DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

James G. Zupka, CPA, Inc.
Certified Public Accountants

Dave Yost • Auditor of State

Board of Commissioners
Dayton Metropolitan Housing Authority
400 Wayne Avenue
Dayton, OH 45401

We have reviewed the *Independent Auditor's Report* of the Dayton Metropolitan Housing Authority, Montgomery County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2015 through June 30, 2016. 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 Dayton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

February 23, 2017

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DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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JAMES G. ZUPKA, C.P.A., INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton , Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on the Financial Statements

We have audited the accompanying financial statements of the Dayton Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dayton Metropolitan Housing Authority, Ohio, as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dayton Metropolitan Housing Authority's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

The Statement of Modernization Cost - Completed, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Modernization Cost - Completed, the Financial Data Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2016, on our consideration of the Dayton Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Dayton Metropolitan Housing Authority's internal control over financial reporting and compliance.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

December 7, 2016

As management of the Dayton Metropolitan Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- Total assets of the Authority exceeded its liabilities as of June 30, 2016, by $42,734,142 (a decrease of $4,126,244, or 8.8 percent, from June 30, 2015).

- Net investment in capital assets, net of debt, totaled $35,630,066 as of June 30, 2016 (a decrease of $3,373,586**,** or 8.6 percent, from June 30, 2015). Unrestricted net position totaled $5,976,619 as of June 30, 2016 (a decrease of $731,984, or 10.9 percent, from June 30, 2015).

- The Authority had total operating revenue of $42,082,153 (an increase of $3,083,122, or 7.9 percent, from June 30, 2015). The Authority had total operating expenses of $46,680,499 (a $3,550,246 increase, or 8.2 percent, from June 30, 2015), resulting in a net operating loss of $4,598,346 for the year ended June 30, 2016, and had other non-operating expenses and losses in a net amount of $538,257, and $1,010,359 in capital contributions, resulting in a decrease in total net position of $4,126,244 for the year.

- The Authority's capital additions for the year were $1,115,293.

USING THIS ANNUAL REPORT

This Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The following is a list of the financial statements included in this report:

MD&A
Management Discussion and Analysis

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

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The S*tatement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The focus of the *Statement of Net Position* is to present the available assets, net of liabilities, which are available to the Authority. Net position is reported in three broad categories:

> Net Investment in Capital Assets: This component of net position consists of 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, which have constraints placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> Unrestricted Net Position: Consists of net position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

The S*tatement of Revenues, Expenses, and Changes in Net Position* is similar to an income statement. This Statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income, gains and losses on capital assets disposals, and interest expense.

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

The S*tatement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The Statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities.

The N*otes to the Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.

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

Public and Indian Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. This Program is operated under an Annual Contribution Contract (ACC) with HUD. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority's Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Section 8 Housing Choice Voucher Program -Under the Section 8 Housing Choice Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit they have no right to continued assistance.

Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit they have no right to continued assistance.

Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI) - The HOPE VI Demolition Program supports site acquisition, demolition, and relocation costs for the HOPE VI Revitalization Program. Under this Program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI Revitalization Program. This Program seeks to rebuild public housing neighborhoods through various financing and construction development agreements. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program promotes the development of local strategies to coordinate the use of assistance under the Public Housing Program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

Family Self-Sufficiency (FSS) – The FSS Program promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program and the Public Housing Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities Programs **-** The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established three component units to operate and develop mixed financing and/or tax credit housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM), as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

The following table represents condensed Statements of Net Position.

	2016 (in thousands)	2015 (in thousands)
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 11,946	$ 12,360
Capital Assets	43,197	46,979
Other Non-Current Assets	3,455	3,344
Deferred Outflows of Resources	3,039	537
Total Assets and Deferred Outflows of Resources	61,637	63,220
Liabilities and Deferred Inflows of Resources		
Current Liabilities	2,040	2,109
Non-Current Liablities	16,691	14,153
Deferred Inflows of Resources	172	98
Total Liabilities and Deferred Inflows of Resources	18,903	16,360
Net Position		
Net Investment in Capital Assets	35,630	39,004
Restricted	1,127	1,148
Unrestricted	5,977	6,708
Total Net Position	$ 42,734	$ 46,860

By far the largest portion of the Authority's net position (83.3 percent) reflects its investment in capital assets, net of related debt. The decrease from 2015 was primarily the result of annual depreciation expense and the approved sale of excess property. The Authority uses these capital assets (e.g., buildings, machinery, and equipment) to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services. The reduction in Unrestricted Net Position was primarily due to GASB Statement No. 68 pension reporting ($407,784).

Statements of Revenues, Expenses, and Changes in Net Position

The following table represents condensed Statements of Revenues, Expenses, and Changes in Net Position.

	2016 (in thousands)	2015 (in thousands)
Revenue		
Tenant Rental Revenue	$ 4,450	$ 4,044
Government Operating Grants	37,058	33,679
Other Revenue	574	1,276
Total Operating Revenue	42,082	38,999
Expenses		
Operating Expenses		
Operating Expenses	19,512	18,998
Depreciation Expense	4,834	5,016
Housing Assistance Payments	22,334	19,116
Total Operating Expenses	46,680	43,130
Net Operating Loss	(4,598)	(4,131)
Non-Operating Revenue (Expenses)	(538)	(5,981)
Income Before Contributions	(5,136)	(10,112)
Capital Contributions	1,010	1,039
Change in Net Position	$ (4,126)	$ (9,073)
Total Net Position, End of Year	$ 42,734	$ 46,860

During 2016, the net position of the Authority decreased by a total of $4,126,244.

The Authority's revenues are largely governmental operating grants received from cost reimbursement and capital grants. The Authority draws down monies from the grant awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in compensated absences. The Authority's governmental operating grants and charges for services were sufficient to cover all non-depreciation related expenses incurred during the year.

The Authority's operating grants increased by $3,378,335 and operating expenses increased by $513,516. Section 8 Housing Assistance payments increased by $3,218,157 from the previous year as a result of increased leasing.

Capital contributions decreased by $28,730 to $1,010,359 during 2016 due primarily to reduced Capital Fund Program funding. Total net non-operating expenses decreased by $416,694.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, the Authority's capital assets totaled $43,196,634 (capital assets net of accumulated depreciation) as reflected in the following schedule.

	2016 (in thousands)	2015 (in thousands)
Land	$ 9,265	$ 8,999
Buildings and Improvements	121,470	120,245
Equipment and Vehicles	5,337	5,318
Construction-in-Progress	84	646
Accumulated Depreciation	(92,959)	(88,229)
Total	$ 43,197	$ 46,979

The increase in Land is due to the purchase of properties, and the net decrease in Buildings and Improvements is a result of the net purchase and disposal of properties. Additional information on the Authority's capital assets can be found on page 24 of this report.

Debt

As of June 30, 2016, the Authority had $7,566,568 of debt, a decrease of $409,046 from the prior year. The decrease was due to normal debt schedule payments made during the year and sale of New Visions properties.

Debt consists of New Vision Program mortgages, Fannie Mae Capital Fund Financing Program (CFFP) note, and note to County Corp.

The New Vision mortgages have interest rates between 5 and 6 percent and are collateralized by real property. The mortgages are payable to a financial institution in monthly installments, with varying maturities through July 2032.

During 2010, the Authority obtained a modernization note from Fannie Mae for $9,235,000 for the purpose of modernizing public housing units at four AMP locations. The note is twenty (20) years with an interest rate of 6.0 percent *per annum*. Repayment will be through a portion of future capital grant funds.

During 2010, the Authority obtained a note from County Corp. for $250,092, for the purpose of real estate acquisition in Germantown, Ohio. The note term is twenty (20) years with an interest rate of 0.0 percent *per annum*.

During 2016, the Authority's net pension obligation increased by $407,792 due to GASB Statement No. 68.

Additional information on the Authority's long-term debt can be found on pages 25 through 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the Authority's budget for the 2017 fiscal year.

The Authority has continued to follow site-specific budgeting and accounting. Both FY2016 and FY2017 budgets were prepared using the site-specific format as directed by HUD. Under site-specific budget format, there are strict guidelines on how the Central Office Cost Center (COCC) will be funded. Funding for the COCC will be derived from fees charged to Asset Management Projects (AMP). The AMPs represent site-specific public housing areas and are managed as separate subsidiary organizations. As such, AMPs will have their own financial statements with revenues coming from subsidy transfers, rental accounts, and capital fund transfers. Oversight and supportive services will be provided on a fee basis by the Authority's COCC. Additional revenue for the COCC will be from the service fees charged to the Voucher programs and other smaller programs. Failure to maintain occupancy rates of 97 percent or higher for the AMPs will also reduce operating subsidy transfers from HUD.

Public housing operating subsidy revenue from HUD for FY2017 is expected to remain at its current low level (89 percent) of calculated amounts.

The Housing Choice Voucher (HCV) Program generates revenue for operations from administrative fees earned from HUD. A portion of these revenues are paid to the COCC as fees for supportive services. At this time the COCC does not charge the HCV Program the maximum rate for administrative fees so the HCV Program can balance its administrative budget. In FY2017, the COCC will continue to give a discount to the HCV Program, if required. HCV revenues for FY2017 are expected to be consistent with or slightly lower than previous levels. The Authority expects HUD to continue withholds in the Administrative Fee schedule further reducing resources to administer the Voucher programs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Dayton Metropolitan Housing Authority, 400 Wayne Avenue, Dayton, Ohio 45401-8750, or call (937) 9107500.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 8,876,077
Restricted Cash and Cash Equivalents	1,953,745
Accounts Receivable, Net:	
Tenants, Net of Allowance for Doubtful Accounts of $146,741	25,895
HUD and Other Grants	70,184
Other Receivables	187,282
Inventory, Net of Allowance for Obsolete Inventory of $18,202	588,579
Prepaid Expenses	244,385
Total Current Assets	11,946,147
Non-Current Assets	
Capital Assets	
Capital Assets, Not Depreciated	9,348,603
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	33,848,031
Total Capital Assets	43,196,634
Notes, Loans, and Mortgages Receivable Non-Current	3,437,630
Pension Assets	17,506
Total Non-Current Assets	46,651,770
Total Assets	58,597,917
Deferred Outflows of Resources	
Pension	3,038,984
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	61,636,901
LIABILITIES	
Current Liabilities	
Accounts Payable	731,038
Accrued Wages and Benefits	416,963
Accrued Liabilities - Other	20,104
Accrued Compensated Absences - Current Portion	37,619
Tenants' Security Deposits	258,401
Deferred Revenues	18,574
Other Current Liabilities	163,546
Current Portion of Mortgages Payable	4,045
Current Portion of Note Payable	380,530
Contractor Retentions	9,321
Total Current Liabilities	2,040,141
Non-Current Liabilities	
Mortgages Payable, Net of Current Portion	72,106
Notes Payable, Net of Current Portion	7,109,887
Compensated Absences, Net of Current Portion	986,073
Net Pension Liability	8,281,989
Other Non-Current Liabilities	240,636
Total Non-Current Liabilities	16,690,691
Total Liabilities	18,730,832
Deferred Inflows of Resources	
Pension	171,927
NET POSITION	
Net Investment in Capital Assets	35,630,066
Restricted	1,127,457
Unrestricted	5,976,619
TOTAL NET POSITION	$ 42,734,142

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenues	
Rental Revenue	$ 4,449,951
Governmental Revenue	37,057,748
Other Revenue	574,454
Total Operating Revenues	42,082,153
Operating Expenses	
Administrative Expense	6,596,385
Tenant Services	375,006
Utilities Expense	2,569,141
Ordinary Maintenance and Operations	7,600,298
Protective Services	508,890
General Expenses	1,861,845
Housing Assistance Payments	22,334,442
Depreciation amd Amortization	4,834,492
Total Operating Expenses	46,680,499
Operating Loss	(4,598,346)
Nonoperating Revenues (Expenses)	
Interest and Investment Income	15,953
Interest Expense	(457,255)
Insurance Proceeds/(Casualty Losses)	(71,608)
Gain/(Loss) on Disposal of Capital Assets	(25,347)
Total Nonoperating Revenues (Expenses)	(538,257)
Income Before Contributions	(5,136,603)
Capital Contributions	1,010,359
Net Change in Net Position	(4,126,244)
Net Position - Beginning of Year	46,860,386
Net Position - End of Year	$ 42,734,142

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities		
Receipts from Residents and Other Deposits	$	4,425,537
Governmental Operating Revenues		37,428,900
Other Receipts		582,779
Administrative Expenses		(6,245,892)
Other Operating Expenses		(12,689,944)
Housing Assistance Payments		(22,431,704)
Net Cash Provided by Operating Activities		1,069,676
Cash Flows from Capital and Related Financing Activities		
Capital Assets Additions		(1,100,547)
Debt Proceeds/Insurance Proceeds/(Casualty Loss)		(71,608)
Principal Paid on Debt		(409,045)
Cash from Disposal of Assets		23,340
Interest Paid on Debt		(457,255)
Capital Grants		1,010,359
Net Cash Used in Capital and Related Financing Activities		(1,004,756)
Cash Flows from Investing Activities		
Investment Income		15,953
Investment in Notes Receivable		(101,617)
Proceeds from Sale of Non-Current Assets		(9,446)
Net Cash Used in Investing Activities		(95,110)
Net (Decrease) in Cash and Cash Equivalents		(30,190)
Cash and Cash Equivalents - Beginning of Year		10,860,012
Cash and Cash Equivalents - End of Year	$	10,829,822
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities		
Operating Loss	$	(4,598,346)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation		4,834,492
Decrease (Increase) in Deferred Outfows and Pension Assets		(2,501,785)
Decrease (Increase) in Tenant Receivables		(7,609)
Decrease (Increase) in HUD Receivables		373,656
Decrease (Increase) in Other Assets/Receivables		(20,975)
Decrease (Increase) in Inventory		42,292
Decrease (Increase) in Prepaid Expenses		(3,363)
Increase (Decrease) in Wages and Benefits Payable		(251,327)
Increase (Decrease) in Security Deposits		(1,694)
Increase (Decrease) in Accounts Payable		217,652
Increase (Decrease) in Compensated Absences		115,249
Increase (Decrease) in Accrued Liabilities		46,488
Increase (Decrease) in Unearned Revenue		(101,327)
Increase (Decrease) in Other Liabilities		16,695
Increase (Decrease) in Net Pension Liability		2,835,791
Increase (Decrease) in Net Pension Deferred Inflows		73,787
Net Cash Provided by Operating Activities	$	1,069,676

See accompanying notes to the financial statements.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Description of the Entity and Programs**

The Dayton Metropolitan Housing Authority (the “Authority”) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction, and/or leasing of housing units, to make housing assistance payments, and to make annual contributions (subsidies) to the local housing authorities for the purposes of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low-rent operations.

Reporting Entity **–** The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61), in that the financial statements include all divisions and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization’s government board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or to impose specific financial burdens on, the primary government/component unit. On this basis, no governmental organization other than the Authority itself is included in the financial reporting entity.

A summary of the significant programs administered by the Authority is provided below:

Public and Indian Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. This Program is operated under an Annual Contribution Contract (ACC) with HUD. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority’s Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Description of the Entity and Programs** (Continued)

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit, they have no right to continued assistance.

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation – The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specified unit, and when a family moves from the unit, they have no right to continued assistance.

Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI) - The HOPE VI Demolition Program supports site acquisition, demolition, and relocation costs for the HOPE VI Revitalization Program. Under this Program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI Revitalization Program. This Program seeks to rebuild public housing neighborhoods through various financing and construction development agreements. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program promotes the development of local strategies to coordinate the use of assistance under the Public Housing Program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Description of the Entity and Programs** (Continued)

Family Self-Sufficiency (FSS) – The FSS Program promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program and the Public Housing Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities Programs **-** The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established three component units to operate and develop mixed financing and/or tax credit housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM) as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II, LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II, LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Summary of Significant Accounting Policies**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities that Use Proprietary Fund Accounting*, the Authority has elected to apply the provisions of statements and interpretations of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, that do not conflict with GASB pronouncements. The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

Basis of Accounting – The Authority's activities are financed and operated as a single enterprise fund such that the costs and expenses, including depreciation, of providing the services are recovered primarily through user charges. The measurement focus is on the determination of revenues, expenses, financial position, and cash flows as the identification of these items is necessary for appropriate capital maintenance, public policy, management control, and accountability. The Authority's financial transactions are recorded on the accrual basis of accounting where revenues are recognized when earned and expenses are recognized as incurred. Revenues received in advance are deferred and recognized as earned over the period to which they relate.

Cash and Cash Equivalents – During fiscal year 2016, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio) and STAR Plus. Both STAR Ohio and STAR Plus investment programs are very liquid investments and are reported as a cash equivalent in the basic financial statements.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investment instruments with original maturities of three months or less.

Restricted Cash and Cash Equivalents and Investments – Cash and cash equivalents and investments have been classified as restricted on the balance sheet for funds held for public housing residents' security deposits, amounts held in escrow under the HCV and Family Self-Sufficiency (FSS) programs, and funds on deposit under the Fannie Mae Modernization Program. Funds authorized by HUD for Housing Assistance Payments (HAP) and Housing Development programs are also classified as restricted.

Investments – The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year 2016 totaled $15,953.

Receivables/Bad Debts – Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Summary of Significant Accounting Policies** (Continued)

Inventory – Inventory consists of supplies and maintenance parts carried at the lower of cost and market using the average cost method, and are expensed as they are consumed.

Capital Assets – Land, structures, and equipment are recorded at historical cost. Donated land, structures, and equipment are recorded at their fair value on the date donated. Depreciation is calculated on a straight-line method using half-year convention over the estimated useful lives. When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss reflected in operations. The Authority capitalizes all assets with a cost of $1,000 or more ($2,000 or more for computer equipment). Software purchases are capitalized if the cost exceeds $5,000. The estimated useful lives are as follows:

Equipment and Vehicles	3-7 years
Building and Site Improvements	15 years
Buildings	40 years

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

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

Compensated absences are expensed when earned with the amount reported as a fund liability.

Debt Obligations – Debt obligations of the Authority consist of mortgages for a homeownership program, capital projects, and property acquisition.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Summary of Significant Accounting Policies** (Continued)

Net Position – Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amount reported as restricted net position at fiscal year end represents the amounts restricted by HUD for future housing assistance payments and amounts from unspent debt proceeds. When an expense is incurred for purposes which both restricted and unrestricted net position are available, the Authority first applied restricted net position.

Revenue Recognition – Grant revenue is recognized when the earnings process is complete and exchange has taken place, and any restrictions imposed by the terms of the grant have been met. Rent revenue is recognized over the period for which housing has been provided. Investment income is recognized and recorded when earned and is allocated to programs based upon monthly investment balances.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants, and other miscellaneous revenue. Non-operating revenues are HUD capital grants, interest income, and gains on disposal of capital assets. Operating expenses are those that are expended directly for the primary activity of the propriety fund. For the Authority, these expenses are administrative, tenant services, utilities, maintenance and operation, protective services, general expenses, housing assistance payments, depreciation, and amortization. Non-operating expenses include interest expense and losses on disposal of capital assets.

Capital Contributions – Contributions of capital arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Budgetary Accounting – The Authority annually prepares its budget as prescribed by HUD. The Authority's budgets are submitted to HUD and, once approved, are adopted by the Board of the Authority.

Use of Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Summary of Significant Accounting Policies** (Continued)

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

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditures) until then. For the Authority, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension. The deferred outflows of resources related to pension are explained in Note 7.

In addition to liabilities, the Statement of Financial Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applied to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position (see Note 7).

NOTE 2: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

For fiscal year 2016, the Authority implemented GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Authority.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports for state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Authority.

NOTE 2: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS** (Continued)

GASB Statement No. 76 identified – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Authority.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the Authority.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

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's Treasury, in commercial accounts payable or available on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two-year period of designation 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 that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

A. **Deposits** (Continued)

At fiscal year end, the carrying amount of the Authority's deposits totaled $9,662,535, of which $2,400 was held in petty cash. The corresponding bank balances totaled $10,818,258. Based on criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2016, $4,495,062 was exposed to custodial risk as discussed below, while $5,155,909 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve banks or a member bank 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. At June 30, 2016, $4,495,062 was covered by pooled collateral.

B. **Investments**

HUD, state statute, and Board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds, and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

The Authority's investments at June 30, 2016 were as follows:

Uncategorized Investments	Fair Value	Weighted Average Maturity	Rating
STAROhio	$ 1,167,287	60 days	AAAm*

* Standard & Poor's

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority's investment policy has no requirements beyond what the Ohio Revised Code requires.

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investments in STAR Ohio are rated AAAm by Standards and Poor's. The Authority's investment in STAR Plus are FDIC insured.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest with one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

A reconciliation of cash, cash equivalents, and investments is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	$ 10,829,822	$ 0
STAR Ohio and STAR Plus	(1,167,287)	1,167,287
Per GASB Statement No. 3	$ 9,662,535	$ 1,167,287

* Includes restricted cash and cash equivalents.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

Restricted cash consists of the following:

Unspent Debt Proceeds	$ 399,747
Security Deposits and FSS Escrow	498,975
HCV and Other Section 8 Programs	245,144
Proceeds from Public Housing Dispositions	714,705
Partnership Agreement	95,174
	$ 1,953,745

Restricted equity consists of the following:

Unspent Debt Proceeds	$ 399,747
Proceeds from Public Housing Disposition	709,719
Unspent Housing Choice Voucher HAP Funding	14,000
Other Section 8 Program Funds	3,991
	$ 1,127,457

NOTE 4: **CAPITAL ASSETS**

A summary of changes in the Authority's capital assets for the year ended June 30, 2016 follows:

	Balance June 30, 2015	Additions	Deletions	Reclasses	Balance June 30, 2016
Capital Assets Not Being Depreciated					
Land	$ 8,998,861	$ 269,046	$ (3,375)	$ 0	$ 9,264,532
Construction in Progress	646,397	655,271	0	(1,217,597)	84,071
Total Capital Assets Not Being Depreciated	9,645,258	924,317	(3,375)	(1,217,597)	9,348,603
Capital Assets Being Depreciated					
Buildings and Improvements	120,244,539	100,105	(92,055)	1,217,597	121,470,186
Equipment and Vehicles	5,318,369	90,871	(71,999)	0	5,337,241
Subtotal Capital Assets Being Depreciated	125,562,908	190,976	(164,054)	1,217,597	126,807,427
Total Cost	135,208,166	1,115,293	(167,429)	0	136,156,030
Accumulated Depreciation -					
Buildings and Improvements	(83,646,984)	(4,485,590)	31,996	0	(88,100,578)
Equipment and Vehicles	(4,581,916)	(348,900)	71,998	0	(4,858,818)
Total Accumulated Depreciation	(88,228,900)	(4,834,490)	103,994	0	(92,959,396)
Total Capital Assets, Net	$ 46,979,266	$ (3,719,197)	$ (63,435)	$ 0	$ 43,196,634

During the year, the Authority continued with HUD approved sales and demolition of various projects.

NOTE 5: **LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2016 are as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
New Visions Mortgage	$ 126,047	$ 0	$ 49,896	$ 76,151	$ 4,045
Fannie Mae Note	7,672,416	0	346,643	7,325,773	368,025
County Corp. Note	177,151	0	12,507	164,644	12,505
Net Pension Liablity	5,446,199	2,835,790	0	8,281,989	0
Compensated Absences	908,443	644,982	529,733	1,023,692	37,619
Total Long-Term Obligations	$ 14,330,256	$ 3,480,772	$ 938,779	$ 16,872,249	$ 422,194

The Authority issued $720,000 of mortgages payable under the New Visions Program with an outstanding balance at June 30, 2016 of $76,151. Under the Program, the Authority purchases property, refurbishes, or builds a modular home on a lot. The Authority then obtains a commercially available low-interest mortgage on the property. Qualified tenants initially lease the property for a specified period. Once the tenant meets pre-determined home ownership criteria, the tenant may apply to assume the existing mortgage on the property. Once approved, the property and mortgage are transferred to the new homeowner. The mortgages have interest rates between 5 and 6 percent and are collateralized by real property and are payable in monthly installments.

During fiscal year 2010, the Authority entered into a note agreement with Fannie Mae for $9,235,000 for the purpose of property modernization. The note balance at June 30, 2016 was $7,325,773. The note payment is due monthly for 20 years, with an interest rate of 6.0 percent, and matures December 1, 2029.

During fiscal year 2010, the Authority entered into a note agreement with County Corp. for $250,092 for the purpose of acquiring real property in Germantown, Ohio. The balance at June 30, 2016 was $164,644. The note is interest free and payable over 20 years maturing August 6, 2029.

The New Vision mortgages mature as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2017	$ 4,045	$ 4,137	$ 8,182
2018	4,271	3,911	8,182
2019	4,510	3,672	8,182
2020	4,762	3,420	8,182
2021	5,028	3,154	8,182
2022-2026	29,686	11,224	40,910
2027-2031	23,145	3,319	26,464
2032	704	6	710
Total	$ 76,151	$ 32,843	$ 108,994

NOTE 5: **LONG-TERM OBLIGATIONS** (Continued)

The Fannie Mae Modernization note matures as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2017	$ 368,025	$ 429,535	$ 797,560
2018	390,724	406,836	797,560
2019	414,823	382,737	797,560
2020	440,409	357,151	797,560
2021	467,572	329,988	797,560
2022-2026	2,807,704	1,180,099	3,987,803
2027-2030	2,436,516	261,756	2,698,272
Total	$ 7,325,773	$ 3,348,102	$ 10,673,875

The County Corp. note matures as follows:

Year Ended June 30	Principal Amount	Interest Amount	Total
2017	$ 12,505	$ 0	$ 12,505
2018	12,505	0	12,505
2019	12,505	0	12,505
2020	12,505	0	12,505
2021	12,505	0	12,505
2022-2026	62,525	0	62,525
2027-2030	39,594	0	39,594
Total	$ 164,644	$ 0	$ 164,644

NOTE 6: **RISK MANAGEMENT**

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

The Authority is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk sharing and purchasing pool comprised of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to mid-size public entities including pools (of which OHAPCI is a member).

NOTE 6: **RISK MANAGEMENT** (Continued)

OHAPCI is a corporation governed by a Board of Trustees, consisting of a representative appointed by each of the member housing authorities. The Board of Trustees elects the officers of the Corporation, with each Trustee having a single vote. The Board is responsible for its own financial matters, and the Corporation maintains its own books of account. Budgeting and financing of OHAPCI is subject to the approval of the Board. The following is a summary of insurance coverage in effect as of June 30, 2015:

Coverage	Limit
Real and Personal Property	$ 250,000,000
General Liability	8,000,000
Automobile	8,000,000
Public Officials	8,000,000
Crime	1,000,000
Pollution	1,000,000
Boiler and Machinery	100,000,000

As of June 30, 2016, the Pool maintained a reserve in excess of actual and estimated claims relative to the Authority. During the year, settled claims for the Authority did not exceed the coverage provided by OHAPCI.

The Authority also maintains employee bonding and employee major medical, dental, and vision coverage with private carriers.

NOTE 7: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability

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

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.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (Continued)

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town St., 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 Pension Plan, as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information).

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

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

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

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

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

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions to the Traditional Pension Plan and Combined Plan, excluding post-retirement health care contributions, was $752,940 for the fiscal year ending June 30, 2016.

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

The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan	Combined Plan	Total
Proportionate Share of the Net Share Pension Liability/(Asset)	$ 8,281,989	$ (17,506)	$ 8,264,483
Proportionate of the Net Pension Liability/(Asset)	0.047814%	0.035980%	
Pension Expense	$ 1,163,692	$ 9,232	$ 1,172,924

At June 30, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources			
Net Difference between Projected and Actual Earrings on Pension Plan Investments	$ 2,434,387	$ 7,560	$ 2,441,947
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	211,595	0	211,595
Authority Contributions Subsequent to the Measurement Date	377,144	8,298	385,442
Total Deferred Outflows of Resources	$ 3,023,126	$ 15,858	$ 3,038,984
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	$ 160,024	$ 7,989	$ 168,013
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions	0	3,914	3,914
Total Deferred Outflows of Resources	$ 160,024	$ 11,903	$ 171,927

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

$385,442 reported as deferred outflows of resources relate 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30:	
2017	$ 630,522
2018	669,448
2019	636,489
2020	551,158
2021	(1,475)
Thereafter	(4,527)
Total	$ 2,481,615

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 modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3 percent, simple; Post 1/7/2013 retirees: 3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 Mortality Table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust 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, the annuitized accounts of the Member-Directed Plan, and the Voluntary Employee's Beneficiary Association (VEBA) Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arthmetic)
Fixed Income	23.00%	2.31%
Domestic Equities	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.28%

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8.0 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate.

Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Plan	$ 13,195,230	$ 8,281,989	$ 4,137,824
Combined Plan	$ (360)	$ (17,506)	$ (31,303)

NOTE 8: **POST-EMPLOYMENT BENEFITS**

A. **Plan Description**

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

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

In order to qualify for health care coverage, age and service retirees under the Traditional Pension Plan and Combined Plan must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

A. **Plan Description** (Continued)

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.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. **Funding Policy**

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015 and 2016, State and local employers contributed at a rate of 14.00 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust, and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension Plan and the Combined Plan. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rates 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 the Combined Plan was 2.0 percent during calendar year 2015. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans.

The 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 to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent. The portion of actual Authority contributions for the years ended June 30, 2016, 2015, and 2014, which were used to fund post-employment benefits were $125,490, $112,377, and $89,888, respectively.

NOTE 9: **UNCOMPLETED CONTRACTS**

At June 30, 2016, the Authority had uncompleted contracts under the Capital Fund Program, Hope VI, Home Ownership, Public Housing, and ROSS of approximately $2,655,316.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1)

Traditional Plan	2016	2015	2014
Authority's Proportion of the Net Pension Liability/Asset	0.047814%	0.045155%	0.045155%
Authority's Proportionate Share of the Net Pension Liability	$ 8,281,989	$ 5,446,198	$ 5,323,186
Authority's Covered-Employee Payroll	$ 6,139,417	$ 5,734,167	$ 5,837,825
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	134.90%	94.98%	91.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
Combined Plan			
Authority's Proportion of the Net Pension Liability/Asset	0.035980%	0.020933%	0.020933%
Authority's Proportionate Share of the Net Pension (Asset)	$ (17,506)	$ (8,060)	$ (2,196)
Authority's Covered-Employee Payroll	$ 135,083	$ 107,217	$ 54,108
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	-12.96%	-7.52%	-4.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available.

Amounts presesnted as of Authority's fiscal year end. The plan measurement date is the prior calendar year end.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF THE AUTHORITY’S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

	2016	2015	2014	2013
Contractually Required Contributions				
Traditional Plan	$ 736,730	$ 688,100	$ 700,539	$ 772,257
Combined Plan	16,210	12,866	6,493	11,297
Total Required Contributions	$ 752,940	$ 700,966	$ 707,032	$ 783,554
Contribution In Relation to the Contractually Required Contributions	(752,940)	(700,966)	(707,032)	(783,554)
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0
Authority's Covered-Employee Payroll				
Traditional Plan	$ 6,139,417	$ 5,734,167	$ 5,837,825	$ 5,940,438
Combined Plan	135,083	107,217	54,108	86,900
Contributions as a Percentage of Covered-Employee - Payroll				
Traditonal Plan	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	13.00%

(1) - Information prior to 2013 is not available.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF MODERNIZATION COSTS - COMPLETED
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

1. Actual Modernization Costs of the Project are as follows:

	OH10P00550112
Fund Approved	$ 3,724,389
Funds Expended	3,724,389
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 3,724,389
Funds Expended	3,724,389
Excess (Deficiency) of Funds Advanced	$ 0

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

3. All modernization costs have been paid and all related liabilities have been discharged through payment.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2016

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	State/Local
111 Cash - Unrestricted	3,319,462	2,507	233,451	145,124		131,870	1,565,071
112 Cash - Restricted - Modernization and Development	1,114,452						
113 Cash - Other Restricted	29,762		286,417	95,174		24,103	
114 Cash - Tenant Security Deposits	248,976			5,500			
100 Total Cash	4,712,652	2,507	519,868	245,798	-	155,973	1,565,071
122 Accounts Receivable - HUD Other Projects	18,039	4,589	25,932	515		11	
125 Accounts Receivable - Miscellaneous	143,375			2,675			
126 Accounts Receivable - Tenants	169,015			184			
126.1 Allowance for Doubtful Accounts -Tenants	-143,663			-157			
128 Fraud Recovery			17,310				
128.1 Allowance for Doubtful Accounts - Fraud			-10,905				
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	186,766	4,589	32,337	3,217	-	11	-
142 Prepaid Expenses and Other Assets	231,946		342	8,309			
143 Inventories	598,636			8,145			
143.1 Allowance for Obsolete Inventories	-17,958			-244			
144 Inter Program Due From							
150 Total Current Assets	5,712,042	7,096	552,547	265,225	-	155,984	1,565,071
161 Land	7,696,734			64,000	827,588		462,087
162 Buildings	113,381,174			1,764,963	2,168,842		3,341,472
163 Furniture, Equipment & Machinery - Dwellings	474,214						
164 Furniture, Equipment & Machinery - Administration	3,129,959		296,666	42,082			103,319
166 Accumulated Depreciation	-86,732,656		-211,649	-660,397	-1,219,493		-2,482,084
167 Construction in Progress	76,551						
160 Total Capital Assets, Net of Accumulated Depreciation	38,025,976	-	85,017	1,210,648	1,776,937	-	1,424,794
171 Notes, Loans and Mortgages Receivable - Non-Current	3,437,630						
174 Other Assets	8,542		2,323	291			
180 Total Non-Current Assets	41,472,148	-	87,340	1,210,939	1,776,937	-	1,424,794
200 Deferred Outflow of Resources	1,482,873		403,241	50,629			
290 Total Assets and Deferred Outflow of Resources	48,667,063	7,096	1,043,128	1,526,793	1,776,937	155,984	2,989,865

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2016

	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	1,994,614		56,197	1,427,781	8,876,077		8,876,077
112 Cash - Restricted - Modernization and Development					1,114,452		1,114,452
113 Cash - Other Restricted			145,436		580,892		580,892
114 Cash - Tenant Security Deposits	3,925				258,401		258,401
100 Total Cash	1,998,539	-	201,633	1,427,781	10,829,822	-	10,829,822
122 Accounts Receivable - HUD Other Projects		10,866		10,232	70,184		70,184
125 Accounts Receivable - Miscellaneous	1,164			325,206	472,420	-294,349	178,071
126 Accounts Receivable - Tenants	3,437				172,636		172,636
126.1 Allowance for Doubtful Accounts -Tenants	-2,921				-146,741		-146,741
128 Fraud Recovery					17,310		17,310
128.1 Allowance for Doubtful Accounts - Fraud					-10,905		-10,905
129 Accrued Interest Receivable				2,806	2,806		2,806
120 Total Receivables, Net of Allowances for Doubtful Accounts	1,680	10,866	-	338,244	577,710	-294,349	283,361
142 Prepaid Expenses and Other Assets	3,397			391	244,385		244,385
143 Inventories					606,781		606,781
143.1 Allowance for Obsolete Inventories					-18,202		-18,202
144 Inter Program Due From				4,089	4,089	-4,089	-
150 Total Current Assets	2,003,616	10,866	201,633	1,770,505	12,244,585	-298,438	11,946,147
161 Land	41,974			172,149	9,264,532		9,264,532
162 Buildings	552,105			261,630	121,470,186		121,470,186
163 Furniture, Equipment & Machinery - Dwellings				14,069	488,283		488,283
164 Furniture, Equipment & Machinery - Administration	20,589			1,256,343	4,848,958		4,848,958
166 Accumulated Depreciation	-396,502			-1,256,615	-92,959,396		-92,959,396
167 Construction in Progress	7,520				84,071		84,071
160 Total Capital Assets, Net of Accumulated Depreciation	225,686	-	-	447,576	43,196,634	-	43,196,634
171 Notes, Loans and Mortgages Receivable - Non-Current					3,437,630		3,437,630
174 Other Assets				6,350	17,506		17,506
180 Total Non-Current Assets	225,686	-	-	453,926	46,651,770	-	46,651,770
200 Deferred Outflow of Resources				1,102,241	3,038,984		3,038,984
290 Total Assets and Deferred Outflow of Resources	2,229,302	10,866	201,633	3,326,672	61,935,339	-298,438	61,636,901

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2016

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	State/Local
312 Accounts Payable <= 90 Days	484,025	3	21,833	1,884			190
321 Accrued Wage/Payroll Taxes Payable	225,456	8,986	46,944	1,133			
322 Accrued Compensated Absences - Current Portion	17,924		5,917	174			
331 Accounts Payable - HUD PHA Programs						22,293	
332 Account Payable - PHA Projects			3,899				
341 Tenant Security Deposits	248,976			5,500			
342 Unearned Revenue	10,230			6,926			
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	368,025			12,505			
345 Other Current Liabilities	10,086		64,111	98,670			
346 Accrued Liabilities - Other	11,035	440	2,342	55			
347 Inter Program - Due To							
310 Total Current Liabilities	1,375,757	9,429	145,046	126,847	-	22,293	190
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	6,957,748			152,139			
353 Non-current Liabilities - Other	29,824		210,812				
354 Accrued Compensated Absences - Non Current	469,822		155,125	4,550			
357 Accrued Pension and OPEB Liabilities	4,041,197		1,098,937	137,978			
350 Total Non-Current Liabilities	11,498,591	-	1,464,874	294,667	-	-	-
300 Total Liabilities	12,874,348	9,429	1,609,920	421,514	-	22,293	190
400 Deferred Inflow of Resources	83,892		22,813	2,864			
508.4 Net Investment in Capital Assets	30,700,203		85,017	1,046,004	1,776,937		1,424,794
511.4 Restricted Net Position	1,109,466		14,000			1,810	
512.4 Unrestricted Net Position	3,899,154	-2,333	-688,622	56,411		131,881	1,564,881
513 Total Equity - Net Assets / Position	35,708,823	-2,333	-589,605	1,102,415	1,776,937	133,691	2,989,675
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	48,667,063	7,096	1,043,128	1,526,793	1,776,937	155,984	2,989,865

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2016

	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	97	3		53,556	561,591		561,591
321 Accrued Wage/Payroll Taxes Payable		6,458		127,986	416,963		416,963
322 Accrued Compensated Absences - Current Portion				13,604	37,619		37,619
331 Accounts Payable - HUD PHA Programs			143,255		165,548		165,548
332 Account Payable - PHA Projects					3,899		3,899
341 Tenant Security Deposits	3,925				258,401		258,401
342 Unearned Revenue				1,418	18,574		18,574
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	4,045				384,575		384,575
345 Other Current Liabilities				294,349	467,216	-294,349	172,867
346 Accrued Liabilities - Other		316		5,916	20,104		20,104
347 Inter Program - Due To		4,089			4,089	-4,089	-
310 Total Current Liabilities	8,067	10,866	143,255	496,829	2,338,579	-298,438	2,040,141
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	72,106				7,181,993		7,181,993
353 Non-current Liabilities - Other					240,636		240,636
354 Accrued Compensated Absences - Non Current				356,576	986,073		986,073
357 Accrued Pension and OPEB Liabilities				3,003,877	8,281,989		8,281,989
350 Total Non-Current Liabilities	72,106	-	-	3,360,453	16,690,691	-	16,690,691
300 Total Liabilities	80,173	10,866	143,255	3,857,282	19,029,270	-298,438	18,730,832
400 Deferred Inflow of Resources				62,358	171,927		171,927
508.4 Net Investment in Capital Assets	149,535			447,576	35,630,066		35,630,066
511.4 Restricted Net Position			2,181		1,127,457		1,127,457
512.4 Unrestricted Net Position	1,999,594		56,197	-1,040,544	5,976,619		5,976,619
513 Total Equity - Net Assets / Position	2,149,129	-	58,378	-592,968	42,734,142	-	42,734,142
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	2,229,302	10,866	201,633	3,326,672	61,935,339	-298,438	61,636,901

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	State/Local
70300 Net Tenant Rental Revenue	4,274,722			107,151			
70400 Tenant Revenue - Other	16,467						
70500 Total Tenant Revenue	4,291,189	-	-	107,151	-	-	-
70600 HUD PHA Operating Grants	11,580,683	217,318	23,800,640	77,544	305,916	615,267	
70610 Capital Grants	1,010,359						
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70700 Total Fee Revenue	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	7,038			8		16	2,110
71500 Other Revenue	409,826		37,230	25,532		539	1,000
71600 Gain or Loss on Sale of Capital Assets	620						1,689
72000 Investment Income - Restricted			372				
70000 Total Revenue	17,299,715	217,318	23,838,242	210,235	305,916	615,822	4,799
91100 Administrative Salaries	1,217,760		750,709	7,829	1,130	28,235	54,799
91200 Auditing Fees	14,791		4,853	659		191	
91300 Management Fee	1,952,995		421,670	23,831		18,658	
91310 Book-keeping Fee	230,963		263,544	2,970		11,661	
91500 Employee Benefit contributions - Administrative	548,761	444	343,661	3,913		10,523	5,504
91600 Office Expenses							
91900 Other	551,940	7,496	172,469	8,394	4,786	6,352	12,039
91000 Total Operating - Administrative	4,517,210	7,940	1,956,906	47,596	5,916	75,620	72,342
92000 Asset Management Fee	317,520			3,000			
92100 Tenant Services - Salaries		147,219					
92300 Employee Benefit Contributions - Tenant Services		55,925					
92400 Tenant Services - Other	13,126	2,063	238				
92500 Total Tenant Services	13,126	205,207	238	-	-	-	-

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	51,611				4,433,484		4,433,484
70400 Tenant Revenue - Other					16,467		16,467
70500 Total Tenant Revenue	51,611	-	-	-	4,449,951	-	4,449,951
70600 HUD PHA Operating Grants	8,348	154,650	199,871	97,511	37,057,748		37,057,748
70610 Capital Grants					1,010,359		1,010,359
70710 Management Fee				2,430,139	2,430,139	-2,430,139	-
70720 Asset Management Fee				321,480	321,480	-321,480	-
70730 Book Keeping Fee				512,705	512,705	-512,705	-
70700 Total Fee Revenue	-	-	-	3,264,324	3,264,324	-3,264,324	-
71100 Investment Income - Unrestricted	4,366		6	2,037	15,581		15,581
71500 Other Revenue	38,215		122	74,852	587,316	-12,862	574,454
71600 Gain or Loss on Sale of Capital Assets	-26,208			-1,448	-25,347		-25,347
72000 Investment Income - Restricted					372		372
70000 Total Revenue	76,332	154,650	199,999	3,437,276	46,360,304	-3,277,186	43,083,118
91100 Administrative Salaries	136		6,397	1,831,551	3,898,546		3,898,546
91200 Auditing Fees			43	17,423	37,960		37,960
91300 Management Fee	8,790		4,195		2,430,139	-2,430,139	-
91310 Book-keeping Fee	945		2,622		512,705	-512,705	-
91500 Employee Benefit contributions - Administrative			2,383	744,801	1,659,990		1,659,990
91600 Office Expenses				93	93		93
91900 Other	6,105		1,439	241,638	1,012,658	-12,862	999,796
91000 Total Operating - Administrative	15,976	-	17,079	2,835,506	9,552,091	-2,955,706	6,596,385
92000 Asset Management Fee	960				321,480	-321,480	-
92100 Tenant Services - Salaries		109,368			256,587		256,587
92300 Employee Benefit Contributions - Tenant Services		42,252			98,177		98,177
92400 Tenant Services - Other	398			4,417	20,242		20,242
92500 Total Tenant Services	398	151,620	-	4,417	375,006	-	375,006

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	State/Local
93100 Water	466,730			3,376			
93200 Electricity	1,320,586			3,491			
93300 Gas	321,155			1,350			
93600 Sewer	382,546			6,355			
93000 Total Utilities	2,491,017	-	-	14,572	-	-	-
94100 Ordinary Maintenance and Operations - Labor	2,174,134			22,129			
94200 Ordinary Maintenance and Operations - Materials and Other	993,542		5,877	15,474		230	
94300 Ordinary Maintenance and Operations Contracts	2,788,354	4,909	98,555	35,407	59,126	2,539	2,311
94500 Employee Benefit Contributions - Ordinary Maintenance	1,052,258			11,493			
94000 Total Maintenance	7,008,288	4,909	104,432	84,503	59,126	2,769	2,311
95100 Protective Services - Labor	49,541			594			
95200 Protective Services - Other Contract Costs	421,792						
95500 Employee Benefit Contributions - Protective Services	25,806			293			
95000 Total Protective Services	497,139	-	-	887	-	-	-
96110 Property Insurance	780,199		1,100	14,221		42	4,000
96130 Workmen's Compensation	95,217	4,025	20,944	961		719	598
96140 All Other Insurance	1,042						
96200 Other General Expenses	283,884		8,594				
96210 Compensated Absences	39,689		52,738	-16,759			
96300 Payments in Lieu of Taxes	137,044			1,160			
96400 Bad debt - Tenant Rents	273,365		-1,344	3,533			
96800 Severance Expense	18,704		9,804	68		374	
96000 Total Other General Expenses	752,686	-	69,792	-11,998	-	374	-
96710 Interest of Mortgage (or Bonds) Payable	450,916						
96700 Total Interest Expense and Amortization Cost	450,916	-	-	-	-	-	-
96900 Total Operating Expenses	16,924,360	222,081	2,153,412	153,742	65,042	79,524	79,251
97000 Excess of Operating Revenue over Operating Expenses	375,355	-4,763	21,684,830	56,493	240,874	536,298	-74,452

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	40			1,654	471,800		471,800
93200 Electricity	271			58,406	1,382,754		1,382,754
93300 Gas				1,731	324,236		324,236
93600 Sewer	141			1,309	390,351		390,351
93000 Total Utilities	452	-	-	63,100	2,569,141	-	2,569,141
94100 Ordinary Maintenance and Operations - Labor				64,965	2,261,228		2,261,228
94200 Ordinary Maintenance and Operations - Materials and Other	3,305		52	26,305	1,044,785		1,044,785
94300 Ordinary Maintenance and Operations Contracts	43,434		576	167,081	3,202,292		3,202,292
94500 Employee Benefit Contributions - Ordinary Maintenance				28,242	1,091,993		1,091,993
94000 Total Maintenance	46,739	-	628	286,593	7,600,298	-	7,600,298
95100 Protective Services - Labor					50,135		50,135
95200 Protective Services - Other Contract Costs				10,098	431,890		431,890
95500 Employee Benefit Contributions - Protective Services				766	26,865		26,865
95000 Total Protective Services	-	-	-	10,864	508,890	-	508,890
96110 Property Insurance	11,426		9	1,315	812,312		812,312
96130 Workmen's Compensation		3,030	162	52,341	177,997		177,997
96140 All Other Insurance				18	1,060		1,060
96200 Other General Expenses	471			4,171	297,120		297,120
96210 Compensated Absences				43,335	119,003		119,003
96300 Payments in Lieu of Taxes	645			8,680	147,529		147,529
96400 Bad debt - Tenant Rents	1,563				277,117		277,117
96800 Severance Expense			84	673	29,707		29,707
96000 Total Other General Expenses	2,679	-	84	56,859	870,476	-	870,476
96710 Interest of Mortgage (or Bonds) Payable	6,339				457,255		457,255
96700 Total Interest Expense and Amortization Cost	6,339	-	-	-	457,255	-	457,255
96900 Total Operating Expenses	84,969	154,650	17,962	3,311,013	23,246,006	-3,277,186	19,968,820
97000 Excess of Operating Revenue over Operating Expenses	-8,637	-	182,037	126,263	23,114,298	-	23,114,298

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	Component Unit - Blended	14.866 Revitalization of Severely Distressed Public Housing	14.182 N/C S/R Section 8 Programs	State/Local
97200 Casualty Losses - Non-capitalized	71,608						
97300 Housing Assistance Payments			21,660,984			496,275	
97350 HAP Portability-In			4,065				
97400 Depreciation Expense	4,393,196		49,054	100,995	125,694		142,012
90000 Total Expenses	21,389,164	222,081	23,867,515	254,737	190,736	575,799	221,263
10091 Inter Project Excess Cash Transfer In	260,000						
10092 Inter Project Excess Cash Transfer Out	-260,000						
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-4,089,449	-4,763	-29,273	-44,502	115,180	40,023	-216,464
11030 Beginning Equity	39,798,272	2,430	-560,332	1,146,917	1,661,757	93,668	3,206,139
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11170 Administrative Fee Equity			-603,605				
11180 Housing Assistance Payments Equity			14,000				
11190 Unit Months Available	32,270		47,895	300		2,076	
11210 Number of Unit Months Leased	31,256		45,930	288		1,461	

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business Activities	14.896 PIH Family Self-Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
97200 Casualty Losses - Non-capitalized					71,608		71,608
97300 Housing Assistance Payments			173,118		22,330,377		22,330,377
97350 HAP Portability-In					4,065		4,065
97400 Depreciation Expense	11,851			11,690	4,834,492		4,834,492
90000 Total Expenses	96,820	154,650	191,080	3,322,703	50,486,548	-3,277,186	47,209,362
10091 Inter Project Excess Cash Transfer In					260,000	-260,000	-
10092 Inter Project Excess Cash Transfer Out					-260,000	260,000	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-20,488	-	8,919	114,573	-4,126,244	-	-4,126,244
11030 Beginning Equity	1,943,981		49,459	-481,905	46,860,386		46,860,386
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	225,636			-225,636	-		-
11170 Administrative Fee Equity					-603,605		-603,605
11180 Housing Assistance Payments Equity					14,000		14,000
11190 Unit Months Available			456		82,997		82,997
11210 Number of Unit Months Leased			252		79,187		79,187

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor Program/Title	**Federal CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs		
Section 8 Project Based Cluster:		
Section 8 New Construction and Substantial Rehabilitation Programs:		
N/C S/R Section 8 Programs	14.182	$ 615,267
Lower Income Housing Assistance Program-Section 8 Moderate Rehabilitation	14.856	199,871
Total Section 8 Project Based Cluster		815,138
Public and Indian Housing	14.850	9,863,178
Revitalization of Severely Distressed Public Housing (HOPE VI)	14.866	305,916
Resident Opportunities and Self-Sufficiency (ROSS)	14.870	217,318
Section 8 Housing Choice Vouchers	14.871	23,800,640
Public Housing Capital Fund Program	14.872	2,911,267
Family Self-Sufficiency Program (FSS)	14.896	154,650
Total Direct Programs		38,068,107
Total U.S. Department of Housing and Urban Development		38,068,107
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 38,068,107

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting in accordance with the format as set forth in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*Uniform Guidance).

The Authority did not use the de minimus rate of 10 percent for indirect costs charged to the federal grants.

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

To the Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton , Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Dayton Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 7, 2016.

Internal Control Over Financial Reporting

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

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

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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

December 7, 2016

JAMES G. ZUPKA, C.P.A., INC.
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5240 East 98th Street
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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton , Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Dayton Metropolitan Housing Authority, Ohio's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Dayton Metropolitan Housing Authority's major federal program for the year ended June 30, 2016. The Dayton Metropolitan Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Dayton Metropolitan Housing Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Dayton Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Dayton Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

December 7, 2016

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016

1. SUMMARY OF AUDITOR'S RESULTS

2016(i)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2016(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2016(v)	Type of Major Programs' Compliance Opinion	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2016(vii)	Major Programs (list):	
	Housing Choice Voucher Program - CFDA #14.871	
2016(viii)	Dollar Threshold: Type A\B Programs	Type A: $1,142,043 Type B: All Others
2016(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The prior audit report, as of June 30, 2015, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

DAYTON METROPOLITAN HOUSING AUTHORITY

MONTGOMERY 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
MARCH 7, 2017

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