

**COLUMBIANA METROPOLITAN  
HOUSING AUTHORITY  
COLUMBIANA COUNTY**

**AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

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





# Dave Yost • Auditor of State

Board of Commissioners  
Columbiana Metropolitan Housing Authority  
325 Moore Street  
East Liverpool, Ohio 43920

We have reviewed the *Independent Auditor's Report* of the Columbiana Metropolitan Housing Authority, Columbiana County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 7, 2018

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**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
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Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of the Board  
Columbiana Metropolitan Housing Authority  
East Liverpool, 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 business-type activities of the Columbiana Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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 opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Columbiana Metropolitan Housing Authority as of June 30, 2017, and the 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Statement of Modernization Cost - Completed and the Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the 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 11, 2017, on our consideration of the 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 Authority's internal control over financial reporting and compliance.



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

December 11, 2017

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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The Columbiana Metropolitan Housing Authority’s (the Authority) Management’s Discussion and Analysis is designed to a) assist the reader in focusing on significant financial issues, b) provide an overview of the Authority’s financial activity, c) identify changes in the Authority’s financial position (its ability to address the next and subsequent year challenges), and d) identify individual issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

- The Authority’s total revenues increased about 4 percent over 2016, by about \$238,000, making revenues \$5,617,831 compared to that of \$5,379,511 in 2016.
- The Authority’s net position decreased by \$706,161 during 2017. Since the Authority engages in only business-type activities, the decrease is all in the category of business-type net position.
- The total expenses of all Authority-wide programs increased by \$523,499. Total expenses were \$6,323,992 in 2017 compared to \$5,880,493 in 2016.

**USING THIS ANNUAL REPORT**

The following outlines the format of this report:

- MD&A
- Management Discussion and Analysis -
  
- Basic Financial Statements
- Authority-wide Financial Statements -
- Fund Financial Statements -
- Notes to the Financial Statements -
  
- Other Required Supplementary Information
- Required Supplementary Information (other than MD&A)

The focus is on both the Authority as a whole (authority-wide) and the major individual programs. Both perspectives (authority-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority), and enhance the Authority’s accountability.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Authority-Wide Financial Statements**

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

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets and deferred outflow of resources, minus liabilities and deferred inflow of resources equal “Net Position” (comparable to equity). Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position the “Unrestricted Net Position” is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position is reported in three broad categories:

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

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

Unrestricted Net Position: Consists of Net Position that does not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position”. This account resembles the old operating reserves account.

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

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

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**Financial Statements**

Traditional users of governmental financial statements will find the financial statements presentation more familiar. The focus is now on major funds, rather than fund types. The Authority consists of exclusively enterprise funds. The enterprise fund utilizes the full accrual basis of accounting. The enterprise fund method of accounting is similar to accounting utilized by private sector accounting.

**THE AUTHORITY'S PROGRAMS**

**Business-Type Programs**

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30 percent of adjusted gross household income.

Capital Fund Program (CFP) - This is the primary funding source for the Authority's physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on size and age of the Authority's units.

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

Continuum of Care - Under the Continuum of Care Program, the Authority provides rental assistance to clients with special needs to make rent affordable for these Authority clients who rent units from independent landlords, and the Authority partners with support agencies in the community to provide supportive services to clients to help them live independently. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household.

Component Unit – the main goal is to include housing programs which were to include receiving funds to augment our After School Program which has been funded by HUD (DEP). When HUD dropped the funding, we wanted to keep the program.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**AUTHORITY-WIDE STATEMENTS**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position compared to prior fiscal year. The Authority is engaged in only business-type activities.

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

	2017	2016
<b><u>Assets and Deferred Outflows</u></b>		
Current and Other Assets	\$ 1,204,151	\$ 1,558,298
Capital Assets	10,390,092	10,797,465
Deferred Outflows of Resources	503,615	373,342
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 12,097,858</b>	<b>\$ 12,729,105</b>
<b><u>Liabilities and Deferred Inflows</u></b>		
Current Liabilities	\$ 352,388	\$ 410,241
Noncurrent Liabilities	2,797,636	2,636,215
Deferred Inflows Of Resources	35,112	63,766
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,185,136</b>	<b>3,110,222</b>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	8,995,914	9,270,123
Restricted	37,622	-
Unrestricted	(120,814)	348,760
<b>Total Net Position</b>	<b>8,912,722</b>	<b>9,618,883</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Net Position</b>	<b>\$ 12,097,858</b>	<b>\$ 12,729,105</b>

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

**Major Factors Affecting the Statement of Net Position**

Current and other assets were decreased by more than \$354,000 (about 23 percent). Primarily contributing to that change was a drop in current liabilities due to normal timing issues, normal retirement of long term debt, and capital additions not funded by Capital Fund Program grant funds. See the discussion of capital additions later in this MD&A.

Otherwise the most significant changes were to balances impacted by financial reporting pursuant to GASB 68, non-current liabilities and deferred outflow of resources. Deferred outflow of resources increased more than \$130,000. Net pension liability increased by about \$340,000 contributing to the increase in non-current liabilities of more than \$161,000 despite payments on long term debt in the period of more than \$147,000.

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COLUMBIANA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Major Factors Affecting the Statement of Net Position** (Continued)

GASB 68 is the accounting standard implemented in recent years that requires Columbiana MHA to report what is estimated to be its share of the unfunded pension liability of the Ohio Public Employees Retirement System (OPERS). State law requires employees of Columbiana MHA to participate in the retirement system and requires Columbiana MHA to make retirement contributions on behalf of its employees to OPERS. The concept behind the standard is to highlight in order for OPERS to fully fund its retirement obligations, participants and their employers will have to increase contributions to the retirement system, but it is important to note the net pension liability of more than \$340,000 does not represent an invoice to be paid by Columbiana MHA.

**Statement of Revenues, Expenses, and Changes in Net Position**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in only business-type activities.

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

	2017	2016
<b><u>Revenues</u></b>		
Total Tenant Revenues	\$ 623,566	\$ 715,770
Operating Subsidies	4,694,631	4,343,705
Capital Grants	216,909	155,657
Investment Income	1,657	5,224
Other Revenues	81,068	159,155
<b>Total Revenues</b>	<b>5,617,831</b>	<b>5,379,511</b>
<b><u>Expenses</u></b>		
Administrative	1,088,319	1,030,212
Tenant Services	86,607	68,027
Utilities	466,887	413,554
Maintenance	1,177,390	1,062,527
Protective Services	87,334	82,718
Insurance and General Expenses	233,730	235,423
Housing Assistance Payments	2,427,705	2,178,275
Depreciation	756,020	729,757
<b>Total Expenses</b>	<b>6,323,992</b>	<b>5,800,493</b>
<b>Change in Net Position</b>	<b>\$ (706,161)</b>	<b>\$ (420,982)</b>

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Reductions in tenant revenues and other income offset larger increases in operating subsidies and capital grant revenues resulting in an overall increase in revenues of more than \$238,000. Rents charged agency renters are based on family incomes and what tenants can afford to pay, and the drop in tenant revenue reflects that family incomes dropped resulting in lower rental charges. Other income in 2016 was unusually high so the drop in other income is a return to normal. The increase in subsidy income was primarily due to increases in funding from HUD for the Public Housing and Section 8 Housing Choice Voucher Programs. The increase in capital grant revenue reflects that more of the Capital Fund Grant dollars were used to make capital improvements rather than be used for other allowable purposes.

Expenses overall increased more than \$523,000 (about 9 percent). The biggest increases were in maintenance expenses and HAP expenses. Maintenance contracting pushed the increase in maintenance expenses as the agency addressed maintenance issues that had been deferred in prior years as part of belt tightening steps taken by management. The increase in spending in this period was intentional as part of an ongoing effort to modernize and maintain the quality of Public Housing stock as funding from HUD for capital improvements has flat lined and lagged behind the needs of the agency in recent years. The increase in HAP expense corresponds to the increase in income for the Section 8 Housing Choice Voucher program and reflects the increase in rental assistance payments made by the agency under Section 8 programs to fully utilize funding provided by HUD for this purpose.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of fiscal year end, the Authority had \$10,390,092 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions, and depreciation) of \$407,373 from the end of last fiscal year.

**Table 3 - Condensed Statement of Changes in Capital Assets**

	2017	2016
Land	\$ 1,060,629	\$ 1,063,604
Buildings and Leasehold Improvements	31,016,727	30,821,518
Equipment	1,121,966	993,478
Accumulated Depreciation	(22,809,230)	(22,081,135)
<b>Total</b>	<b>\$ 10,390,092</b>	<b>\$ 10,797,465</b>

The following reconciliation summarizes the change in capital assets, which is presented in detail in Note 3 of the financial statements.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Table 4 - Changes in Capital Assets**

Beginning Balance - June 30, 2016	\$ 10,797,465
Current year Additions	371,519
Current Year Disposals	(22,872)
Current year Depreciation Expense	(756,020)
<b>Ending Balance - June 30, 2017</b>	<b>\$ 10,390,092</b>

The current year additions were primarily capital improvements to the structures and systems using Capital Fund Program grant funding, plus vehicle purposes and software upgrades to move toward paperless record keeping made using operating funds.

**Debt Outstanding**

Below is a summary of changes in debt of the Agency in the period:

**Table 5 - Condensed Statement of Changes in Debt Outstanding**

	2017
Beginning Balance	\$ 1,541,061
Current Year Principal Payments	(146,883)
<b>Ending Balance</b>	<b>\$ 1,394,178</b>

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

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

**IN CONCLUSION**

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

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Bernard Bennett, Executive Director of the Columbiana Metropolitan Housing Authority. Specific requests may be submitted to Bernard Bennett, Executive Director, Columbiana Metropolitan Housing Authority, 325 Moore Street, East Liverpool, Ohio 43920.



**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
STATEMENT OF NET POSITION  
JUNE 30, 2017**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents:	\$	985,698
Restricted Cash and Cash Equivalents		90,237
Receivables, Net		34,355
Prepaid Expenses and Other Assets		51,028
Inventory		33,539
<b>Total Current Assets</b>		<b>1,194,857</b>

**Non-Current Assets**

Non-Depreciable Capital Assets		1,060,629
Depreciable Capital Assets, Net		9,329,463
Net Pension Asset (See Note 7)		9,294
<b>Total Non-Current Assets</b>		<b>10,399,386</b>

**DEFERRED OUTFLOWS OF RESOURCES**

503,615

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

\$ 12,097,858

**LIABILITIES**

**Current Liabilities**

Accounts Payable	\$	19,668
Accrued Liabilities		39,089
Tenant Security Deposits		52,615
Intergovernmental Payable		82,388
Current Portion - Mortgages Payable		158,628
<b>Total Current Liabilities</b>		<b>352,388</b>

**Non-Current Liabilities**

Mortgages Payable, Net of Current Portion		1,235,550
Accrued Compensated Absences		101,445
Net Pension Liability (See Note 6)		1,416,998
Other Non-Current Liabilities		43,643
<b>Total Non-Current Liabilities</b>		<b>2,797,636</b>
<b>TOTAL LIABILITIES</b>		<b>3,150,024</b>

**DEFERRED INFLOWS OF RESOURCES**

35,112

**NET POSITION**

Net Investment in Capital Assets		8,995,914
Restricted		37,622
Unrestricted Net Position		(120,814)
<b>TOTAL NET POSITION</b>		<b>8,912,722</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		<b>\$ 12,097,858</b>

See accompanying notes to the basic financial statements.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b><u>Operating Revenue</u></b>	
Tenant Rental Revenue	\$ 623,566
Government Operating Grants	4,694,631
Other Revenue	<u>88,937</u>
<b>Total Operating Revenue</b>	<b><u>5,407,134</u></b>
 <b><u>Operating Expenses</u></b>	
Administrative	1,088,319
Tenant Services	86,607
Utilities	466,887
Maintenance	1,177,390
Protective Services	87,334
Insurance and General Expense	185,941
Housing Assistance Payments	2,427,705
Depreciation Expense	<u>756,020</u>
<b>Total Operating Expenses</b>	<b><u>6,276,203</u></b>
Operating Income	<b><u>(869,069)</u></b>
 <b><u>Non-Operating Revenues (Expenses)</u></b>	
Interest and Investment Revenue	1,657
Interest Expense	(47,789)
Loss on Disposition	<u>(7,869)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<b><u>(54,001)</u></b>
(Loss) Before Capital Contributions and Grants	<b><u>(923,070)</u></b>
 Capital Grants	 <u>216,909</u>
<b>Change In Net Position</b>	<b>(706,161)</b>
 Total Net Position - Beginning of Year	 <u>9,618,883</u>
 <b>Total Net Position - End of Year</b>	 <b><u>\$ 8,912,722</u></b>

See accompanying notes to the basic financial statements.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY**  
**COLUMBIANA COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b><u>Cash Flows from Operating Activities</u></b>	
Cash Received- HUD Operating Subsidies and Grants	\$ 4,688,465
Cash Received from Tenants and Other Sources	726,973
Cash Payments for Housing Assistance Payments	(2,427,705)
Cash Payments for Administrative Costs	(949,591)
Cash Payments for Other Operating Expenses	(2,026,193)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>11,949</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Capital Additions	(371,519)
Capital Grants	216,909
Interest Expense	(47,789)
Repayment of Long-Term Debt	(146,883)
Cash from Capital Assets Disposal	15,003
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(334,279)</b>
<b><u>Cash Flows from Investing Activities</u></b>	
Investment Income	1,657
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,657</b>
Increase in Cash and Cash Equivalents	(320,673)
Cash and Cash Equivalents - Beginning of Year	1,396,608
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,075,935</b>
<b><u>Reconciliation of Operating Income to</u></b>	
<b><u>Net Cash Provided by Operating Activities</u></b>	
Net Operating (Loss)	\$ (869,069)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Depreciation	756,020
(Increase) Decrease in:	
Accounts Receivable	20,846
Prepaid Expenses	14,166
Inventory	(45)
Other Non-Current Assets	(1,493)
Deferred Outflows of Resources	(130,273)
Increase (Decrease) in:	
Accounts Payable	(14,334)
Intergovernmental	(6,290)
Compensated Absences	1,216
Security Deposits	(3,329)
Other Current Liabilities	(45,645)
Other Non-Current Liabilities	318,833
Deferred Inflow of Resources	(28,654)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 11,949</b>

See accompanying notes to the basic financial statements.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Authority was created under the Ohio Revised Code Section 3735.27 for the purpose of engaging in the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. The Authority contracts with HUD to provide low and moderate income persons with safe and sanitary housing through rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

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

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

The definition of a reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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**(CONTINUED)**

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

**Reporting Entity** (Continued)

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

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

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

**Component Unit**

The accompanying financial statements present the Housing Program Limited Corporation, a component unit of the Authority, over which the Authority exercises significant control, as a blended entity.

The Housing Program Limited Corporation (the Corporation) is a not-for-profit corporation under the IRS ruling 501c(3). The Corporation was created by the Authority to operate its after school program and to be eligible to apply for other funding for which the not-for-profit organization may be eligible. The Board Members of the Corporation consist of the Executive Director, and other staff members of the Authority.

**Basis of Presentation**

The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

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**(CONTINUED)**

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

**Basis of Presentation** (Continued)

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

**Measurement Focus**

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

**Enterprise Fund**

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

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

**Programs**

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

**Conventional Public Housing and Capital Fund Programs**

Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the Authority to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical (i.e. capital) and management improvements to the Authority's properties. Funds are provided by formula allocation and based on size and age of the units.

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(CONTINUED)**

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

**Programs** (Continued)

*Central Office Cost Center (COCC)*

The Authority owns and operates more than 250 dwelling rentals and established a COCC to account for non-project specific costs. These costs are funded from management fees, asset management fees, and bookkeeping fees charged to other Authority programs.

*Housing Choice Voucher Program*

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

*Continuum of Care Program*

This program is designed to provide rental assistance for targeted populations and link the rental assistance provided to supporting services for those receiving the rental assistance. The Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income and the Authority partners with other Agencies in the community to provide in kind supportive services for program participants.

**Accounting and Reporting for Non-exchange Transactions**

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

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

**Accounting and Reporting for Nonexchange Transactions** (Continued)

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

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

**Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less, and non-negotiable certificates of deposit regardless of original maturity.

**Investments**

Investments are restricted by the provisions of the HUD regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2017 totaled \$1,657.

**Receivables - Net of Allowance**

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the fiscal year. No allowance for doubtful accounts was made at June 30, 2017 on tenants accounts receivable of \$4,584.

**Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the fiscal year in which the services are consumed.

**Inventory**

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and uses the first-in, first-out (FIFO) flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charges as expenditures when used. No allowance for obsolete inventory was made at June 30, 2017 on inventory of \$33,539.



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

**Capital Assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and a purchase price of \$500 or more per unit; and property betterment and additions costing \$2,500 and more. Depreciation is calculated using the straight-line method over the estimated useful lives of three years to forty years. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

**Due From/To Other Programs**

On the basic financial statements, inter-program receivables and payables listed on the FDS are eliminated.

**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 the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability.

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

**Unearned Revenue**

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

**Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on its use by internal or external restrictions.

**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 grant from HUD and other miscellaneous revenue.

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

**Capital Grant**

This represents grants provided by HUD that the Authority spends on capital assets.

**Income Taxes**

No provision for income taxes is recorded as the Authority is a non-profit, tax exempt entity under the Internal Revenue Code.

**Budgetary Accounting**

The Authority annually prepares its budget as prescribed by HUD. This budget is submitted to HUD, when applicable, and once approved, is adopted by the Board of the Authority.

**Estimates**

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

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NOTE 1: **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 statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 6.

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

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NOTE 2: **DEPOSITS AND INVESTMENTS**

**Deposits**

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

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

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

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

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

At fiscal year end June 30, 2017, the carrying amount of the Authority's deposits totaled \$1,075,935 (including \$100 petty cash) and its bank balance was \$1,105,898. Based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2017, \$648,531 was covered by the Federal Depository Insurance Corporation, and \$457,367 was uninsured and collateralized with securities held by the financial institution's agent.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 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 the Federal Reserve banks or at member banks of the Federal Reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve bank in the name of the Authority.

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NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

**Investments**

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivision of Ohio, and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

*Interest Rate Risk* - The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the Authority's practice to limit its investments to three years or less.

*Credit Risk* - HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement specifically requires compliance with HUD requirements.

*Concentration of Credit Risk* - The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority's practice to do business with more than one depository.

The Authority held no investments at June 30, 2017.

**Restricted Cash**

A summary of restricted cash of the Authority is as follows:

Unspent Section 8 HCV Program HAP Funds	\$ 37,622
Tenant Security Deposits	<u>52,615</u>
<b>Total Restricted Cash</b>	<b><u><u>90,237</u></u></b>

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**NOTE 3: CAPITAL ASSETS**

The following is a summary of capital assets:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>Capital Assets Not Being Depreciated</u></b>				
Land	\$ 1,063,604	\$ 0	\$ (2,975)	\$ 1,060,629
Total Capital Assets Not Being Depreciated	<u>1,063,604</u>	<u>0</u>	<u>(2,975)</u>	<u>\$ 1,060,629</u>
<b><u>Capital Assets Being Depreciated</u></b>				
Buildings and Improvements	27,581,635	227,234	(32,025)	27,776,844
Furniture, Equipment, and Machinery	993,478	144,285	(15,797)	1,121,966
Leasehold Improvements	3,239,883	0	0	3,239,883
Total Capital Assets Being Depreciated	<u>31,814,996</u>	<u>371,519</u>	<u>(47,822)</u>	<u>32,138,693</u>
<b><u>Accumulated Depreciation</u></b>				
Buildings and Improvements	(21,123,660)	(709,640)	12,128	(21,821,172)
Furniture, Equipment, and Machinery	(957,475)	(46,380)	15,797	(988,058)
Total Accumulated Depreciation	<u>(22,081,135)</u>	<u>(756,020)</u>	<u>27,925</u>	<u>(22,809,230)</u>
Depreciable Assets, Net	<u>9,733,861</u>	<u>(384,501)</u>	<u>(19,897)</u>	<u>9,329,463</u>
Total Capital Assets, Net	<u>\$ 10,797,465</u>	<u>\$ (384,501)</u>	<u>\$ (22,872)</u>	<u>\$ 10,390,092</u>

**NOTE 4: LONG-TERM DEBT**

**Lease/Purchase Agreement – PNC Equipment Finance**

The Authority entered into a second phase energy performance contract (EPC) with Honeywell International Inc., on April 21, 2015 for \$1,667,198. This amount included a payoff of \$141,252 to Citicorp North America for the initial EPC. The term of the agreement is 112 monthly payments at a fixed interest rate of 3.24 percent. The outstanding balance as of June 30, 2017 is \$1,394,178.

Debt maturities for the next five years are estimated as follows:

Year Ended June 30	Principal	Interest	Total
2018	\$ 158,628	\$ 42,858	\$ 201,486
2019	171,002	37,536	208,538
2020	184,032	31,804	215,836
2021	203,683	19,708	223,391
2022	227,379	11,923	239,302
2023-2024	449,454	29,613	479,067
<b>Total</b>	<u>\$ 1,394,178</u>	<u>\$ 173,442</u>	<u>\$ 1,567,620</u>

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NOTE 4: **LONG-TERM DEBT** (Continued)

**Repayment Agreement - HUD**

In 2016, the Authority entered into a repayment with HUD. HUD concluded the Authority had been overpaid subsidy in prior periods for its Woodland Hills property (AMP 2) related to changes the Authority made to resident paid utilities at the property in previous periods. The agreement calls for the Authority to repay HUD \$87,285 over a period of no more than 4 years. Remaining to be paid at June 30, 2017 is \$65,464.

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2017:

	Balance <u>June 30, 2016</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>June 30, 2017</u>	Due In <u>One Year</u>
PNC Equipment Lease	\$ 1,541,061	\$ 0	\$ (146,883)	\$ 1,394,178	\$ 158,628
Accrued Compensated Absences	100,229	65,245	(64,029)	101,445	0
Net Pension Liability	1,076,344	340,654	0	1,416,998	0
Subsidy Repayment to HUD	87,285	0	(21,821)	65,464	21,821
<b>Total</b>	<b><u>\$ 2,804,919</u></b>	<b><u>\$ 405,899</u></b>	<b><u>\$ (232,733)</u></b>	<b><u>\$ 2,978,085</u></b>	<b><u>\$ 180,449</u></b>

NOTE 5: **RISK MANAGEMENT**

The Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage and no settlements exceeded insurance coverage during the past three years.

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

***Net Pension Liability***

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

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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

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

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



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**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution to the Traditional and Combined Plans was \$114,434 for fiscal year ending June 30, 2017.

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

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.006214%	0.016030%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.006240%	0.016699%	
Change in Proportionate Share	0.000026%	0.000669%	
 Proportionate Share of the Net Pension Liability/(Asset)	\$ 1,416,998	\$ (9,294)	\$ 1,407,704
Pension Expense	\$ 300,832	\$ 6,715	\$ 307,547

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
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NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

At June 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$211,024	\$2,268	\$213,292
Changes of assumptions	224,753	2,265	227,018
Differences between expected and actual experience	1,921	-	1,921
Changes in proportion and differences between Authority contributions and proportionate share of contributions	2,209	0	2,209
Authority contributions subsequent to the measurement date	54,765	4,410	59,175
Total Deferred Outflows of Resources	<u>\$494,672</u>	<u>\$8,943</u>	<u>\$503,615</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$8,433	\$4,755	\$13,188
Changes in proportion and differences between City contributions and proportionate share of contributions	20,573	1,351	21,924
Total Deferred Inflows of Resources	<u>\$29,006</u>	<u>\$6,106</u>	<u>\$35,112</u>

\$59,175 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 6: DEFINED BENEFIT PENSION PLAN** (Continued)

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

Year Ending June 30:	OPERS	OPERS	Total
	Traditional Pension Plan	Traditional Pension Plan	
2018	\$ 160,499	\$ 263	\$ 160,762
2019	181,482	264	181,746
2020	75,104	163	75,267
2021	(6,184)	(638)	(6,822)
2022	0	(554)	(554)
Thereafter	0	(1,071)	(1,071)
Total	<u>\$410,901</u>	<u>\$ (1,573)</u>	<u>\$ 409,328</u>

***Actuarial Assumptions - OPERS***

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

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

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY**  
**COLUMBIANA COUNTY, OHIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

*Actuarial Assumptions - OPERS*

Mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Health Annuitant Mortality tables were used, adjusted for mortality improvement back to the observant period base of 2006 and then established the base year as 2015. For females, Health Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

*Actuarial Assumptions – OPERS* (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

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

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

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$5,262,083	\$1,416,998	\$1,929,673
Combined Plan	\$679	(\$9,294)	(17,317)

*This space intentionally left blank.*

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**NOTE 7: POST-EMPLOYMENT BENEFITS**

**A. Plan Description**

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 and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans 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 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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 to OPERS, 277 East Town Street, Columbus, OH 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 plans.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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NOTE 7: **POST-EMPLOYMENT BENEFITS** (Continued)

**B. Funding Policy** (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016 and 2017, State and Local employers contributed at a rate of 14.0% 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 and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) 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 rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% 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 2016 was 4.0%. The portion of actual Authority contributions for the year ended June 30, 2017, 2016, and 2015, which were used by OPERS to fund post-employment benefits were \$13,732, \$17,125, and \$17,045, respectively.

NOTE 8: **CONTINGENCIES**

**Litigations**

In the normal course of operations, the Authority may be subject to litigations and claims. At June 30, 2017, the Authority was not aware of any such matters.



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

<b>Traditional Plan</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Authority's Proportion of the Net Pension Liability - Traditional Plan	0.006240%	0.006214%	0.006694%	0.006694%
Authority's Proportionate Share of the Net Pension Liability	\$1,416,988	\$1,076,344	\$807,371	\$ 789,135
Authority's Covered-Employee Payroll	\$774,414	\$773,442	\$820,742	\$ 840,592
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	182.98%	139.16%	98.37%	93.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional Plan	77.25%	81.08%	86.45%	83.36%
<b>Combined Plan</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Authority's Proportion of the Net Pension (Asset)	0.016699%	0.016030%	0.011370%	0.011370%
Authority's Proportionate Share of the Net Pension (Asset)	(\$9,294)	(\$7,801)	(\$4,378)	\$ (1,193)
Authority's Covered-Employee Payroll	\$62,400	\$58,325	\$41,558	\$ 39,825
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	14.89%	13.38%	10.53%	3.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Combined Plan	116.55%	116.90%	114.83%	104.33%

(1) - Information prior to 2014 is not available.

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST FIVE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	105,905	95,544	96,479	100,871	107,994
Combined Plan	8,529	7,205	5,793	4,779	4,792
Total Required Contributions	\$114,434	\$102,749	\$102,272	\$105,650	\$112,786
Contributions in Relation to the Contractually Required Contribution	(\$114,434)	(\$102,749)	(\$102,272)	(\$105,650)	(\$112,786)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0
<u>Authority's Covered-Employee Payroll</u>					
Traditional Plan	\$847,240	\$796,200	\$803,992	\$840,592	\$830,723
Combined Plan	\$68,232	\$60,042	\$48,275	\$39,825	\$36,862
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>					
Traditional Plan	12.50% *	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.50% *	12.00%	12.00%	12.00%	13.00%

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

\* Contribution rate increased from 12.00% to 13.00% as of January 1, 2017.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY**  
**SUPPLEMENTAL FINANCIAL SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**  
**JUNE 30, 2017**

	Project Total	14,871 Housing Choice Vouchers	14,879 Mainstream Vouchers	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	686,546	52,941	64,057	100,591	-	81,563	985,698	-	985,698
113 Cash - Other Restricted	-	37,622	-	-	-	-	37,622	-	37,622
114 Cash - Tenant Security Deposits	52,615	-	-	-	-	-	52,615	-	52,615
<b>100 Total Cash</b>	<b>739,161</b>	<b>90,563</b>	<b>64,057</b>	<b>100,591</b>	<b>-</b>	<b>81,563</b>	<b>1,075,935</b>	<b>-</b>	<b>1,075,935</b>
122 Accounts Receivable - HUD Other Projects	-	-	-	-	28,916	-	28,916	-	28,916
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	855	855	-	855
126 Accounts Receivable - Tenants	4,584	-	-	-	-	-	4,584	-	4,584
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>4,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,916</b>	<b>855</b>	<b>34,355</b>	<b>-</b>	<b>34,355</b>
142 Prepaid Expenses and Other Assets	47,546	47	7	-	-	3,428	51,028	-	51,028
143 Inventories	13,273	-	-	-	-	20,266	33,539	-	33,539
<b>150 Total Current Assets</b>	<b>804,564</b>	<b>134,997</b>	<b>64,064</b>	<b>100,591</b>	<b>28,916</b>	<b>112,867</b>	<b>1,245,999</b>	<b>-51,142</b>	<b>1,194,857</b>
161 Land	1,060,629	-	-	-	-	-	1,060,629	-	1,060,629
162 Buildings	27,695,766	-	-	-	-	81,078	27,776,844	-	27,776,844
163 Furniture, Equipment & Machinery - Dwellings	304,406	-	-	-	-	-	304,406	-	304,406
164 Furniture, Equipment & Machinery - Administration	637,285	114,785	3,008	-	-	62,482	817,560	-	817,560
165 Leasehold Improvements	3,239,883	-	-	-	-	-	3,239,883	-	3,239,883
166 Accumulated Depreciation	-22,639,264	-96,666	-301	-	-	-72,999	-22,809,230	-	-22,809,230
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>10,298,705</b>	<b>18,119</b>	<b>2,707</b>	<b>-</b>	<b>-</b>	<b>70,561</b>	<b>10,390,092</b>	<b>-</b>	<b>10,390,092</b>
174 Other Assets	3,475	1,371	250	-	-	4,198	9,294	-	9,294
<b>180 Total Non-Current Assets</b>	<b>10,302,180</b>	<b>19,490</b>	<b>2,957</b>	<b>-</b>	<b>-</b>	<b>74,759</b>	<b>10,399,386</b>	<b>-</b>	<b>10,399,386</b>
200 Deferred Outflow of Resources	188,306	74,276	13,604	-	-	227,429	503,615	-	503,615
<b>290 Total Assets and Deferred Outflow of Resources</b>	<b>11,295,050</b>	<b>228,763</b>	<b>80,625</b>	<b>100,591</b>	<b>28,916</b>	<b>415,055</b>	<b>12,149,000</b>	<b>-51,142</b>	<b>12,097,858</b>
312 Accounts Payable <= 90 Days	19,213	242	36	-	-	177	19,668	-	19,668
321 Accrued Wage/Payroll Taxes Payable	13,836	1,871	280	-	-	23,102	39,089	-	39,089
331 Accounts Payable - HUD PHA Programs	21,821	-	-	-	-	-	21,821	-	21,821
333 Accounts Payable - Other Government	60,567	-	-	-	-	-	60,567	-	60,567
341 Tenant Security Deposits	52,615	-	-	-	-	-	52,615	-	52,615
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	158,628	-	-	-	-	-	158,628	-	158,628
347 Inter Program - Due To	-	16,927	5,229	70	28,916	-	51,142	-51,142	-
<b>310 Total Current Liabilities</b>	<b>326,680</b>	<b>19,040</b>	<b>5,545</b>	<b>70</b>	<b>28,916</b>	<b>23,279</b>	<b>403,530</b>	<b>-51,142</b>	<b>352,388</b>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,235,550	-	-	-	-	-	1,235,550	-	1,235,550
353 Non-current Liabilities - Other	43,643	-	-	-	-	-	43,643	-	43,643
354 Accrued Compensated Absences - Non Current	60,397	8,713	1,302	-	-	31,033	101,445	-	101,445

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY**  
**SUPPLEMENTAL FINANCIAL SCHEDULE**  
**ENTITY WIDE BALANCE SHEET SUMMARY**  
**JUNE 30, 2017**

	Project Total	14,871 Housing Choice Vouchers	14,879 Mainstream Vouchers	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total
357 Accrued Pension and OPEB Liabilities	529,840	208,967	38,294	-	-	639,897	1,416,998	-	1,416,998
<b>350 Total Non-Current Liabilities</b>	1,869,430	217,680	39,596	-	-	670,930	2,797,636	-	2,797,636
<b>300 Total Liabilities</b>	2,196,110	236,720	45,141	70	28,916	694,209	3,201,166	-51,142	3,150,024
400 Deferred Inflow of Resources	13,129	5,179	948	-	-	15,856	35,112	-	35,112
508.4 Net Investment in Capital Assets	8,904,527	18,119	2,707	-	-	70,561	8,995,914	-	8,995,914
511.4 Restricted Net Position	-	37,622	-	-	-	-	37,622	-	37,622
512.4 Unrestricted Net Position	181,284	-68,877	31,829	100,521	-	-365,571	-120,814	-	-120,814
<b>513 Total Equity - Net Assets / Position</b>	9,085,811	-13,136	34,536	100,521	-	-295,010	8,912,722	-	8,912,722
<b>600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net</b>	11,295,050	228,763	80,625	100,591	28,916	415,055	12,149,000	-51,142	12,097,858

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL FINANCIAL SCHEDULE  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Project Total	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	601,486	-	-	-	-	9,070	610,556	-	610,556
70400 Tenant Revenue - Other	13,010	-	-	-	-	-	13,010	-	13,010
<b>70500 Total Tenant Revenue</b>	<b>614,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,070</b>	<b>623,566</b>	<b>-</b>	<b>623,566</b>
70600 HUD PHA Operating Grants	1,877,290	2,242,162	268,997	-	306,182	-	4,694,631	-	4,694,631
70610 Capital Grants	216,909	-	-	-	-	-	216,909	-	216,909
70710 Management Fee	-	-	-	-	-	356,809	356,809	-356,809	-
70720 Asset Management Fee	-	-	-	-	-	30,600	30,600	-30,600	-
70730 Book Keeping Fee	-	-	-	-	-	29,090	29,090	-29,090	-
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416,499</b>	<b>416,499</b>	<b>-416,499</b>	<b>-</b>
71100 Investment Income - Unrestricted	1,653	4	-	-	-	-	1,657	-	1,657
71400 Fraud Recovery	-	2,646	-	-	-	-	2,646	-	2,646
71500 Other Revenue	79,235	3,718	-	3,205	133	-	86,291	-	86,291
71600 Gain or Loss on Sale of Capital Assets	500	-	-	-	-	-8,369	-7,869	-	-7,869
<b>70000 Total Revenue</b>	<b>2,790,083</b>	<b>2,248,530</b>	<b>268,997</b>	<b>3,205</b>	<b>306,315</b>	<b>417,200</b>	<b>6,034,330</b>	<b>-416,499</b>	<b>5,617,831</b>
91100 Administrative Salaries	189,607	103,509	15,707	-	-	217,341	526,164	-	526,164
91200 Auditing Fees	5,946	6,412	958	-	-	1,843	15,159	-	15,159
91300 Management Fee	291,882	36,000	12,000	-	16,927	-	356,809	-356,809	-
91310 Book-keeping Fee	29,090	-	-	-	-	-	29,090	-29,090	-
91400 Advertising and Marketing	3,905	376	56	-	-	305	4,642	-	4,642
91500 Employee Benefit contributions - Administrative	178,045	57,268	10,100	-	-	176,698	422,111	-	422,111
91600 Office Expenses	33,622	6,432	1,127	-	-	12,326	53,507	-	53,507
91700 Legal Expense	4,810	365	55	-	-	420	5,650	-	5,650
91800 Travel	1,265	985	145	-	-	728	3,123	-	3,123
91900 Other	24,655	3,432	2,177	-	1,130	26,569	57,963	-	57,963
<b>91000 Total Operating - Administrative</b>	<b>762,827</b>	<b>214,779</b>	<b>42,325</b>	<b>-</b>	<b>18,057</b>	<b>436,230</b>	<b>1,474,218</b>	<b>-385,899</b>	<b>1,088,319</b>
92000 Asset Management Fee	30,600	-	-	-	-	-	30,600	-30,600	-
92100 Tenant Services - Salaries	2,298	-	-	-	-	-	2,298	-	2,298
92200 Relocation Costs	1,309	-	-	-	-	-	1,309	-	1,309
92300 Employee Benefit Contributions - Tenant Services	355	-	-	-	-	-	355	-	355
92400 Tenant Services - Other	79,215	-	-	3,430	-	-	82,645	-	82,645
<b>92500 Total Tenant Services</b>	<b>83,177</b>	<b>-</b>	<b>-</b>	<b>3,430</b>	<b>-</b>	<b>-</b>	<b>86,607</b>	<b>-</b>	<b>86,607</b>
93100 Water	116,349	-	-	-	-	225	116,574	-	116,574
93200 Electricity	205,500	-	-	-	-	2,764	208,264	-	208,264
93300 Gas	45,049	-	-	-	-	3,490	48,539	-	48,539
93600 Sewer	93,335	-	-	-	-	175	93,510	-	93,510
<b>93000 Total Utilities</b>	<b>460,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,654</b>	<b>466,887</b>	<b>-</b>	<b>466,887</b>
94100 Ordinary Maintenance and Operations - Labor	364,013	-	-	-	-	-	364,013	-	364,013

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY**  
**SUPPLEMENTAL FINANCIAL SCHEDULE**  
**ENTITY WIDE REVENUE AND EXPENSE SUMMARY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Project Total	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total
94200 Ordinary Maintenance and Operations - Materials and Other	165,241	-	-	-	-	45,160	210,401	-	210,401
94300 Ordinary Maintenance and Operations Contracts	319,531	14,722	-	-	-	22,174	356,427	-	356,427
94500 Employee Benefit Contributions - Ordinary Maintenance	236,442	-	-	-	-	-	236,442	-	236,442
<b>94000 Total Maintenance</b>	<b>1,085,227</b>	<b>14,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,334</b>	<b>1,167,283</b>	<b>-</b>	<b>1,167,283</b>
95300 Protective Services - Other	87,334	-	-	-	-	-	87,334	-	87,334
<b>95000 Total Protective Services</b>	<b>87,334</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,334</b>	<b>-</b>	<b>87,334</b>
96110 Property Insurance	104,970	-	139	-	-	2,504	107,613	-	107,613
96140 All Other Insurance	-	929	-	-	-	-	929	-	929
<b>96100 Total insurance Premiums</b>	<b>104,970</b>	<b>929</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>2,504</b>	<b>108,542</b>	<b>-</b>	<b>108,542</b>
96200 Other General Expenses	2,175	-	-	2,270	-	4,606	9,051	-	9,051
96210 Compensated Absences	16,936	-	-	-	-	-	16,936	-	16,936
96300 Payments in Lieu of Taxes	21,540	-	-	-	-	-	21,540	-	21,540
96400 Bad debt - Tenant Rents	29,872	-	-	-	-	-	29,872	-	29,872
<b>96000 Total Other General Expenses</b>	<b>70,523</b>	<b>-</b>	<b>-</b>	<b>2,270</b>	<b>-</b>	<b>4,606</b>	<b>77,399</b>	<b>-</b>	<b>77,399</b>
96710 Interest of Mortgage (or Bonds) Payable	47,789	-	-	-	-	-	47,789	-	47,789
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>47,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,789</b>	<b>-</b>	<b>47,789</b>
<b>96900 Total Operating Expenses</b>	<b>2,732,680</b>	<b>230,430</b>	<b>42,464</b>	<b>5,700</b>	<b>18,057</b>	<b>517,328</b>	<b>3,546,659</b>	<b>-416,499</b>	<b>3,130,160</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>57,403</b>	<b>2,018,100</b>	<b>226,533</b>	<b>-2,495</b>	<b>288,258</b>	<b>-100,128</b>	<b>2,487,671</b>	<b>-</b>	<b>2,487,671</b>
97100 Extraordinary Maintenance	7,000	-	-	-	-	-	7,000	-	7,000
97200 Casualty Losses - Non-capitalized	3,107	-	-	-	-	-	3,107	-	3,107
97300 Housing Assistance Payments	-	1,915,110	224,337	-	288,258	-	2,427,705	-	2,427,705
97400 Depreciation Expense	744,510	2,013	301	-	-	9,196	756,020	-	756,020
<b>90000 Total Expenses</b>	<b>3,487,297</b>	<b>2,147,553</b>	<b>267,102</b>	<b>5,700</b>	<b>306,315</b>	<b>526,524</b>	<b>6,740,491</b>	<b>-416,499</b>	<b>6,323,992</b>
10091 Inter Project Excess Cash Transfer In	83,000	-	-	-	-	-	83,000	-83,000	-
10092 Inter Project Excess Cash Transfer Out	-83,000	-	-	-	-	-	-83,000	83,000	-
<b>10100 Total Other financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>-697,214</b>	<b>100,977</b>	<b>1,895</b>	<b>-2,495</b>	<b>-</b>	<b>-109,324</b>	<b>-706,161</b>	<b>-</b>	<b>-706,161</b>
11020 Required Annual Debt Principal Payments	146,883	-	-	-	-	-	146,883	-	146,883
11030 Beginning Equity	9,644,861	-114,113	32,641	103,016	-	-47,522	9,618,883	-	9,618,883
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	138,164	-	-	-	-	-138,164	-	-	-
11170 Administrative Fee Equity	-	-50,758	-	-	-	-	-50,758	-	-50,758

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
 SUPPLEMENTAL FINANCIAL SCHEDULE  
 ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Project Total	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	6.2 Component Unit - Blended	8 Other Federal Program 1	COCC	Subtotal	ELIM	Total
11180 Housing Assistance Payments Equity	-	37,622	-	-	-	-	37,622	-	37,622
11190 Unit Months Available	5,748	5,844	890	-	817	12	13,311	-	13,311
11210 Number of Unit Months Leased	5,628	4,934	890	-	817	12	12,281	-	12,281

**COLUMBIANA METROPLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
STATEMENT OF MODERNIZATOIN COSTS – COMPLETED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	OH12P026501-13
Fund Approved	\$ 548,813
Funds Expended	548,813
Excess (Deficiency) of Funds Approved	\$ 0

Funds Advanced	\$ 548,813
Funds Expended	548,813
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



**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<i>Direct Programs:</i>		
<u>Public Housing Programs</u>		
Low Rent Public Housing Program	14.850	\$ 1,788,300
Capital Fund Program	14.872	<u>305,899</u>
Total Public Housing Programs		<u>2,094,199</u>
<u>Housing Choice Voucher Program Cluster</u>		
Section 8 Housing Choice Voucher Program	14.871	2,242,162
Mainstream Vouchers Program	14.879	<u>268,997</u>
Total Housing Choice Voucher Cluster		<u>2,511,159</u>
Continuum of Care Program	14.267	<u>306,182</u>
<i>Total Direct Programs</i>		<u>4,911,540</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>4,911,540</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 4,911,540</u></u>

This schedule is prepared on the accrual basis of accounting.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
NOTES SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of Expenditures of federal awards (the Schedule) includes the federal award activity of the Columbiana Metropolitan Housing Authority under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Columbiana Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Columbiana Metropolitan Housing Authority.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the GAAP basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3: INDIRECT COST RATE**

Columbiana Metropolitan Housing Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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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 Members of the Board  
Columbiana Metropolitan Housing Authority  
East Liverpool, 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 business-type activities of the Columbiana Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2017, 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 11, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

December 11, 2017

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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

To the Members of the Board  
Columbiana Metropolitan Housing Authority  
East Liverpool, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

***Report on Compliance for Each Major Federal Program***

We have audited the Columbiana 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 Authority's major federal program for the year ended June 30, 2017. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with 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 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 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 Authority's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Columbiana Metropolitan Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

### ***Report on Internal Control over Compliance***

Management of the 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 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 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.  
Certified Public Accountants

December 11, 2017

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2017(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major federal programs	No
2017(v)	Type of Major Programs' Compliance Opinion	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2017(vii)	Major Programs (list):  Housing Choice Voucher Program Cluster: Section 8 Housing Choice Voucher Program - CFDA #14.871 Mainstream Vouchers - CFDA #14.879	
2017(viii)	Dollar Threshold: Type A\B Programs	Type A: \$750,000 Type B: All Others
2017(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.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY  
COLUMBIANA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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The prior period 2016 had no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrence in this audit period.





# Dave Yost • Auditor of State

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY**

**COLUMBIANA 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  
FEBRUARY 20, 2018**