued Liabilities	291,320
Intergovernmental Payables	2,496
Tenant Security Deposits	126,386
Unearned Revenue	3,910
Loan Liability - Current Portion	31,626
Other Current Liabilities	8,814
Total Current Liabilities	476,909
Non-Current Liabilities:	
Loan Liability	828,372
Net Pension Liability	2,012,742
Net OPEB Liability	1,033,103
Total Non-Current Liabilities	3,874,217
Total Liabilities	4,351,126
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pension	38,880
Deferred Inflows of Resources - OPEB	2,803
Total Deferred Inflows of Resources	41,683
Net Position	
Net Investment in Capital Assets	2,489,418
Restricted	860,122
Unrestricted	2,052,996
Total Net Position	$ 5,402,536

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

MEDINA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Operating Revenues		
Tenant Revenue		$ 1,863,097
Government Operating Grants		4,059,030
Other Revenues		603,416
Total Operating Revenues		6,525,543
Operating Expenses		
Administrative	1,847,997	
Tenant Services	768	
Utilities	284,477	
Maintenance	725,029	
General	827,655	
Housing Assistance Payments	3,319,210	
Depreciation	240,255	
Total Operating Expenses		7,245,391
Operating Loss		(719,848)
Nonoperating Revenues (Expenses)		
Interest Revenue		101,010
Loss on Disposal of Assets		(30,272)
Interest Expense		(14,548)
Total Nonoperating Revenues (Expenses)		56,190
Change in Net Position		(663,658)
Net Position at July 1, 2018		6,066,194
Net Position at June 30, 2019		$ 5,402,536

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

MEDINA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash flows from operating activities:		
Cash received from operating grants	$	4,094,768
Cash received from tenants		1,850,840
Cash received from other sources		602,708
Cash payments for general and administrative services		(3,084,258)
Cash payments for housing assistance payments		(3,319,210)
Net cash provided by operating activities		144,848
Cash flows from investing activities:		
Interest revenue		101,010
BHDC note payment		15,982
Net cash provided by investing activities		116,992
Cash flows from capital and related activities:		
Payment of interest		(14,548)
Acquisition of capital assets		(533,164)
Net cash used by capital and related activities		(547,712)
Net change in cash and cash equivalents		(285,872)
Cash and cash equivalents at July 1, 2018		1,709,326
Cash and cash equivalents at June 30, 2019	$	1,423,454
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(719,848)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		240,255
Changes in assets and liabilities:		
Accounts receivable		24,226
Prepaid items		5,285
Accounts payable		426
Accrued liabilities		123,265
Intergovernmental payable		1,798
Net pension liability		997,252
Net OPEB liability		264,267
Other liabilities		(48,260)
Change in deferred outflows of resources		(476,279)
Change in deferred inflows of resources		(267,539)
Net cash provided by operating activities	$	144,848

Schedule of Noncash Investing, Capital, and Financing Activities:
During fiscal year 2019, the Authority amortized $31,626 of the outstanding loan liability balance.

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Medina Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code. The Authority contracts with the United States Department of Housing and Urban Development (HUD) and other outside entities to provide safe and sanitary housing for people in low to moderate income brackets.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, in that the statements include all organizations, activities, functions and component units for which the Authority (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the Authority's ability to impose its will over the organization's governing body or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the Authority. There were no potential component units that met the criteria imposed by GASB Statement No. 61 to be included in the Authority's reporting entity.

Description of Programs

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

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

B. Shelter Plus Care Program
   The Shelter Plus Care program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families if they are also homeless.

C. State and Local Grants
   The Authority administers a state grant and other local grants, the purpose of which is to provide emergency assistance for households experiencing a housing crisis.

D. Business Activity
   The Business Activity Program was set-up to separate the HUD funded programs with non-HUD activities. This program is used to account for the financial activities for the various properties and programs managed by the Authority that are separate from annual contribution contracts with HUD.

E. Rental Assistance Demonstration Program

The Authority volunteer converted the Low Rent Public Housing Program known as North View Manor to a Section 8 (PBRA) platform with a long-term contract with HUD to provide a project based rental assistance. Residents continue to pay 30% of their income toward the rent, HUD subsidies the remaining balance of the contract rent.

Fund Accounting/Financial Reporting Entity

The Authority's basic financial statements consist of a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows. It uses the proprietary fund to report on its financial position and the results of its operations for its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

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

Budgets and Budgetary Accounting

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

Accounting and Reporting for Non-exchange Transactions

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

In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after June 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying statement of revenues, expenses and changes in net position.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal period.

Compensated Absences

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

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

Cash and Cash Equivalents

For cash flow reporting purposes, cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its cash with high credit quality financial institutions. Amounts in excess of FDIC insurance are fully collateralized.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent money required by the RAD Project and the lease agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development Corporation to be kept in separate restricted bank accounts that can only be used for specific purposes:

> Reserves for Replacements - Money set aside each month to cover the cost for property repairs and replacements.
>
> Operating Reserve - The Operating Reserve is primarily for the purpose of covering any deficiencies the other various reserve accounts suffer. If no deficiencies exist, the balance in the operating reserve fund may be used for any purpose with the agreement of both parties to the lease.
>
> Taxes and Insurance Fund - Funds set aside to cover the cost of taxes and insurance.
>
> Tenant Security Deposit – Funds on deposited by the tenants as a requirement of their lease agreement.

Additional restricted cash and cash equivalent amounts relate to housing assistance payment equity in the housing choice voucher program.

Property and Equipment

Property and equipment is stated at cost. Renewals and betterments are capitalized. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of $2,500 or more per unit. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings and building improvements	40 years
Furniture, equipment and machinery	5 years
Leasehold improvements	20 years

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes amounts due from tenants, amounts identified for fraud recovery, accrued interest on certificates of deposits, and other revenue sources. Management considers all accounts receivable (excluding tenant accounts receivable) to be collected in full. At June 30, 2019, allowance for doubtful accounts in tenant accounts receivable was $62,316 and for fraud receivable was $39,837.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Actual results could vary from those estimates.

Net Position

Net position represents the difference between all other elements of the statements of net position. Net position – net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position are recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The amount reported as restricted net position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts required by the leased agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development Corporation that can only be used for specific purposes. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted net position.

Income Taxes

No provision for income taxes is recorded as the Authority is a political subdivision of that state of Ohio and is exempt from all income taxes.

Operating Revenues and Expenses

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

Capital Contributions

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

Deferred Outflows/Inflows of Resources

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

At fiscal year end June 30, 2019, the carrying balance was $1,423,454 and the bank balance was $1,522,098 the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of June 30, 2019, $1,272,098 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Deposit Insurance Corporation.

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

NOTE 3 – RELATED PARTY TRANSACTIONS

Brunswick Housing Development Corporation
Wadsworth Housing Development Corporation

The Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC) are both non-profit corporations under the internal revenue service ruling 501(c) (3). Both entities operate autonomously and each is governed by its own separate Board of Directors (independent of the MMHA). WHDC owns Wadsworth Tower, a federally-assisted, elderly housing complex located in Wadsworth, Ohio. The BHDC owns Southwick Place, Jefferson Place, New Manhattan Place, and Home Place. Southwick Place, Jefferson Place, and New Manhattan Place are all affordable housing complexes located in Medina County, Ohio. Home Place is a group of scattered-site rental single family units located in Medina County.

Medina Metropolitan Housing Authority has entered into a lease agreement with both non-profit corporations to manage the operation of the apartment complexes for which in return the Authority receives all revenues associated with the operation of the projects and is responsible for all expenses related thereto. The non-profit corporations retain ownership to the properties and are responsible for the debt associated with the buildings. The repayment of the debt is made by Medina Metropolitan Housing Authority from the rental revenue collected during the fiscal year. The current year activities of these apartment complexes have been reported in the financial statements of Medina Metropolitan Housing Authority as Business Activities.

Medina Metropolitan Housing Authority has several loans outstanding with Brunswick Housing Development Corporation. The details of these loans are listed in Note 5, below.

NOTE 4 – INSURANCE COVERAGE

As of June 30, 2019, the Authority had general liability insurance limits of $2,000,000 (each occurrence) with no annual aggregate; director and officer liability coverage of $2,000,000 per loss and in the aggregate; vehicle liability coverage of $2,000,000; and real and personal property coverage of $500,000,000 per occurrence. There is also coverage of $4,000,000 in Excess Liability over the underlying $2,000,000 liability coverage. Coverage also includes basic Cyber, Crime and Professional liability associated with lead paint assessment inspection. Insurance settlements have not exceeded available coverage limits during each of the fiscal years ended June 30, 2019, 2018, and 2017.

NOTE 5 – NOTES RECEIVABLE – RELATED ENTITIES

Notes receivable – related entities consists of the following as of June 30, 2019:

Mortgage note receivable from Brunswick Housing Development Corporation with interest at 4% per annum, to be received by the Authority as the income and cash flow of BHDC permits, with the entire remaining outstanding balance payable to the Authority; secured by an open end Mortgage on Southwick Place property. Interest accrued on this note is $460,000 which is included in the balance outstanding.	$2,460,000
Mortgage note receivable Brunswick Housing Development Corporation for $564,730 with interest at 2% per annum; interest only monthly payments in the amount of $941.22 is due with a balloon payment for the principle on February 2020; secured by New Manhattan Place property.	564,730
Mortgage note receivable Brunswick Housing Development Corporation with interest at 4% per annum; payable in monthly installment of $1,118.12 through February 2024 secured by Jefferson Place Apartments.	335,437
Mortgage note receivable Southwick Manor Apartments, Inc with interest at 2% per annum on the unpaid balance. In fiscal year 2014, the Authority entered into an open-end mortgage of $400,000 with Southwick Manor Apartments, LLC for the Southwick Manor property. The outstanding balance of interest accrued on this note as of June 30, 2019 is $4,000 which is included in the balance outstanding.	404,000
Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of $233 through February 2024; secured by the Home Place scattered-site rental single family properties.	140,000

Mortgage note receivable from Brunswick Housing Development Corporation with interest at 4% per annum; payable in interest only payments of $1,167 per month beginning on January 1, 2010 and ending on December 1, 2019. The principal portion of $350,000 is due on December 1, 2019. This note is secured by Home Place scattered-site rental single-family properties.	291,495
On January 27, 2016, Medina MHA entered into a promissory note with Menwa Apartments LP for $100,000 with interest at 2.5% per annum. Principal and interest is due and payable on December 2060. The note is secured by a mortgage on Menwa Apartments, a 70-unit multi-family dwelling. Interest accrued on the note as of June 30, 2019 is $8,838.	108,838
Total Note Receivable	$4,304,500

NOTE 6 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

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

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

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

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

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

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

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

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

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

	State and Local
2019 Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee	10.0%
2019 Actual Contribution Rates:	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for the traditional plan was $148,247 for 2019 fiscal year. The full amount was contributed during the fiscal year.

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

The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan
Proportionate Share of Net Pension Liability	$2,012,742
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.006473%
- Current Meassurement Date	0.007349%
Change in Proportion from Prior	0.000876%
Pension Expense	$386,479

At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$273,184
Assumption Changes	175,215
Difference between expected and actual experience	92
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	99,965
Authority contributions subsequent to the measurement date	60,304
Total Deferred Outflows of Resources	$608,760
Deferred Inflows of Resources	
Difference between expected and actual experience	$26,428
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	12,452
	$38,880

$60,304 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan
Fiscal Year Ending June 30:	
2020	$221,874
2021	135,307
2022	25,343
2023	127,052
Total	$509,576

Actuarial Assumptions – PERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Actuarial Information	Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3% Simple Post 01/07/13 Retirees: 3% Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.2%
Actuarial Cost Method	Individual entry age

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
TOTAL	100.00%	5.95%

Discount Rate: The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	$2,973,405	$2,012,742	$121,442

NOTE 7 – DEFINED BENEFIT OPEB PLAN

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 *accrued liabilities* on the accrual basis of accounting.

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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, 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 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 remained at 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Authority's contractually required contribution was $5,161 for the fiscal year 2019.

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

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of Net OPEB Liability	$1,033,103
Proportion of the Net OPEB Liability	
- Prior Measurement Date	0.007080%
- Current Meassurement Date	0.007924%
Change in Proportion from Prior	0.000844%
OPEB Expense	$131,220

At June 30, 2019, The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Health Care Plan
Deferred Outflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$47,362
Assumption Changes	33,309
Difference between expected and actual experience	351
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	51,944
Authority contributions subsequent to the measurement date	2,189
Total Deferred Outflows of Resources	$135,155
Deferred Inflows of Resources	
Difference between expected and actual experience	$2,803
Total Deferred Inflows of Resources	$2,803

$2,189 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Health Care Plan
Fiscal Year Ending June 30:	
2020	$62,610
2021	35,112
2022	8,580
2023	23,861
Total	$130,163

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Information	
Wage Inflation	3.25%
Future Salary Increases, including inflation 3.25%	3.25 - 10.75%
Single Discount Rate:	
- Current measurement date	3.96%
- Prior measurement date	3.85%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Health Care Cost Trend Rate	10.00% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The most recent experience study was completed for the five-year period ended December 31, 2015.

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	17.00%	5.57%
TOTAL	100.00%	5.16%

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 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 (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$1,321,723	$1,033,103	$803,573

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$993,036	$1,033,103	$1,079,249

NOTE 8 - CAPITAL ASSETS

The following is a summary of the capital assets activities during the fiscal year:

	Balance 06/30/18	Increases	Adjust / Decreases	Balance 06/30/19
Capital Assets Not Depreciated:				
Land & Improvements	$297,081	$247,959	$0	$545,040
Construction in Process	25,668	90,032	0	115,700
Total Capital Assets Not Depreciated	322,749	337,991	0	660,740
Capital Assets Depreciated:				
Building	4,408,354	0	0	4,408,354
Furniture, Mach & Equip	1,222,101	49,999	0	1,272,100
Leasehold Improvement	918,480	145,174	(121,089)	942,565
Total Assets Depreciated	6,548,935	195,173	(121,089)	6,623,019
Accumulated Depreciation:				
Building	(2,654,537)	(89,111)	0	(2,743,648)
Furniture, Mach & Equip	(1,050,276)	(60,453)	0	(1,110,729)
Leasehold Improvement	(318,457)	(90,691)	90,818	(318,330)
Total Accumulated Depreciation	(4,023,270)	(240,255)	90,818	(4,172,707)
Total Assets Depreciated, Net	2,525,665	(45,082)	(30,271)	2,450,312
Total Capital Assets, Net	$2,848,414	$292,909	($30,271)	$3,111,052

NOTE 9 – COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of June 30, 2019, the liability for compensated absences totaled $165,147 and has been included in the accompanying statement of net position. The Authority considers all compensated absences payable as due within one year and is reported within accrued liabilities.

NOTE 10 – LONG-TERM DEBT

The following is a summary of changes in long-term debt and compensated absence for the fiscal year ended June 30, 2019:

	Balance 06/30/18	Additions	Deletion	Balance 06/30/19	Due Within One Year
Promissory Note – WHDC	$238,364	$0	$0	$238,364	$0
Promissory Note – MCBDD	61,688	0	9,740	51,948	9,740
Promissory Note – MCBDD	57,333	0	5,333	52,000	5,333
Promissory Note – MCBDD	231,739	0	16,553	215,186	16,553
Promissory Note – OHFA	302,500	0	0	302,500	0
Total Promissory Notes	891,624	0	31,626	859,998	31,626
Compensated Leave Liability	75,973	89,174	0	165,147	165,147
Net Pension Liability	1,015,490	997,252	0	2,012,742	0
Net OPEB Liability	768,836	264,267	0	1,033,103	0
Total Long Term Liabilities	$2,751,923	$1,350,693	$31,626	$4,070,990	$196,773

On December 8, 2009, the Authority entered into a no interest promissory note with the Medina County Board of Developmental Disabilities (MCBODD) in the amount of $146,102 to purchase the property located in Chippewa Lake, Ohio (known as Honey Shade). The note is forgiven over 180 month period. The note shall become due on the sale or transfer of the property securing the note and upon other specific events as detailed in the agreement. The outstanding balance as of June 30, 2019 is $51,948.

On May 13, 2014, the Authority entered into a no interest promissory note with the MCBODD in the amount of $80,000 to purchase the Coal Ridge property in Wadsworth. The note is forgiven over 180 month period. The note shall become due on the sale or transfer of the property securing the note and upon other specific events as detailed in the agreement. The outstanding balance as of June 30, 2019 is $52,000.

On July 31, 2017, The Authority entered into a no interest promissory note with the MCBODD in the amount of $31,092. On July 3, 2017, the Authority entered into a no interest promissory note with the Ohio Department of Developmental Disabilities in the amount of $217,200. Both of these loans were used for the purchase of the Birch Hill property in Medina. The notes are forgiven over 180 month period. The notes shall become due on the sale or transfer of the property securing the notes and upon the specific events as detailed in the agreement. The outstanding balance as of June 30, 2019 is $215,186.

Below is the amortization of the promissory note schedule:

Years	Principal	Interest
2020	$31,626	$0
2021	31,626	0
2022	31,626	0
2023	31,626	0
2024	31,626	0
2025-After	161,004	0
Total	$319,134	$0

The Authority issued a no interest promissory note in the amount of $238,364 dated October 31, 2008 to Wadsworth Housing Development Corporation (WHDC). The funds are due in a balloon payment on October 31, 2038. There is no repayment schedule. Therefore, no amortization schedule is presented.

On July 9, 2010, the Authority entered into a promissory note with the Ohio Housing Finance Agency (OHFA) in the amount of $302,500 to build housing units located in Wadsworth, Ohio for mobility and sensory impaired persons (known as Wadsworth Villas). The note accrues interest at a rate of two percent per annum. The note shall become due upon specific events as detailed in the agreement, of which, as of June 30, 2019, none of these events have occurred or are anticipated to occur. Therefore, no amortization schedules are provided.

NOTE 11 - 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, 2019.

B. Litigation

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

NOTE 12 - SUBSEQUENT EVENTS

Medina Metropolitan Housing Authority purchased Southwick Place Townhomes from Brunswick Housing Development Corporation on October 10, 2019. The Authority entered into a lease agreement and management agreement on October 10, 2019 with New Brunswick Apartment LP to lease and manage the 50-unit project named Southwick Place Townhomes located in Brunswick, Ohio. The project will be renovated with funding from Ohio Housing Finance Agency to preserve the existing units of affordable housing in Medina County.

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last Five Fiscal Years

Traditional Plan	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.007349%	0.006473%	0.006251%	0.005936%	0.005978%
Authority's Proportionate Share of the Net Pension Liability	$2,012,742	$1,015,490	$1,419,496	$1,028,190	$721,014
Authority's Covered-Employee Payroll	$1,095,770	$968,899	$875,477	$738,806	$732,870
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	183.68%	104.81%	162.14%	139.17%	98.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%

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. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of The Authority's Proportionate Share of the Net OPEB Liability
Last Three Fiscal Years

	2018	2017	2016
Authority's Proportion of the Net OPEB Liability	0.007924%	0.007080%	0.007080%
Authority's Proportionate Share of the Net OPEB Liability	$1,033,103	$768,836	$715,104
Authority's Covered-Employee Payroll	$1,095,770	$968,899	$875,477
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	94.28%	79.35%	81.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	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 2016 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - Pension
Ohio Public Employees Retirement System
For the Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution										
Pension	$148,247	$123,232	$117,904	$110,413	$104,799	$109,180	$80,424	$85,687	$79,299	$69,540
Contributions in Relation to the										
Contractually Required Contribution	$148,247	$123,232	$117,904	$110,413	$104,799	$109,180	$80,424	$85,687	$79,299	$69,540
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$1,095,770	$968,899	$982,534	$920,109	$873,325	$873,440	$699,948	$856,870	$862,884	$794,743
Contributions as a Percentage of										
Covered-Employee Payroll										
Pension	13.53%	12.72%	12.00%	12.00%	12.00%	12.50%	11.49%	10.00%	9.19%	8.75%

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - OPEB
Ohio Public Employees Retirement System
For the Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution										
OPEB	$5,161	$4,447	$17,503	$18,393	$17,416	$13,125	$17,499	$34,905	$41,504	$41,724
Contributions in Relation to the Contractually Required Contribution	5,161	4,447	17,503	18,393	17,416	13,125	17,499	34,905	41,504	41,724
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$1,095,770	$968,899	$982,534	$920,109	$873,325	$873,440	$699,948	$856,870	$862,884	$794,743
Contributions as a Percentage of Covered-Employee Payroll										
OPEB	0.47%	0.46%	1.78%	2.00%	1.99%	1.50%	2.50%	4.07%	4.81%	5.25%

Ohio Public Employees' Retirement System

Net Pension Liability
Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%.

Net OPEB Liability
Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00%.

MEDINA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	$1,176	$123,398	$0	$0	$312,372	$436,946	$0	$436,946
113 Cash - Other Restricted	$218,477	$815	$0	$0	$640,830	$860,122	$0	$860,122
114 Cash - Tenant Security Deposits	$23,482	$0	$0	$0	$102,904	$126,386	$0	$126,386
100 Total Cash	$243,135	$124,213	$0	$0	$1,056,106	$1,423,454	$0	$1,423,454
122 Accounts Receivable - HUD Other Projects	$0	$0	$489	$0	$0	$489	$0	$489
124 Accounts Receivable - Other Government	$0	$0	$0	$6,700	$1,816	$8,516	$0	$8,516
125 Accounts Receivable - Miscellaneous	$0	$0	$0	$0	$71,318	$71,318	$0	$71,318
126 Accounts Receivable - Tenants	$10,332	$0	$0	$0	$88,872	$99,204	$0	$99,204
126.1 Allowance for Doubtful Accounts - Tenants	-$5,342	$0	$0	$0	-$56,974	-$62,316	$0	-$62,316
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$0	$3,316,225	$3,316,225	$0	$3,316,225
128 Fraud Recovery	$0	$39,837	$0	$0	$0	$39,837	$0	$39,837
128.1 Allowance for Doubtful Accounts - Fraud	$0	-$39,837	$0	$0	$0	-$39,837	$0	-$39,837
120 Total Receivables, Net of Allowances for Doubtful Accounts	$4,990	$0	$489	$6,700	$3,421,257	$3,433,436	$0	$3,433,436
142 Prepaid Expenses and Other Assets	$4,718	$7,766	$0	$0	$82,729	$95,213	$0	$95,213
144 Inter Program Due From	$0	$0	$0	$0	$90,304	$90,304	-$90,304	$0
150 Total Current Assets	$252,843	$131,979	$489	$6,700	$4,650,396	$5,042,407	-$90,304	$4,952,103
161 Land	$151,675	$0	$0	$0	$393,365	$545,040	$0	$545,040
162 Buildings	$2,603,765	$0	$0	$0	$1,804,589	$4,408,354	$0	$4,408,354
163 Furniture, Equipment & Machinery - Dwellings	$458,984	$0	$0	$0	$16,880	$475,864	$0	$475,864
164 Furniture, Equipment & Machinery - Administration	$332,169	$35,615	$0	$0	$428,452	$796,236	$0	$796,236
165 Leasehold Improvements	$141,198	$0	$0	$0	$801,367	$942,565	$0	$942,565

MEDINA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
166 Accumulated Depreciation	-$2,883,051	-$35,615	$0	$0	-$1,254,041	-$4,172,707	$0	-$4,172,707
167 Construction in Progress	$0	$0	$0	$0	$115,700	$115,700	$0	$115,700
160 Total Capital Assets, Net of Accumulated Depreciation	$804,740	$0	$0	$0	$2,306,312	$3,111,052	$0	$3,111,052
171 Notes, Loans and Mortgages Receivable - Non-Current	$0	$0	$0	$0	$988,275	$988,275	$0	$988,275
180 Total Non-Current Assets	$804,740	$0	$0	$0	$3,294,587	$4,099,327	$0	$4,099,327
200 Deferred Outflow of Resources	$119,528	$151,098	$0	$0	$473,289	$743,915	$0	$743,915
290 Total Assets and Deferred Outflow of Resources	$1,177,111	$283,077	$489	$6,700	$8,418,272	$9,885,649	-$90,304	$9,795,345
312 Accounts Payable <= 90 Days	$1,924	$375	$0	$0	$10,058	$12,357	$0	$12,357
321 Accrued Wage/Payroll Taxes Payable	$3,846	$5,365	$0	$0	$51,839	$61,050	$0	$61,050
322 Accrued Compensated Absences - Current Portion	$20,313	$25,989	$0	$0	$118,845	$165,147	$0	$165,147
325 Accrued Interest Payable	$0	$0	$0	$0	$57,855	$57,855	$0	$57,855
333 Accounts Payable - Other Government	$0	$0	$0	$0	$2,496	$2,496	$0	$2,496
341 Tenant Security Deposits	$23,482	$0	$0	$0	$102,904	$126,386	$0	$126,386
342 Unearned Revenue	$601	$0	$0	$0	$3,309	$3,910	$0	$3,910
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$31,626	$31,626	$0	$31,626
345 Other Current Liabilities	$0	$0	$0	$6,700	$2,114	$8,814	$0	$8,814
346 Accrued Liabilities - Other	$0	$0	$0	$0	$7,268	$7,268	$0	$7,268
347 Inter Program - Due To	$89,815	$0	$489	$0	$0	$90,304	-$90,304	$0
310 Total Current Liabilities	$139,981	$31,729	$489	$6,700	$388,314	$567,213	-$90,304	$476,909

MEDINA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$590,008	$590,008	$0	$590,008
355 Loan Liability - Non Current	$0	$0	$0	$0	$238,364	$238,364	$0	$238,364
356 FASB 5 Liabilities	$0	$0	$0	$0	$0	$0	$0	$0
357 Accrued Pension and OPEB Liabilities	$491,594	$574,506	$0	$0	$1,979,745	$3,045,845	$0	$3,045,845
350 Total Non-Current Liabilities	$491,594	$574,506	$0	$0	$2,808,117	$3,874,217	$0	$3,874,217
300 Total Liabilities	$631,575	$606,235	$489	$6,700	$3,196,431	$4,441,430	-$90,304	$4,351,126
400 Deferred Inflow of Resources	$14,125	$487	$0	$0	$27,071	$41,683	$0	$41,683
508.4 Net Investment in Capital Assets	$804,740	$0	$0	$0	$1,684,678	$2,489,418	$0	$2,489,418
511.4 Restricted Net Position	$218,477	$815	$0	$0	$640,830	$860,122	$0	$860,122
512.4 Unrestricted Net Position	-$491,806	-$324,460	$0	$0	$2,869,262	$2,052,996	$0	$2,052,996
513 Total Equity - Net Assets / Position	$531,411	-$323,645	$0	$0	$5,194,770	$5,402,536	$0	$5,402,536
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$1,177,111	$283,077	$489	$6,700	$8,418,272	$9,885,649	-$90,304	$9,795,345
70300 Net Tenant Rental Revenue	$268,166	$0	$0	$0	$1,594,931	$1,863,097	$0	$1,863,097
70500 Total Tenant Revenue	$268,166	$0	$0	$0	$1,594,931	$1,863,097	$0	$1,863,097
70600 HUD PHA Operating Grants	$0	$3,328,732	$341,313	$0	$0	$3,670,045	$0	$3,670,045
70800 Other Government Grants	$217,064	$0	$0	$76,576	$95,345	$388,985	$0	$388,985
71100 Investment Income - Unrestricted	$406	$427	$0	$0	$19,172	$20,005	$0	$20,005
71200 Mortgage Interest Income	$0	$0	$0	$0	$81,005	$81,005	$0	$81,005
71400 Fraud Recovery	$0	$5,680	$0	$0	$0	$5,680	$0	$5,680

MEDINA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
71500 Other Revenue	$9,225	$21,111	$0	$0	$567,400	$597,736	$0	$597,736
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0	$0	-$30,272	-$30,272	$0	-$30,272
70000 Total Revenue	$494,861	$3,355,950	$341,313	$76,576	$2,327,581	$6,596,281	$0	$6,596,281
91100 Administrative Salaries	$79,070	$170,351	$0	$0	$519,990	$769,411	$0	$769,411
91200 Auditing Fees	$2,081	$2,083	$0	$0	$18,883	$23,047	$0	$23,047
91400 Advertising and Marketing	$226	$427	$0	$0	$1,436	$2,089	$0	$2,089
91500 Employee Benefit contributions - Administrative	$67,727	$163,066	$0	$0	$522,208	$753,001	$0	$753,001
91600 Office Expenses	$1,919	$15,753	$0	$0	$17,089	$34,761	$0	$34,761
91700 Legal Expense	$3,169	$3,035	$0	$0	$18,240	$24,444	$0	$24,444
91800 Travel	$799	$0	$0	$0	$5,906	$6,705	$0	$6,705
91900 Other	$54,210	$84,495	$22,329	$0	$73,505	$234,539	$0	$234,539
91000 Total Operating - Administrative	$209,201	$439,210	$22,329	$0	$1,177,257	$1,847,997	$0	$1,847,997
92400 Tenant Services - Other	$768	$0	$0	$0	$0	$768	$0	$768
92500 Total Tenant Services	$768	$0	$0	$0	$0	$768	$0	$768
93100 Water	$8,583	$0	$0	$0	$49,328	$57,911	$0	$57,911
93200 Electricity	$48,371	$0	$0	$0	$87,885	$136,256	$0	$136,256
93300 Gas	$14,909	$0	$0	$0	$24,729	$39,638	$0	$39,638
93600 Sewer	$10,106	$0	$0	$0	$15,015	$25,121	$0	$25,121
93800 Other Utilities Expense	$0	$0	$0	$0	$25,551	$25,551	$0	$25,551
93000 Total Utilities	$81,969	$0	$0	$0	$202,508	$284,477	$0	$284,477
94100 Ordinary Maintenance and Operations - Labor	$59,347	$26,645	$0	$0	$173,442	$259,434	$0	$259,434

MEDINA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
94200 Ordinary Maintenance and Operations - Materials and Other	$22,758	$6,065	$0	$0	$52,295	$81,118	$0	$81,118
94300 Ordinary Maintenance and Operations Contracts	$66,642	$2,117	$0	$0	$181,850	$250,609	$0	$250,609
94500 Employee Benefit Contributions - Ordinary Maintenance	$52,161	$17,946	$0	$0	$63,761	$133,868	$0	$133,868
94000 Total Maintenance	$200,908	$52,773	$0	$0	$471,348	$725,029	$0	$725,029
96110 Property Insurance	$5,669	$450	$0	$0	$29,417	$35,536	$0	$35,536
96120 Liability Insurance	$3,933	$1,510	$0	$0	$17,032	$22,475	$0	$22,475
96130 Workmen's Compensation	$744	$5,628	$0	$0	$2,731	$9,103	$0	$9,103
96100 Total insurance Premiums	$10,346	$7,588	$0	$0	$49,180	$67,114	$0	$67,114
96200 Other General Expenses	$0	$0	$0	$76,576	$582,105	$658,681	$0	$658,681
96210 Compensated Absences	$11,259	$14,480	$0	$0	$63,434	$89,173	$0	$89,173
96300 Payments in Lieu of Taxes	$0	$0	$0	$0	$3,143	$3,143	$0	$3,143
96400 Bad debt - Tenant Rents	$1,660	$0	$0	$0	$7,884	$9,544	$0	$9,544
96000 Total Other General Expenses	$12,919	$14,480	$0	$76,576	$656,566	$760,541	$0	$760,541
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$14,548	$14,548	$0	$14,548
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$14,548	$14,548	$0	$14,548
96900 Total Operating Expenses	$516,111	$514,051	$22,329	$76,576	$2,571,407	$3,700,474	$0	$3,700,474
97000 Excess of Operating Revenue over Operating Expenses	-$21,250	$2,841,899	$318,984	$0	-$243,826	$2,895,807	$0	$2,895,807
97300 Housing Assistance Payments	$0	$2,980,094	$318,984	$0	$0	$3,299,078	$0	$3,299,078

MEDINA METROPOLITAN HOUSING AUTHORITY
FINANCIAL DATA SCHEDULES SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	2 State/Local	1 Business Activities	Subtotal	ELIM	Total
97350 HAP Portability-In	$0	$20,132	$0	$0	$0	$20,132	$0	$20,132
97400 Depreciation Expense	$89,758	$0	$0	$0	$150,497	$240,255	$0	$240,255
90000 Total Expenses	$605,869	$3,514,277	$341,313	$76,576	$2,721,904	$7,259,939	$0	$7,259,939
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$111,008	-$158,327	$0	$0	-$394,323	-$663,658	$0	-$663,658
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$31,626	$31,626	$0	$31,626
11030 Beginning Equity	$642,419	-$165,318	$0	$0	$5,589,093	$6,066,194	$0	$6,066,194
11170 Administrative Fee Equity	$0	-$324,460	$0	$0	$0	-$324,460	$0	-$324,460
11180 Housing Assistance Payments Equity	$0	$815	$0	$0	$0	$815	$0	$815
11190 Unit Months Available	1,008	7,320	720	0	2,652	11,700	0	11,700
11210 Number of Unit Months Leased	955	7,320	715	0	2,566	11,556	0	11,556

MEDINA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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			
Shelter Plus Care	N/A	14.238	$ 341,313
Section 8 Project-Based Cluster:			
Section 8 Housing Assistance Payments Program	N/A	14.195	217,064
Total Section 8 Project-Based Cluster			217,064
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	3,328,732
Total Housing Voucher Cluster			3,328,732
Total Expenditures of Federal Awards			$ 3,887,109

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 Medina Metropolitan Housing Authority (the Authority) under programs of the federal government for the fiscal year ended June 30, 2019. 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 Authority, 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior fiscal years. The Authority has elected not to use the 10 percent de minimis indirect cost rate 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*

Medina Metropolitan Housing Authority
Medina County
850 Walter Street
Medina, Ohio 44256

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Medina Metropolitan Housing Authority, Medina County, (the Authority) as of and for the fiscal year ended June 30, 2019, 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 6, 2019.

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.

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*.

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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 report is not suitable for any other purpose.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 6, 2019

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

Medina Metropolitan Housing Authority
Medina County
850 Walter Street
Medina, Ohio 44256

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited the Medina 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 Medina Metropolitan Housing Authority's major federal program for the fiscal year ended June 30, 2019. 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 Medina 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, 2019.

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 its 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 6, 2019

MEDINA METROPOLITAN HOUSING AUTHROITY
MEDINA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019

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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OHIO AUDITOR OF STATE
KEITH FABER

MEDINA METROPOLITAN HOUSING AUTHORITY

MEDINA 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
JANUARY 7, 2020

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