Columbus Metropolitan Housing Authority

Financial Report

with Supplemental Information

December 31, 2017

Dave Yost • Auditor of State

Board of Commissioners
Columbus Metropolitan Housing Authority
880 East 11th Avenue
Columbus, Ohio 43211

We have reviewed the *Independent Auditor's Report* of the Columbus Metropolitan Housing Authority, Franklin County, prepared by Plante & Moran, PLLC, for the audit period January 1, 2017 through December 31, 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 Columbus Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

June 8, 2018

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Independent Auditor's Report

To the Board of Commissioners
Columbus Metropolitan Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Columbus Metropolitan Housing Authority (the "Authority" or CMHA) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Columbus Metropolitan Housing 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 did not audit the financial statements of Jenkins Terrace, LLC; Worley Terrace, LLC; Elim Manor Elderly Housing, LLC; Franklin Station, LLC; Poindexter Place, LLC; and Sawyer Manor and Trevitt Heights, LLC, which represent 100 percent of the assets, net position, and revenue of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for Jenkins Terrace, LLC; Worley Terrace, LLC; Elim Manor Elderly Housing, LLC; Franklin Station, LLC; Poindexter Place, LLC; and Sawyer Manor and Trevitt Heights, LLC, is based solely on the report of the other auditors. 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. Jenkins Terrace, LLC, Worley Terrace, LLC, Franklin Station, LLC, Poindexter Place, LLC, and Sawyer Manor and Trevitt Heights, LLC were not audited under *Government Auditing Standards.*

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 entity'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 entity'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, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and aggregate discretely presented component units of Columbus Metropolitan Housing Authority as of December 31, 2017 and the changes in its financial position and its business-type activities cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Columbus Metropolitan Housing Authority

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Authority's proportionate share of the net pension liability, and schedule of the Authority's pension contributions 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, which 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 supplemental 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 Columbus Metropolitan Housing Authority's basic financial statements. The financial data schedules, as identified in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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 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 May 8, 2018 on our consideration of Columbus Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 Columbus Metropolitan Housing Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

May 8, 2018

As management of Columbus Metropolitan Housing Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2017. This management's discussion and analysis focuses on the operations of the Authority and not its discretely presented component units. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of financial position. This management's discussion and analysis is presented in accordance with the requirements of Governmental Accounting Standards Board Statement (GASB) Statement No. 34.

Overview of the Financial Statements

The annual financial report consists of four parts:

- Management's discussion and analysis
- Financial statements
- Supplemental financial data schedules
- Schedule of expenditures of federal awards

Columbus Metropolitan Housing Authority, as a subdivision of the State of Ohio, is a special-purpose government agency engaged only in business-type activities. The Authority follows enterprise fund reporting; accordingly, the financial statements are presented under the full accrual basis of accounting. These financial statements are designed to be corporate-like in that all business-type programs are consolidated into one agency-wide total. Separate accounts are maintained for each program to control and manage money for particular purposes. The supplemental information section of the financial statements includes the financial data schedules, which provide net position by program and revenue, expenses, and changes in net position by program.

In accordance with Governmental Accounting Standards Board Statement No. 63 (GASB 63), 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 of the Authority. The statement is presented in the format where assets minus liabilities equal "net position." Assets are presented in order of liquidity and are classified as "current" (convertible to cash within one year), "noncurrent," and "capital assets." Liabilities are classified as "current" (payable within one year) and "noncurrent."

The focus of the statement of net position is designed to represent the net available liquid (noncapital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories (as applicable):

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 assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position - Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The financial statements also include a statement of activities, which is similar to an income statement. This statement includes operating revenue, operating expenses, and nonoperating revenue and expenses. The focus of the statement of activities is the “change in net position,” which is similar to net income or loss.

A statement of cash flows is included, which discloses net cash provided by, or used for, operating activities, investing activities, and capital and related financing activities. This statement also includes a reconciliation of the change in net position to net cash from operations.

The Authority’s significant programs and services that are consolidated into a single enterprise fund are detailed below. For detailed revenue and balance sheet information on these, see “Supplemental Financial Data Schedules” in the back of this report.

PHA Owned Low Rental Housing (LRH) - Under the Public Housing Program, the Authority rents units it owns to low-income households. This program operates under an Annual Contribution Contract with HUD. An operating subsidy is provided by HUD to enable the Authority to provide the housing at a rent that is based upon 30 percent of the tenant’s adjusted gross income. Beginning in 2016, the Agency embarked on a strategy to convert the remaining public housing units to Project Base Voucher (PBV) units under HUD’s Rental Assistance Demonstration (RAD) Program. We anticipate full conversion to be completed in early 2019.

Capital Grant Program - This grant provides funding to improve the physical conditions of our low-rental housing (discussed above) and upgrade management of operations to ensure that the properties continue to be available to service low-income families.

Housing Choice Vouchers (Section 8) - Through Annual Contribution Contracts (ACC) with HUD, the Authority receives funding to subsidize the rent of low-income families in the private market and earns an administrative fee to cover the program’s operating costs. This is our largest program, providing vouchers to almost 13,000 families and individuals. It includes Housing Choice, Mainstream, Shelter Care Plus, and Veterans vouchers.

Assisted Housing Service Corp (AHSC) - The Authority provides performance-based contract administrative (PBCA) services for units receiving project-based Section 8 housing assistance throughout the state of Ohio and Washington, D.C.

Choice Neighborhood Implementation Grant - The Authority was awarded the 2014 Choice Neighborhood Implementation Grant. This $29.7 million dollar grant, along with local contributions, will enable the Authority to revitalize the former Poindexter Village site. Two of the four phases of redevelopment are near completion. The entire project is projected to be completed during 2019.

Other Business Ventures - The Authority has other business ventures that are not dependent upon HUD funding. These programs consist of eight programs that provide resources for other business activities. Seven of the programs are wholly owned subsidiaries that were established to own land and housing units and participate in limited partnerships and limited liability corporations. One program provides a source of funds for other related housing activities.

Other HUD Programs - The Authority also currently receives funding for or has remaining funding from other Section 8 programs that have multiple-year funding but are not considered major programs, such as the ROSS Grant.

Partnerships in Low-income Tax Credit Housing (LIHTC) - The Authority, through one of its Other Business Ventures entity, is a general partner in six tax credit entities with a total of 720 units that are operating as of December 31, 2017: Jenkins Terrace, LLC, Worley Terrace, LLC, Elim Manor Elderly Housing, LLC, Poindexter Place, LLC, Franklin Station, LLC, and Sawyer Manor and Trevitt Heights, LLC.

Transition to HUD Rental Assistance Demonstration - Based on the efficiencies of the HCV program, the Authority set out on a course to convert the entire public housing program to project-based voucher (PBV) through HUD's Rental Assistance Demonstration program. This transition has begun and is anticipated to be completed by early 2019.

Net Pension Liability

The Authority has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the Authority's proportionate share of each plan's collective:

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

2. Minus plan assets available to pay these benefits

The GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. The GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since it received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by state statute. A change in these caps requires action of both Houses of the general assembly and approval of the governor. Benefit provisions are also determined by state statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB Statement No. 68, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

Major Programs for 2017 Audit

For the current period ended December 31, 2017, the major programs are Performance Based Contract Administrator Program (CFDA 14.327), Continuum of Care Program (CFDA 14.267) and Public Housing Capital Fund Program (CFDA 14.872).

Financial Highlights

During the year ended December 31, 2017:

- Total assets increased by $20,392,226, or 10.4 percent. The increase is largely due to an increase in notes receivable on Central Office related to previous and current construction projects, and the sale of Sawyer Manor and Trevitt Heights through take back financing. Cash increased from the prior year by $15.5 million. The majority of the increase is associated with proceed from sale of Bollinger Tower.

- Total liabilities decreased by $5,133,431, or 12.5 percent. The increase is largely due to recognizing unearned revenue for January 2017 Housing Assistance Payments. The January Housing Assistance Payments were received at the end of 2016.

- Total revenue increased by $14,122,520 due primarily to an increase in the number of contracts being administrated by the Authority's wholly owned subsidiary, Assisted Housing Services Corporation (AHSC), and Section 8 Housing Assistance Subsidy.

- Total expenses increased by $25,315,328 due primarily to an increase in Section 8 Housing Assistance payments and an overall increase in administrative expenses.

Condensed Comparative Financial Statements

The statement of net position for the year ended December 31, 2017, compared to the prior year, is as follows:

	2017	2016
Assets and Deferred Outflows		
Current and other assets	$ 132,657,190	$ 96,237,505
Capital assets - Net of depreciation	81,269,162	97,296,621
Total assets	213,926,352	193,534,126
Deferred outflows of resources	4,143,265	3,962,439
Total Assets and Deferred Outflows	**$ 218,069,617**	**$ 197,496,565**
Liabilities		
Current liabilities	$ 7,379,172	$ 13,317,304
Long-term liabilities	28,476,766	27,672,065
Total liabilities	35,855,938	40,989,369
Deferred Inflows of Resources	1,430,857	598,673
Net Position		
Net investment in capital assets	61,389,922	80,469,495
Restricted	21,379,683	5,806,686
Unrestricted	98,013,217	69,632,342
Total net position	180,782,822	155,908,523
Total Liabilities, Deferrred Inflows, and Net Position	**$ 218,069,617**	**$ 197,496,565**

For more detailed information, see the statement of net position.

Statement of Activities

The statement of activities presents the operating results of the Authority. Condensed information from the statement of activities for the year ended December 31, 2017, compared to the prior year, is as follows:

	2017	2016
Operating Revenue		
Revenue - Tenants	$ 6,364,630	$ 5,754,703
Subsidy for housing assistance payments	700,840,029	685,399,025
HUD operating grants	17,809,120	23,845,115
Performance based contract administration fee revenue	19,124,382	18,454,281
Other income	8,663,797	5,226,314
Total operating revenue	752,801,958	738,679,438
Operating Expenses		
Administrative and tenant services	34,363,553	30,867,530
Utilities	1,653,644	1,855,636
Maintenance and operations	4,164,125	3,786,077
Protective services	427,977	392,772
Insurance and general	3,369,080	1,779,202
Housing assistance payments	703,296,898	683,010,870
Interest expense	727,495	339,612
Depreciation	5,697,873	6,353,618
Total operating expenses	753,700,645	728,385,317
Operating (loss) Income	**$ (898,687)**	**$ 10,294,121**
Nonoperating Revenue (Expenses)		
Gain (loss) on sale of assets	17,914,665	(402,035)
Interest income	553,430	252,660
Income (Loss)	**$ 17,569,408**	**$ 10,144,746**
Contributions - capital grants	7,304,891	3,220,013
Change in Net Position	**$ 24,874,299**	**$ 13,364,759**

Major Factors Affecting the Statement of Activities

Operating Income decreased due primarily to the shortfall of housing assistance payment for approximately $5 million. Subsidy and related expenses for Housing Assistance Payments increased due to the growth of the AHSC in Ohio and Washington, D.C. and the increased number funded Section 8 Housing Choice Vouchers.

Capital Assets

As of December 31, 2017, the Authority had $81.2 million in capital assets as reflected in the schedule below:

	2017	2016	Change In Capital Assets
Land	$ 9,700,015	$ 9,116,160	$ 583,855
Construction in progress	2,328,478	5,430,399	(3,101,921)
Total nondepreciable capital assets	12,028,493	14,546,559	(2,518,066)
Buildings	160,036,588	220,745,558	(60,708,970)
Furniture and fixtures	6,039,436	6,062,141	(22,705)
Total depreciable assets	166,076,024	226,807,699	(60,731,675)
Accumulated depreciation	(96,835,355)	(144,057,637)	47,222,282
Net capital assets being depreciated	69,240,669	82,750,062	(13,509,393)
Total capital assets	**$ 81,269,162**	**$ 97,296,621**	**$ (16,027,459)**

Debt

As of December 31, 2017, the Authority had $19.9 million in outstanding debt compared to $17.3 million in the prior year. The debt increase is primarily related to the increase in borrowed funds to provide bridge financing for the development of Poindexter 2A, LLC.

Economic Factors

Significant economic factors affecting the Authority in 2017 are as follows:

- Federal funding is at the discretion of the U.S. Department of HUD and was insufficient to cover operating costs and capital improvements for low-rent housing units in 2017. Funding levels are expected to decrease further in 2018.

- Our investment returns continue to underperform due to the low-interest-rate environment. We have diversified our holdings to maximize our return.

- Conversely, the low-interest-rate environment provides opportunities for pursuing the Authority's strategy of acquisition and mixed-income community development.

Statement of Net Position

December 31, 2017

	Primary Government (CMHA)	Discretely Presented Component Units
Assets		
Current assets:		
Cash and cash equivalents - Unrestricted (Note 3)	$ 22,550,101	$ 2,442,914
Receivables:		
HUD receivables	5,067,051	-
Due from discretely presented component units (Note 4)	688,708	-
Tenant and other receivables	3,669,720	57,963
Prepaid expenses and other current assets	301,988	337,700
Notes receivable (Note 4)	51,194	-
Cash and cash equivalents - Restricted (Note 3)	21,360,534	20,151,546
Tenant security deposits - Restricted (Note 3)	384,067	251,246
Total current assets	54,073,363	23,241,369
Noncurrent assets:		
Equity interest in joint ventures (Note 6)	35,319,426	-
Capital assets: (Note 5)		
Assets not subject to depreciation	12,028,493	5,718,203
Assets subject to depreciation - Net	69,240,669	65,012,263
Other noncurrent assets	574,176	655,469
Notes receivable - Net of allowance (Note 4)	42,690,225	-
Total noncurrent assets	159,852,989	71,385,935
Total assets	213,926,352	94,627,304
Deferred Outflows of Resources - Pensions (Note 10)	4,143,265	-
Liabilities		
Current liabilities:		
Accounts payable	3,873,492	2,299,891
Security deposits liability	364,918	196,192
Unearned revenue	556,742	12,827
Accrued compensated absences	165,393	-
Notes payable (Notes 8 and 9)	2,418,627	4,469,877
Total current liabilities	7,379,172	6,978,787
Noncurrent liabilities:		
Accrued compensated absences	80,626	-
Net pension liability (Note 10)	10,726,284	-
Notes payable - Net of current portion (Notes 8 and 9)	17,460,613	42,165,530
Other noncurrent liabilities	209,243	2,426,102
Total noncurrent liabilities	28,476,766	44,591,632
Total liabilities	35,855,938	51,570,419
Deferred Inflows of Resources - Pensions (Note 10)	1,430,857	-
Net Position		
Net investment in capital assets	61,389,922	24,095,059
Restricted for required reserves	21,379,683	20,215,695
Unrestricted	98,013,217	(1,253,869)
Total net position	**$ 180,782,822**	**$ 43,056,885**

See notes to financial statements.

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended December 31, 2017

	Primary Government (CMHA)	Discretely Presented Component Units
Operating Revenue		
Revenue - Tenants	$ 6,364,630	$ 3,962,385
Subsidy for housing assistance payments	700,840,029	-
HUD operating grants	17,809,120	-
Performance-based contract administration fee revenue	19,124,382	-
Other income	8,663,797	856,148
Total operating revenue	752,801,958	4,818,533
Operating Expenses		
Housing assistance payments	703,296,898	-
Administration	33,926,038	1,241,734
Tenant services	437,515	-
Utilities	1,653,644	612,986
Maintenance and operations	4,164,125	973,723
Protective services	427,977	-
Insurance expense	613,171	150,394
General expense	2,755,909	10,812
Interest expense	727,495	655,230
Depreciation (Note 5)	5,697,873	2,330,734
Total operating expenses	753,700,645	5,975,613
Operating Loss	(898,687)	(1,157,080)
Nonoperating Revenue (Expense)		
Gain (loss) on sale of assets (Note 5)	17,914,665	(2,021)
Interest income	553,430	104,773
Amortization	-	(44,305)
Total nonoperating revenue	18,468,095	58,447
Income (Loss)	17,569,408	(1,098,633)
Contributions:		
Capital grants	7,304,891	-
Member contributions	-	4,397,700
Total contributions	7,304,891	4,397,700
Change in Net Position	24,874,299	3,299,067
Net Position - Beginning of year	155,908,523	39,757,818
Net Position - End of year	**$ 180,782,822**	**$ 43,056,885**

Statement of Cash Flows

Year Ended December 31, 2017

	Primary Government (CMHA)
Cash Flows from Operating Activities	
Cash from tenants	$ 6,001,799
HUD subsidies and grants	696,720,962
Other receipts	47,124,354
Cash payments for tenant and protective services	(865,492)
Cash payments for administrative expenses	(33,827,839)
Cash payments for other operating expenses	(10,102,747)
Housing assistance payments	(703,296,898)
Net cash and cash equivalents provided by operating activities	1,754,139
Cash Flows from Noncapital Financing Activities	
Interest income	553,430
Advances to affiliate	(23,723,217)
Payment on notes receivables	1,440,152
Net cash and cash equivalents used in noncapital financing activities	(21,729,635)
Cash Flows from Capital and Related Financing Activities	
HUD capital grants	7,304,891
Proceeds from the sale of capital assets	31,885,673
Property and equipment additions	(3,641,422)
Payments on debt	(293,455)
Proceeds from debt	2,813,168
Capital contributions made to investments in joint ventures	(2,530,634)
Net cash and cash equivalents provided by capital and related financing activities	35,538,221
Net Increase in Cash and Cash Equivalents	15,562,725
Cash and Cash Equivalents - Beginning of year	28,731,977
Cash and Cash Equivalents - End of year	**$ 44,294,702**
Classification of Cash and Cash Equivalents	
Cash and cash equivalents	$ 22,550,101
Restricted cash	21,360,534
Restricted cash - Security deposits	384,067
Total cash and cash equivalents	**$ 44,294,702**

See notes to financial statements.

Year Ended December 31, 2017

	Primary Government (CMHA)
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	$ (898,687)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	5,697,873
Changes in assets and liabilities:	
HUD receivables	2,980,918
Due from discretely component units	1,527,055
Accounts receivable tenants and other	(362,831)
Prepaid and other assets	(188,403)
Accounts payable	(910,075)
Unearned revenue	(7,099,985)
Net pension liability and deferrals related to pension	1,051,350
Accrued compensation and other	9,846
Security deposit liability	(52,922)
Total adjustments	2,652,826
Net cash and cash equivalents provided by operating activities	**$ 1,754,139**

Combining Statement of Net Position for Discretely Presented Component Units

December 31, 2017

	Jenkins Terrace, LLC	Worley Terrace, LLC	Elim Manor Elderly Housing, LLC	Franklin Station, LLC	Poindexter Place, LLC	Sawyer Manor and Trevitt Heights, LLC	Total
Assets							
Cash and investments	$ 111,489	$ 80,494	$ 68,265	$ 124,292	$ 365,903	$ 1,692,471	$ 2,442,914
Receivables - Tenant and other	5,984	3,878	2,750	2,326	4,153	38,872	57,963
Prepaid expenses and other assets	33,693	15,417	11,484	134,564	74,757	67,785	337,700
Cash and cash equivalents - Restricted (Note 3)	502,906	465,820	2,807,804	733,755	337,513	15,303,748	20,151,546
Tenant security deposits - Restricted	25,061	24,982	15,966	73,843	53,300	58,094	251,246
Capital assets:							
Assets not subject to depreciation	-	-	-	750,000	-	4,968,203	5,718,203
Assets subject to depreciation - Net	8,810,522	9,051,350	4,424,733	14,470,122	15,166,832	13,088,704	65,012,263
Other noncurrent assets	26,160	65,952	258,929	94,908	134,853	74,667	655,469
Total assets	9,515,815	9,707,893	7,589,931	16,383,810	16,137,311	35,292,544	94,627,304
Liabilities							
Accounts payable	46,629	56,992	51,518	50,947	656,771	1,437,034	2,299,891
Security deposits liability	23,664	23,193	15,249	67,900	26,816	39,370	196,192
Unearned revenue	-	-	1,649	-	6,322	4,856	12,827
Noncurrent liabilities:							
Due within one year (Note 9)	-	-	54,521	2,323,266	2,092,090	-	4,469,877
Due in more than one year:							
Notes payable - Net of current portion (Note 9)	-	-	4,753,819	2,813,282	1,882,586	32,715,843	42,165,530
Other noncurrent liabilities	-	-	404,245	873,101	866,754	282,002	2,426,102
Total liabilities	70,293	80,185	5,281,001	6,128,496	5,531,339	34,479,105	51,570,419
Net Position							
Net investment in capital assets	8,810,522	9,051,350	(383,607)	10,083,574	11,192,156	(14,658,936)	24,095,059
Restricted	504,303	467,609	2,817,616	739,698	363,997	15,322,472	20,215,695
Unrestricted	130,697	108,749	(125,079)	(567,958)	(950,181)	149,903	(1,253,869)
Total net position	**$ 9,445,522**	**$ 9,627,708**	**$ 2,308,930**	**$ 10,255,314**	**$ 10,605,972**	**$ 813,439**	**$ 43,056,885**

See notes to financial statements.

Combining Statement of Activities for Discretely Presented Component Units

Year Ended December 31, 2017

	Jenkins Terrace, LLC	Worley Terrace, LLC	Elim Manor Elderly Housing, LLC	Franklin Station, LLC	Poindexter Place, LLC	Sawyer Manor and Trevitt Heights, LLC	Total
Operating Revenue							
Revenue - Tenants	$ 546,960	$ 495,407	$ 451,244	$ 886,773	$ 761,742	$ 820,259	$ 3,962,385
Other income	88,478	592,209	16,933	10,387	118,622	29,519	856,148
Total operating revenue	635,438	1,087,616	468,177	897,160	880,364	849,778	4,818,533
Operating Expenses							
Administration	154,732	222,966	175,503	220,550	274,455	193,528	1,241,734
Utilities	74,979	87,636	30,813	143,557	129,961	146,040	612,986
Maintenance and operations	164,493	209,482	79,994	162,685	195,891	161,178	973,723
Insurance expense	27,778	30,802	32,785	49,036	9,993	-	150,394
General expense	1,043	-	1,628	-	7,179	962	10,812
Interest expense	-	-	168,464	207,136	76,004	203,626	655,230
Depreciation	330,632	355,100	244,028	460,171	683,762	257,041	2,330,734
Total operating expenses	753,657	905,986	733,215	1,243,135	1,377,245	962,375	5,975,613
Operating (Loss) Income	(118,219)	181,630	(265,038)	(345,975)	(496,881)	(112,597)	(1,157,080)
Nonoperating (Expense) Revenue							
Gain (loss) on sale of assets	-	-	(2,021)	-	-	-	(2,021)
Interest income	4,585	5,201	82,344	1,810	156	10,677	104,773
Amortization	(5,231)	(6,000)	(9,114)	(8,254)	(10,373)	(5,333)	(44,305)
Total nonoperating (expense) revenue	(646)	(799)	71,209	(6,444)	(10,217)	5,344	58,447
(Loss) Income	(118,865)	180,831	(193,829)	(352,419)	(507,098)	(107,253)	(1,098,633)
Member Contributions	-	-	-	2,149,726	1,327,282	920,692	4,397,700
Change in Net Position	(118,865)	180,831	(193,829)	1,797,307	820,184	813,439	3,299,067
Net Position - Beginning of year	9,564,387	9,446,877	2,502,759	8,458,007	9,785,788	-	39,757,818
Net Position - End of year	**$ 9,445,522**	**$ 9,627,708**	**$ 2,308,930**	**$ 10,255,314**	**$ 10,605,972**	**$ 813,439**	**$ 43,056,885**

See notes to financial statements.

Note 1 - Nature of Business

Organization and Reporting Entity

Columbus Metropolitan Housing Authority (the "Authority") is organized under the laws of the State of Ohio for the purpose of acquiring, developing, leasing, operating, and administering low-rent housing programs and other housing related programs. The Authority owns and provides subsidy and operating support for housing units located throughout Franklin County, Ohio. The Authority's assets, liabilities, net position, and changes in net position are included in its primary government fund and include all asset management programs (AMPs), Central Office Cost Center (COCC), business activities, and programs of the Authority.

The U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction, and/or leasing of housing units to make housing assistance payments and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program. Through multiple annual contributions contracts (ACC), HUD has conveyed certain federally built housing units to the Authority for low-rent operations, making the Authority responsible for the administration of Section 8 and low-income federal programs.

The Authority also has the authority to engage in other business activities, not necessarily related to, but supportive of the low-income housing mission. These activities cover a full range of housing and commercial development activities, as well as contracted services to certain housing authorities on behalf of HUD. These services are primarily the payment processing and administrative services of an assisted housing program.

The nucleus of the financial reporting entity as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, is the primary government. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluation of how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the appointment of a voting majority plus the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. In accordance with GASB Statement Nos. 14, 39, 61, and 80 (which define a primary government and those organizations that should be reported as component units), the Authority has included Jenkins Terrace, LLC; Worley Terrace, LLC; Elim Manor Elderly Housing, LLC; Franklin Station, LLC; Poindexter Place, LLC; and Sawyer Manor and Trevitt Heights, LLC as discretely presented component units and Gender Road Limited Partnership; Homes at Second Avenue, LLC; and Four Pointe MHA, LLC as blended component units in the accompanying financial statements. In addition, the Authority has certain special limited partnerships which do not meet the definition of a blended or discrete component unit and which are disclosed in the following sections.

Blended Component Units

Some component units, despite being legally separate, are so integrated with the primary government that they are, in substance, part of the primary government. The Authority includes the following component units, which are controlled by the Authority and for which the Authority is financially accountable:

Gender Road Limited Partnership

Gender Road Limited Partnership was formed on May 23, 1997 for the purpose of acquiring, constructing, owning, and operating an apartment complex for low- and moderate-income residents of Columbus, Ohio. The Authority is the sole partner of Gender Road Limited Partnership and is responsible for the operations of Gender Road Limited Partnership. As such, the Authority has the ability to impose its will on Gender Road Limited Partnership.

Note 1 - Nature of Business (Continued)

Homes at Second Avenue, LLC

In May 2001, the Authority established Homes at Second Avenue, LLC (New Village Homes), a limited liability company under the laws of the State of Ohio, for the purpose of acquiring, developing, leasing, operating, and administering 100 units of multifamily rental housing. The Authority is the sole member of the board of New Village Homes and is responsible for the operations of New Village Homes. As such, the Authority has the ability to impose its will on New Village Homes.

Four Pointe MHA, LLC

In May 2016, the Authority established Four Pointe MHA, LLC (Four Pointe), a limited liability company under the laws of the State of Ohio, for the purpose of leasing and operating 204 units of multifamily rental housing. The Authority is the sole member of the board of Four Pointe and is responsible for the operations of Four Pointe. As such, the Authority has the ability to impose its will on Four Pointe.

Discretely Presented Component Units

The following component units meet the criteria for discrete component unit presentation and are presented separately from the primary government in the basic financial statements to clearly distinguish the component unit balances and transactions from the primary government. These entities follow all applicable FASB standards, and financial statements are prepared on the accrual basis of accounting in accordance with GAAP. Since they do not follow governmental accounting for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

Jenkins Terrace, LLC

Jenkins Terrace, LLC was formed on January 27, 2004 for the purpose of acquiring, developing, leasing, operating, and administering an apartment complex of 100 single-bedroom, elderly, public housing units in Columbus, Ohio.

Worley Terrace, LLC

Worley Terrace, LLC was formed on February 22, 2006 for the purpose of acquiring, developing, leasing, operating, and administering an apartment complex of 100 single-bedroom, elderly, public housing units in Columbus, Ohio.

Elim Manor Elderly Housing, LLC

Elim Manor Elderly Housing, LLC was formed on December 10, 2010 for the purpose of constructing, financing, leasing, operating, and administering an apartment complex of 63 qualified low-income units in Columbus, Ohio.

Franklin Station, LLC

Franklin Station, LLC was formed on September 8, 2011 for the purpose of constructing, financing, leasing, operating, and administering an apartment complex of 100 qualified low-income units in Columbus, Ohio.

Poindexter Place, LLC

Poindexter Place, LLC was formed on August 6, 2013 for the purpose of constructing, financing, leasing, operating, and administering an apartment complex of 104 qualified low-income units in Columbus, Ohio.

Note 1 - Nature of Business (Continued)

Sawyer Manor and Trevitt Heights, LLC

Sawyer Manor and Trevitt Heights, LLC was formed on January 7, 2016 for the purpose of constructing, financing, leasing, operating, and administering an apartment complex of 253 qualified low-income units in Columbus, Ohio.

Entities Excluded from this Reporting Entity

Waggoner Road Senior Limited Partnership (Related Party)

In October 2002, the Authority established a wholly owned subsidiary, Waggoner Road, LLC, which is fully consolidated in the accompanying financial statements. Waggoner Road, LLC entered into Waggoner Road Senior Limited Partnership. The general partner is Waggoner Senior Housing, Inc., a wholly owned subsidiary of National Church Residences, which has a 0.01 percent interest in the owner entity. The Authority is the special limited partner and will have a 0.01 percent interest in the owner entity. The limited partner is NHT Fifth Third X Tax Credit Fund LLC, which has a 99.98 percent interest in the owner entity. The Authority and National Church Residences have entered into development agreements to collaborate for co-development of the project. The Authority accounts for Waggoner Road, LLC as an investment recorded within equity interest in joint ventures in the accompanying statement of net position within the primary government.

Avondale Woods Senior Housing Limited Partnership (Related Party)

In June 2011, the Authority entered into the Avondale Woods Senior Housing Limited Partnership. The general partner is National Church Residences of Avondale Woods Senior Housing Inc., a wholly owned subsidiary of National Church Residences, which has a 0.01 percent interest in the owner entity. The Authority is the special limited partner and has a 0.01 percent interest in the owner entity. The limited partner is NHT Avondale, LLC, which has a 99.98 percent interest in the owner entity. National Church Residences is the developer of the project. The Authority accounts for Avondale Woods Senior Housing Inc. as an investment recorded within equity interest in joint ventures in the accompanying statement of net position within the primary government.

Van Buren Village, Inc. (VBVI) (Related Party)

In June 2014, the Authority, on its own behalf and acting through Metropolitan Housing Partners, Inc., an Ohio nonprofit corporation (MHP), established a wholly owned subsidiary, Van Buren Village Inc., an Ohio for-profit corporation (VBVI), for the purpose of leasing, operating, and administering 100 units of multifamily, permanent supportive services for low-income housing tax credits. VBVI is a general partner of Van Buren Village PSH, LP., an Ohio for-profit limited partnership (VBV PSH). The managing general partner of VBV PSH is VOAGO Van Buren Village, Inc., an Ohio corporation that has a 0.08 percent interest in such partnership entity. The Authority, through its affiliate, VBVI, is the project general partner and has a .02 percent interest in such partnership entity. The limited partners of VBV PSH are OEF 5/3 Fund IV LLC and OEF Huntington Fund IV LLC, which collectively hold a 99.98 percent limited partnership interest in such partnership entity. The Authority accounts for VBVI as an investment recorded within equity interest in joint ventures in the accompanying statement of net position within the primary government.

Note 1 - Nature of Business (Continued)

Poindexter IIA, LLC (Related Party)

Poindexter IIA, LLC (PIIA) was formed on December 16, 2014 for the purpose of acquiring, constructing, owning, financing, leasing, and operating the project property as a qualified low-income housing project. MHP Poindexter IIA, Inc., a wholly owned subsidiary of the Authority, is the administrative member with a .0051 percent interest in the owner entity. Poindexter IIA MBS Member, Inc. is the managing member with a .0049 percent interest in the owner entity. Ohio Equity Fund for Housing Limited Partnership XXV is the investor member with a 99.99 percent owner interest. The Authority accounts for PIIA as an investment recorded within equity interest in joint ventures in the accompanying statement of net position within the primary government.

Scholar House I, LLC (Related Party)

Scholar House I, LLC was formed on August 8, 2015 for the purpose of acquiring, constructing, owning, financing, leasing, and operating the project property as a qualified low-income housing project. MHP Scholar House, Inc., a wholly owned subsidiary of the Authority, is the administrative member with a .051 percent interest in the owner entity. Columbus Scholar House, Inc. is the managing member with a .049 percent interest in the owner entity. Ohio Equity Fund for Housing Limited Partnership XXV is the investor member with a 99.9 percent owner interest. The Authority accounts for Scholar House I, LLC as an investment recorded within equity interest in joint ventures in the accompanying statement of net position within the primary government.

Poindexter IIB, LLC (Related Party)

Poindexter IIB, LLC (PIIB) was formed on August 10, 2016 for the purpose of acquiring, constructing, owning, financing, leasing, and operating the project property as a qualified low-income housing project. MHP Poindexter IIB, Inc., a wholly owned subsidiary of the Authority, is the administrative member with a .0051 percent interest in the owner entity. Poindexter IIB MBS Member, Inc. is the managing member with a .0049 percent interest in the owner entity. Ohio Equity Fund for Housing Limited Partnership XXV is the investor member with a 99.99 percent owner interest. The Authority accounts for PIIB as an investment recorded within equity interest in joint ventures in the accompanying statement of net position with in the primary government.

Note 2 - Significant Accounting Policies

Basis of Accounting and Presentation

The basic financial statements of the Authority have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, which provides a comprehensive one-line look at the Authority's financial activities. The Authority reports all of its operations as a single business activity in a single enterprise fund. The enterprise fund is a proprietary fund, which distinguishes operating revenue and expenses from nonoperating items. The operating revenue of the Authority consists primarily of rental charges to tenants, operating grants from HUD, and other operating revenue that offsets operating expenses. Operating expenses include the costs of administration, tenant services, utilities, maintenance, protective services, general operations, depreciation, and housing assistance payments.

As a proprietary fund, revenue is recorded when earned and expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The Authority’s financial activities operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the user of the services.

Note 2 - Significant Accounting Policies (Continued)

The Authority considers all grants from HUD as operating revenue, as HUD is the primary revenue source, with the exception of capital grants, which have been recognized within contributions on the statement of revenue, expenses, and changes in net position. The Authority has the following programs:

Low-rent Public Housing

This program is used to account for the components of the low-rent housing programs subsidized by HUD. The Authority owns and operates apartments and single-family housing units. Funding is provided by tenant rent payments and HUD subsidies.

Capital Grant

Substantially all additions to land, structures, and equipment are accomplished through capital grant programs. Capital grant programs replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through grants. The Authority enters into significant construction contract obligations in relation to this modernization and development activity on an ongoing basis.

Housing Choice Vouchers (Section 8)

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

Other Business Ventures

This program consists of nine programs that provide resources for housing-related activities. Eight of the programs are used to account for wholly owned subsidiaries of the Authority whose goals are to provide a full spectrum of housing to Franklin County, Ohio individuals and families. The remaining program provides resources for housing-related activities that would otherwise cause undue financial hardship to low-rent housing program clients.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an original maturity of three months or less.

Notes Receivable

Notes receivable are stated net of allowance. Collectibility is evaluated annually based on payments received and cash flow of each individual entity. If amounts are deemed to be uncollectible, the Authority establishes an allowance for doubtful accounts.

Tenant Receivable

Tenant accounts receivable are stated at net rent amounts. Tenants in possession of a unit generally do not have outstanding amounts unless court action is underway. Once a tenant is evicted or voluntarily vacates a unit, collection of outstanding balances is difficult and sporadically realized. Therefore, when a tenant vacates a unit, any balance owed to the Authority is set up as uncollectible in the month during which the move-out occurred.

Grants Receivable

The Authority receives grants from federal agencies to be used for specific programs. The excess of reimbursable expenditures over cash receipts is included in grants receivable and any excess of cash receipts over reimbursable expenditures is included in unearned revenue.

Note 2 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at historical cost. Donated capital assets are recorded at the acquisition value on the date donated. The Authority capitalizes all building, site improvements, dwelling and nondwelling equipment, and office equipment that has a cost or fair value on the date of acquisition greater than $5,000 and a useful life greater than one year.

Depreciation is calculated on a straight-line method using the half-year convention over the estimated useful lives as follows:

	Depreciable Life - Years
Buildings	30
Building and site improvements	15
Equipment and vehicles	3-7

When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss recognized in the statement of revenue, expenses, and changes in net position. If an indicator of impairment is identified and the decline in service utility was unexpected and significant, an impairment loss is calculated in consideration of whether the capital asset will continue to be used by the Authority. An impairment loss is generally measured by identifying the historical cost of the service utility of the capital asset that cannot be used due to the impairment event or circumstance. Impaired capital assets that will no longer be used by the Authority are reported at the lower of carrying value or fair value or written off entirely. During the year ended December 31, 2017, no impairments were recorded.

Interest costs incurred during the period in which capital assets are being prepared for their intended use are capitalized. The Authority had no capitalized construction interest for the year ended December 31, 2017.

Construction in Progress

Construction in progress consists of capital projects in progress funded primarily by capital contributions and grant income.

Restricted Cash

The Authority's restricted cash balances consist of tenant security deposits and funded reserves as required by the Authority's debt agreements and funds designated for housing assistance payments and future public housing development.

Pensions

For the purpose 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 system. 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 and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pensions as explained further in Note 10.

Note 2 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes 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 as an inflow until that time. For the Authority, deferred inflows of resources are reported for pensions as explained further in Note 10.

Compensated Absences

The Authority allows employees to accumulate earned sick leave and vacation (annual) pay. Compensated absences are accrued as they are earned by employees, using the vesting method, if the following two conditions are met:

- The employees' rights to receive compensation are attributable to services rendered.
- It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment. The current portion of accrued compensation absences is included in accrued expenses.

Unearned Revenue

Unearned revenue consists primarily of prepaid subsidy and prepaid tenant rent payments recognized at year end. Amounts are recognized in the period during which the associated use of premises occurs.

Net Position

Net position is composed of three categories: (1) net investment in capital assets, (2) restricted for required reserves, and (3) unrestricted. The Authority’s positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for a purpose for which both restricted and unrestricted net assets are available, the Authority’s policy is to first apply restricted resources. Each component of net assets is reported separately on the statement of net position.

- *Net Investment in Capital Assets* - This category consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted for Required Reserves* - This category equals the restricted cash of the Authority and consists of net assets restricted in their use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted* - This category includes all the remaining net assets that do not meet the definition of the other two categories.

Revenue Recognition

The Authority routinely receives funds from HUD and other grantors. Funds are recognized as revenue during the period in which they relate to recognized expenses. Receivables are recorded based upon amounts expensed for a program for which no funds have been received. Tenant rental revenue is recognized during the period of corresponding occupancy. Other receipts are recognized when the related expenses are incurred.

Capital Grants

The Authority records grants received for capital outlay as contributions of capital grants.

Note 2 - Significant Accounting Policies (Continued)

Nonoperating Revenue and Expenses

Nonoperating revenue and expense are derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred, including investment activity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 expenditures during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Authority to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the Ohio Public Employees Retirement System (OPERS) OPEB plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2018.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2020.

Subsequent Events

Events that occur after the date of the statement of net position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of the subsequent events that provide evidence about conditions that existed at the date of the statement of net position are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the date of the statement of net position, require disclosure in the accompanying notes. Management evaluated the activity of the Authority through May 8, 2018, which is the date the financial statements were available to be issued, and concluded that the following subsequent events have occurred that would require disclosure in the notes to the financial statements.

On December 15, 2017, the Authority's board of commissioners approved the purchase of the Scioto Ridge apartment community for $20,200,000 to be financed with debt in the amount of $14,900,000 and the balance to be paid for using Authority cash. This 152-unit apartment community, located in Dublin, Ohio, will add to the Authority's portfolio of mixed-income communities. Projected annual net income is approximately $1,200,000. Closing on the transaction took place on March 8, 2018.

Note 2 - Significant Accounting Policies (Continued)

On December 12, 2017, the Authority executed a letter of intent to purchase the Country Ridge apartment community from National Church Residences. Country Ridge is located at 5656 Farmhouse Lane in Hilliard, Ohio. On April 12, 2018, the Authority executed a purchase agreement with National Church Residences for the purchase of the property. The contract documents, in essence, call for a swap of debt National Church Residences owes to the Authority for the Avondale property in consideration for transfer of the Country Ridge Community to the Authority. Closing is anticipated to occur in fall 2018. After closing, the Authority intends to recapitalize the property with 4 percent low-income housing tax credit funds and perform a “Transfer of Assistance” under the provisions of the HUD Rental Assistance Demonstration Program.

Note 3 - Deposits and Investments

The State of Ohio statutes classify monies held by the Authority into the two following categories:

- *Active Deposits* - These are public deposits necessary to meet current demands for the Authority. Such monies must be maintained either as cash in the Authority’s commercial checking accounts or withdrawal-on-demand accounts, including negotiable order-of-withdrawal accounts, or in money market deposit accounts.

- *Interim Deposits* - These are deposits of interim monies. Interim monies are those that are not needed for immediate use, but that will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit (CDs) 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 and by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. The general depository agreement required by HUD has additional collateral requirements.

Interim deposits are to be deposited or invested in the following securities:

- U.S. Treasury notes, bills, bonds, or other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal or interest by the United States of America

- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association; all federal agency securities shall be direct issuances of the federal government agencies or instrumentalities.

- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily and that the term of the agreement must not exceed 30 days

- Bonds and other obligations of the State of Ohio

- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions

Note 3 - Deposits and Investments (Continued)

- The State of Ohio treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio), and STARPLUS

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Primary Government

The Authority's total cash and cash equivalents held with financial institutions, consisting of both active and interim deposits, was $44,294,702 as of December 31, 2017. Of this balance, $2,572,550 is covered by federal depository insurance, and the remaining $41,722,152 is uncollateralized as defined by GASB (covered by collateral pools held by third-party trustees pursuant to Section 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions, but not in the Authority's name).

At December 31, 2017, the Authority had $22,006,889 held in STAR Ohio. STAR Ohio is a highly liquid investment pool with participation restricted to subdivisions of the State of Ohio. Due to the highly liquid nature of the fund, STAR Ohio resembles a money market fund and, therefore, has been treated as a cash equivalent by the Authority in the financial statements. The Authority's investment in the pool is not subject to custodial credit risk categorization because it is not evidenced by securities that exist in physical or book entry form.

STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*. Investments in STAR Ohio are valued on the basis of the amortized cost valuation technique. For the year ended December 31, 2017, there were no limitations on any participant withdrawals due to redemption notice periods, liquidity feed, or redemption gates.

Discretely Presented Component Units

All of the discretely presented component units' cash is held in bank deposits, checking accounts, savings accounts, and money market accounts. Regardless of the nature of funds on deposit, protection is provided by the Federal Deposit Insurance Corporation and by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The restricted cash balances consist of tenant security deposits and funded reserves as follows:

	Tax/Insurance Escrow	Operating Reserves	Replacement Reserves	Bond Reserves	Total Restricted Cash
Jenkins Terrace, LLC	$ 492,904	$ -	$ 10,002	$ -	$ 502,906
Worley Terrace, LLC	-	459,989	5,831	-	465,820
Elim Manor Elderly Housing, LLC	18,621	295,267	134,026	2,359,890	2,807,804
Franklin Station, LLC	-	622,542	111,213	-	733,755
Poindexter Place, LLC	-	274,151	63,362	-	337,513
Sawyer Manor and Trevitt Heights, LLC	-	-	-	15,303,748	15,303,748
Total	$ 511,525	$ 1,651,949	$ 324,434	$ 17,663,638	$ 20,151,546

Note 4 - Related Party Transactions

The following is a description of transactions between the Authority and related parties:

Related Party Receivables

Included in due from discretely presented component units are expenses paid by the Authority on behalf of the related tax credit operating companies totaling $688,708 at December 31, 2017. Amounts are due on demand and are noninterest bearing.

Notes Receivable

At December 31, 2017, the Authority's related party notes receivable consisted of the following:

	Loan Balance	Less Allowance	Net Loan Balance
Waggoner Senior Housing Note - In October 2002, the Authority entered into a promissory note with Waggoner Senior Housing Limited Partnership for the development of low-income housing in the amount of $261,990. The note agreement has an annual interest rate of 4.9 percent and provides that payments be deferred until cash flows are sufficient to make payments. This note is collateralized by an open-end mortgage granting the Authority a security interest in certain real property of Waggoner Senior Housing Limited Partnership. The entire balance of principal and all unpaid interest shall be due and payable 40 years from the date of the Waggoner note. The Authority received no payments during the year ended December 31, 2017	$ 261,990	$ (261,990)	$ -
Waggoner Construction Loan - In December 2002, the Authority entered into a promissory note with Waggoner Senior Housing Limited Partnership for the development of low-income housing. In 2006, the construction of the 75-unit housing project was completed, and the loan in the amount of $1,753,830 was issued to Waggoner Senior Housing Limited Partnership. The loan has an annual interest rate of 0.5 percent and provides that payments be deferred until cash flows are sufficient to make payments. This loan is collateralized by an open-end mortgage granting the Authority a security interest in certain real property of Waggoner Senior Housing Limited Partnership. The entire balance of principal and all unpaid interest shall be due and payable 40 years from the date of the Waggoner construction loan. The Authority received no payments during the year ended December 31, 2017	1,753,830	(1,753,830)	-
Franklin Station Development Note - In February 2012, the Authority entered into a development agreement with Franklin Station, LLC, which provides that a development fee of $1,990,615 be paid to the Authority for providing certain development services and guarantees for the completion of the development of the project. The agreement has no applicable interest rate and provides that payments be made by available cash flow. The outstanding balance is due in June 2026. The Authority received no payments during the year ended December 31, 2017	873,101	-	873,101
Franklin Station Bridge Loans - In February 2012, the Authority entered into two bridge loans with Franklin Station, LLC, totaling $6,300,000. The first bridge loan is for $3,300,000 and accrues interest at 0.25 percent. The maturity date is contingent upon the investor member of Franklin Station, LLC making required equity contributions. The second bridge loan is for $3,000,000 and accrues interest at 5 percent. The loan requires monthly payments of principal and interest with a balloon payment due in January 2030. Payments totaling $1,076,630 were made on the notes during the year ended December 31, 2017	5,136,548	-	5,136,548

Note 4 - Related Party Transactions (Continued)

	Loan Balance	Less Allowance	Net Loan Balance
Poindexter Place Promissory Note - In 2015, the Authority entered into a promissory note with Poindexter Place, LLC in the amount of $825,570. Interest is assessed at 0.25 percent. The first monthly payment shall be due three months after the end of the first fiscal year that occurs after the project is placed in service and will continue for 30 years from the initial disbursement of funds. Annual repayments shall be due on the anniversary of the first payment and is limited to 75 percent annual cash flow of the project for the preceding calendar year. No payments have yet been received on the loan	$ 825,570	$ -	$ 825,570
Poindexter Place Development Note - In August 2014, the Authority entered into a development agreement with Poindexter Place, LLC, which provides that a development fee of $1,000,000, all of which has been earned by the Authority by the year ended December 31, 2015, be paid to the Authority for providing certain development services and guarantees for the completion of the development of the project. The agreement has no applicable interest rate and provides that payments be made in conjunction with capital contributions as stated in the agreement. Any unpaid portion shall represent the deferred portion of the developer fee. No payments were made on developer fees during the year ended December 31, 2017. The Authority expects to receive payments in conjunction with capital contributions of $243,421 during future years. The remaining balance due represents the deferred portion of $623,333 and is payable in full in December 2027	866,754	-	866,754
Elim Manor Development Note - In May 2014, the Authority entered into a development fee note agreement, which provides that a development fee of $580,492 be paid to the Authority for providing certain development services and guarantees for the completion of the development of the project. There is no interest on the note. The note is payable by available cash flow with any outstanding principal and interest due upon maturity in November 2022. The Authority received payments totaling $137,830 during the year ended December 31, 2017	399,352	-	399,352
Poindexter IIA Promissory Note - In December 2015, the Authority entered into a promissory note with Poindexter IIA, LLC in the amount of $7,184,402. Interest is assessed at 0.25 percent. The note is payable by available cash flow with any outstanding principal and interest due upon maturity in December 2052	7,184,402	-	7,184,402
Poindexter IIA City Funds Promissory Note - In December 2015, the Authority entered into a promissory note with Poindexter IIA, LLC in the amount of $6,000,000. Interest is assessed at 0.25 percent. The note is payable by available cash flow with any outstanding principal and interest due upon maturity in December 2052. The Authority issued additional advances totaling $1,816,102 during the year ended December 31, 2017	3,616,102	-	3,616,102
Poindexter IIB Choice Neighborhoods Initiative Funds - In August 2016, the Authority entered into a loan agreement with Poindexter IIB, LLC to provide funds for operations up to a total amount of $3,596,774, all of which has been drawn on as of December 31, 2017. Interest is assessed at 0.25 percent. The loan is payable by available cash flow with any outstanding principal and interest due upon maturity in July 2063. The Authority issued additional advances totaling $2,196,006 during the year ended December 31, 2017	3,596,774	-	3,596,774

Note 4 - Related Party Transactions (Continued)

	Loan Balance	Less Allowance	Net Loan Balance
Poindexter IIB Replacement Housing Factor Funds - In August 2016, the Authority entered into a loan agreement with Poindexter IIB, LLC to provide funds for operations up to a total amount of $3,400,000, of which $2,293,455 has been drawn on as of December 31, 2017. Interest is assessed at 0.25 percent. The loan is payable by available cash flow with any outstanding principal and interest due upon maturity in July 2063. The Authority issued additional advances totaling $1,761,749 during the year ended December 31, 2017	$ 2,293,455	$ -	$ 2,293,455
Poindexter IIA Affordable Housing Trust Funds - In December 2015, the Authority entered into a loan agreement with Poindexter IIA, LLC, whereby the Authority would provide funds loaned from the Affordable Housing Trust for construction up to a total amount of $4,000,000, of which $1,283,518 has been drawn on as of December 31, 2017. Interest is assessed at 2.50 percent. Outstanding principal and interest are due upon maturity in December 2018	1,283,518	-	1,283,518
Sawyer Manor and Trevitt Heights Replacement Housing Factor Funds - In June 2017, the Authority entered into a loan agreement with Sawyer Manor and Trevitt Heights, LLC to provide funds for operations up to a total amount of $4,667,062, of which $2,045,843 has been drawn on as of December 31, 2017. Interest is assessed at 2.75 percent. The loan is payable by available cash flow with any outstanding principal and interest due upon maturity in June 2067	2,045,843	-	2,045,843
Sawyer Manor and Trevitt Heights Seller Note - In June 2017, the Authority entered into a seller note agreement with Sawyer Manor and Trevitt Heights, LLC in exchange for the real property transferred in conjunction with the RAD conversion in the amount of $13,670,000. Interest is assessed at 2.75 percent. The loan is payable by available cash flow with any outstanding principal and interest due upon maturity in June 2067	13,670,000	-	13,670,000
Elim Manor Surplus Cash - In 2017, the Authority entered into a noninteresting-bearing loan agreement with Elim Manor Elderly Housing, LLC to provide funds for operations up to a total amount of $50,000, all of which has been drawn on as of December 31, 2017. The loan is payable by available cash flow with no scheduled maturity date	50,000	-	50,000
Poindexter IIA Ohio Housing Development Assistance Program Funds - In December 2015, the Authority entered into a loan agreement with Ohio Housing Finance Agency to provide funds for construction up to a total amount of $1,000,000, of which $900,000 has been drawn on as of December 31, 2017. Interest is assessed at 1.00 percent. The loan is payable by available cash flow with any outstanding principal and interest due upon maturity in December 2060	900,000	-	900,000
Total	44,757,239	(2,015,820)	42,741,419
Less current portion	51,194	-	51,194
Long-term portion	$ 44,706,045	$ (2,015,820)	$ 42,690,225

Note 5 - Capital Assets

Primary Government

Capital asset activity of the Authority for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Additions and Transfers In	Reductions and Transfers Out	Balance December 31, 2017
Capital assets not being depreciated:				
Land	$ 9,116,160	$ 1,209,308	$ (625,453)	$ 9,700,015
Construction in progress	5,430,399	847,521	(3,949,442)	2,328,478
Subtotal	14,546,559	2,056,829	(4,574,895)	12,028,493
Capital assets being depreciated:				
Buildings	182,637,916	1,197,184	(58,363,267)	125,471,833
Buildings - Nondwelling	9,089,693	351,874	-	9,441,567
Site improvements	29,017,949	15,922	(3,910,683)	25,123,188
Furniture and fixtures	6,062,141	19,613	(42,318)	6,039,436
Subtotal	226,807,699	1,584,593	(62,316,268)	166,076,024
Accumulated depreciation	144,057,637	5,697,873	(52,920,155)	96,835,355
Net capital assets being depreciated	82,750,062	(4,113,280)	(9,396,113)	69,240,669
Net governmental activities capital assets	$ 97,296,621	$ (2,056,451)	$ (13,971,008)	$ 81,269,162

Depreciation expense for the year ended December 31, 2017 was $5,697,873. During the year ended December 31, 2017, the Authority sold capital assets, resulting in a net gain of $17,914,665 relating primarily to the sales of Bollinger Tower, Sawyer Manor, and Trevitt Heights.

Discretely Presented Component Units

Depreciation is calculated on a straight-line method using the half-year convention over the estimated useful lives of each entity as follows:

	Equipment and Vehicles	Building and Site Improvements	Buildings
Jenkins Terrace, LLC	3-5 years	15 years	40 years
Worley Terrace, LLC	5 years	15 years	40 years
Elim Manor Elderly Housing, LLC	5 years	15 years	27.5 years
Franklin Station, LLC	5 years	15 years	40 years
Poindexter Place, LLC	5 years	15 years	40 years
Sawyer Manor and Trevitt Heights, LLC	5 years	15 years	40 years

Note 5 - Capital Assets (Continued)

Discretely Presented Component Units (Continued)

Presented below are summaries of the Authority's discretely presented component units' capital asset balances and a summary of changes in their respective capital asset balances for the year ended December 31, 2017:

	Jenkins Terrace, LLC	Worley Terrace, LLC	Elim Manor Elderly Housing, LLC	Franklin Station, LLC	Poindexter Place, LLC	Sawyer Manor and Trevitt Heights, LLC	Total
Land	$ -	$ -	$ -	$ 750,000	$ -	$ 1,265,000	$ 2,015,000
Construction in progress	-	-	-	-	-	3,703,203	3,703,203
Buildings	11,699,378	11,533,321	-	15,698,755	15,251,990	13,307,480	67,490,924
Site improvements	458,529	781,543	5,636,536	-	962,066	16,840	7,855,514
Furniture and fixtures	438,867	423,873	191,623	338,511	320,242	21,424	1,734,540
Accumulated depreciation	(3,786,252)	(3,687,387)	(1,403,426)	(1,567,144)	(1,367,466)	(257,040)	(12,068,715)
Total	$ 8,810,522	$ 9,051,350	$ 4,424,733	$ 15,220,122	$ 15,166,832	$ 18,056,907	$ 70,730,466

	Balance January 1, 2017	Additions and Transfers In	Reductions and Transfers Out	Balance December 31, 2017
Capital assets not being depreciated:				
Land	$ 750,000	$ 1,265,000	$ -	$ 2,015,000
Construction in progress	-	3,703,203	-	3,703,203
Subtotal	750,000	4,968,203	-	5,718,203
Capital assets being depreciated:				
Buildings	54,191,610	13,307,480	(8,166)	67,490,924
Site improvements	7,848,524	16,840	(9,850)	7,855,514
Furniture and fixtures	1,695,659	38,881	-	1,734,540
Subtotal	63,735,793	13,363,201	(18,016)	77,080,978
Accumulated depreciation	9,737,981	2,330,734	-	12,068,715
Net capital assets being depreciated	53,997,812	11,032,467	(18,016)	65,012,263
Net capital assets	$ 54,747,812	$ 16,000,670	$ (18,016)	$ 70,730,466

Note 6 - Equity Interest in Joint Ventures

The Authority or subsidiary thereof is a general partner in each of the following operating partnerships, which were formed to acquire, rehabilitate, or construct, own, and operate low-income residential rental housing projects. The investments are recorded under the equity method as joint ventures. Some of these joint ventures are also discretely presented component units of the Authority. The investments in the partnership at December 31, 2017 were as follows:

	Ownership Percentage	Investment Balance December 31, 2017
Jenkins Terrace, LLC*	0.1000%	$ 8,158,811
Worley Terrace, LLC*	0.1000%	8,305,878
Elim Manor Elderly Housing, LLC*	0.0490%	2,283,574
Franklin Station, LLC*	0.0490%	5,880,272
Poindexter Place, LLC*	0.0490%	6,326,046
Sawyer Manor and Trevitt Heights, LLC*	0.1000%	100
Van Buren Village PSH, LP	0.0200%	2,594,741
Avondale Woods Senior Housing, LP	0.0100%	-
Waggoner Road	0.0100%	190,000
Poindexter IIA, LLC	0.0051%	499,804
Poindexter IIB, LLC	0.0051%	1,080,100
Scholar House I, LLC	0.0510%	100
Total		$ 35,319,426

* Denotes discretely presented component unit

Unrelated investor limited partners own the remaining percentage interest in each of the partnerships.

Note 7 - Risk Management

The Authority maintains comprehensive insurance coverage with private carriers for real property, building contents, directors' and officers' liability insurance, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

The Authority is a member of Housing Authority Risk Retention Group (HARRG), which is a comprehensive general liability insurance group operated as a joint venture by its public housing authority members. Through HARRG, the Authority carries $5,000,000 of general liability coverage, with a $25,000 deductible; $1,000,000 of law enforcement liability, with a $10,000 deductible; $1,000,000 of public officials' errors and omissions coverage, with a $50,000 deductible; $100 million of property coverage, with a $25,000 deductible; and $100,000 coverage for mold or other fungus, with a $25,000 deductible. The Authority paid $162,067 in premiums to HARRG for the year ended December 31, 2017.

In addition, the Authority provides medical benefits to most of its employees on a fully insured basis with an independent insurance company. The premium rate is calculated based on claim history and administrative costs. The Authority is part of the statewide plan for workers' compensation insurance coverage.

There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

Note 8 - Long-term Debt - Primary Government

The Authority's long-term debt at December 31, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Four Pointe Perm Loan - On November 16, 2016, the Authority entered into a mortgage loan for $14,680,000 bearing interest at a fixed rate of 3.99 percent and is secured by the mortgaged property. The loan requires monthly payments of principal and interest of $70,000 through November 2026. A balloon payment of approximately $11,726,000 will be due on December 1, 2026. The Authority was in full compliance with related covenants as of December 31, 2017	$ 14,680,000	$ -	$ (250,768)	$ 14,429,232
Whitney Note Payable - On May 16, 2016, the Authority entered into a mortgage loan for $2,500,000 bearing interest at a fixed rate of 4.12 percent and is secured by the mortgaged property. The loan requires monthly payments of principal and interest of $12,109 through May 2026. A balloon payment of approximately $2,006,000 will be due on June 1, 2026. The Authority was in full compliance with related covenants as of December 31, 2017	2,479,527	-	(42,687)	2,436,840
Affordable Housing Trust for Columbus and Franklin County - During December 2015, the Authority entered into a promissory note payable to the Affordable Housing Trust for Columbus and Franklin County in the amount of $4,000,000 to provide bridge financing for the development of Poindexter IIA, LLC. The note bears interest at a rate of 2.5 percent per annum and is secured by a security interest in the City Grant Agreement. All outstanding principal and interest are due at the maturity date of December 31, 2018	200,000	1,913,168	-	2,113,168
Ohio Housing Development Assistance Program Note Payable - During December 2015, the Authority entered into a promissory note payable to the Ohio Housing Development Assistance Program in the amount of $1,000,000 to provide construction financing for Poindexter IIA, LLC (the "Project"). The note bears interest on the principal sum at a rate of 1.0 percent per annum. Annual payments are to be made based on available cash flow of the Project, as defined by the note agreement. All outstanding principal and interest are due at the maturity date of December 31, 2060	-	900,000	-	900,000
Total	17,359,527	2,813,168	(293,455)	19,879,240
Less current portion	293,312	-	-	2,418,627
Long-term portion	$ 17,066,215	$ 2,813,168	$ (293,455)	$ 17,460,613

Note 8 - Long-term Debt - Primary Government (Continued)

Future debt service requirements for the above debt are presented below. Principal and accrued interest payable from available cash flow are shown as payable upon maturity.

Years Ending	Principal	Interest
2018	$ 2,418,627	$ 700,763
2019	318,109	667,199
2020	329,423	655,884
2021	344,924	640,364
2022	359,208	625,800
2023 - 2027	15,208,949	2,356,003
2060	900,000	392,228
Total	$ 19,879,240	$ 6,038,241

Note 9 - Long-term Debt - Discretely Presented Component Units

The amount of outstanding debt of the discretely presented component units as of December 31, 2017 is as follows:

Franklin Station, LLC - The company received two loans from Columbus Metropolitan Housing Authority totaling $6,300,000 during 2012. The first bridge loan was for $3,300,000 and accrues interest at 0.25 percent. The maturity date is contingent on the investor member making required equity contributions. The second bridge loan was for $3,000,000 and accrues interest at 5 percent. The loan requires monthly payments of principal and interest of $16,105 through December 2029. A balloon payment of approximately $2,035,000 will be due in January 2030	$ 5,136,548
Elim Manor Elderly Housing, LLC - The company has a HUD-insured Section 231 mortgage note payable to Red Mortgage Capital, LLC, bearing interest at 3.68 percent. Principal and interest are payable in monthly installments of $9,957 beginning April 1, 2012 through March 1, 2052, the maturity date	2,324,340
Elim Manor Elderly Housing, LLC - The company has a noninterest-bearing loan to Homeport payable from surplus cash. Repayment is subject to available surplus cash and, accordingly, the loans, which consist of advances and a note payable, do not have a scheduled maturity date	114,000
Elim Manor Elderly Housing, LLC - The MultiFamily Housing Revenue Bonds Series 2009 I-3 were issued by the Ohio Housing Finance Agency and are held by Wells Fargo, originally totaling $2,500,000 and bearing interest at 3.01 percent per annum. The principal amount of the bonds outstanding together with accrued interest thereon are due and payable in 2051. The bonds are collateralized by the Project Acquisition Fund	2,320,000
Elim Manor Eldering Housing, LLC - Noninterest-bearing loan to Columbus Metropolitan Housing Authority payable from surplus cash. Repayment is subject to available surplus cash and, accordingly, the loan does not have a scheduled maturity date	50,000
Poindexter Place, LLC - The company has a loan with American Housing Trust totaling $2,000,000 bearing interest at 2.5 percent. Interest-only payments are paid monthly through the maturity date of October 1, 2018. Principal is due in full on the maturity date	2,000,000
Poindexter Place, LLC - The company entered into an equity bridge loan payable to the Ohio Housing Finance Agency (OHFA) originally totaling $1,000,000 and bearing interest at 2 percent per annum. Principal and interest are due and payable in annual installments of $110,264, commencing April 2017 through April 2026. The note is collateralized by the investor member’s assignment to the company of the future capital contribution installments. No payments have yet been made on the loan	899,106

Note 9 - Long-term Debt - Discretely Presented Component Units (Continued)

Poindexter Place, LLC - The company entered into a note payable to the City of Columbus, Ohio (the "City") originally totaling $250,000 and bearing interest at 2 percent per annum, compounding annually. The City was granted HOME funds, and these funds were then loaned to the company under the City's HOME Investment Partnership Program. Commencing in 2016, the company shall make annual payments of principal and interest in an amount equal to 25 percent of the annual cash flow, as defined by the promissory note. The entire unpaid principal balance and all accrued interest are due and payable 30 years after the project completion date. The note is collateralized by the real estate and assignment of rents and security.	$	250,000
Poindexter Place, LLC - The company entered into a promissory note with Columbus Metropolitan Housing Authority in the original amount of $825,570 with an interest rate of 0.25 percent per annum, with a term of 30 years. Commencing in 2016, the company shall make annual payments of principal and interest in the amount of 75 percent of annual cash flow, as defined by the promissory note. The note is collateralized by the real estate and assignment of rents and security		825,570
Sawyer Manor and Trevitt Heights, LLC - The company entered into a note payable with OHFA, originally totaling $2,000,000 and bearing no interest for the first two years after the financing is received and at the rate of 2.5 percent per annum for the remainder of the term. Principal and interest will be due and payable in annual installments of $277,924 commencing April 15, 2020 through April 15, 2027. The note is secured by the investor member's assignment to the company of the investor note receivable for future capital contribution installments		2,000,000
Sawyer Manor and Trevitt Heights, LLC - The MultiFamily Housing Revenue Bonds (Sawyer and Trevitt Project), Series 2017, were issued by the County of Franklin, Ohio and are held by The Huntington National Bank, totaling $15,000,000, and bearing interest at 1.3 percent per annum. During the term of the bonds, interest-only payments are to be made each December 1 and June 1, commencing on December 1, 2017. The principal amount of the bonds outstanding together with accrued interest thereon are due and payable in June 2020. The bonds are collateralized by the real estate and the bond reserves		15,000,000
Sawyer Manor and Trevitt Heights, LLC - The company entered into a note payable with Columbus Metropolitan Housing Authority originally totaling $13,670,000 and bearing interest at 2.75 percent per annum. Principal and interest payments are to commence three months after the end of the first fiscal year that occurs after the project is placed in service. Annual payments shall be due and payable on each anniversary thereafter and shall be made from available cash flow, as defined in the operating agreement. The entire unpaid principal balance and accrued interest are due and payable in June 2067. The note is collateralized by the leasehold interest in the land and improvements		13,670,000
Sawyer Manor and Trevitt Heights, LLC - The company entered into a note payable with Columbus Metropolitan Housing Authority with a maximum lending amount of $4,667,062 and bearing interest at 2.75 percent per annum. Principal and interest payments are to commence three months after the end of the first fiscal year that occurs after the project is placed in service. Annual payments shall be due and payable on each anniversary thereafter and shall be made from available cash flow, as defined in the operating agreement. The entire unpaid principal balance and accrued interest are due and payable in June 2067. The note is collateralized by the leasehold interest in the land and improvements. During 2017, the company received $2,045,843 in proceeds		2,045,843
Total		46,635,407
Less current portion		4,469,877
Long-term portion	$	42,165,530

Note 9 - Long-term Debt - Discretely Presented Component Units (Continued)

Future debt service requirements for the above debt are presented below. Principal and accrued interest payable from available cash flow are shown as payable upon maturity.

Years Ending December 31	Principal	Interest
2018	$ 4,469,877	$ 491,193
2019	203,580	296,775
2020	15,455,580	332,171
2021	469,445	327,640
2022	481,772	315,355
2023 - 2027	2,497,894	1,425,045
2028 - 2032	2,695,667	841,684
2033 - 2037	612,786	537,377
2038 - 2042	737,884	425,323
2043 - 2047	2,101,682	335,515
2048 - 2052	1,029,397	85,190
2067	15,879,843	39,555,542
Total	$ 46,635,407	$ 44,968,810

Note 10 - Pension Plan

Plan Description

The Authority's 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. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., the Authority's employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS' Traditional Pension Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC).

OPERS issues a publicly available 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 Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642; or by calling 800-222-7377.

Note 10 - Pension Plan (Continued)

Benefits Provided

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

Group A Eligible to Retire Prior to January 7, 2013 or Five Years After January 7, 2013	Group B 20 Years of Service Credit Prior to January 7, 2013 or Eligible to Retire 10 Years After January 7, 2013	Group C Members not in Other Groups and Members Hired on or After January 7, 2013
Age and service requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and service requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and service requirements: Age 57 with 25 years of service credit or age 62 with five years of service credit
Formula: 2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	Formula: 2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	Formula: 2.2 percent of FAS multiplied by years of service for the first 35 years and 2.5 percent 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 ORC provides statutory authority for member and employer contributions. For 2017, member contribution rates were 10 percent of salary and employer contribution rates were 14 percent. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 1.0 percent during the year ended December 31, 2017. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions to OPERS totaled $820,126 for the year ended December 31, 2017.

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 have already occurred.

Note 10 - 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 pensions.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) it benefits 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 include 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 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.

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. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans, due to the insignificance of the amounts that related to the Combined Plan. The Authority reported a net pension liability of $10,726,284 as its proportionate share. The Authority proportion was .0472858 percent, a decrease of 0.0123152 percent from the prior year.

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

For the year ended December 31, 2017, the Authority recognized pension expense of $1,871,476.

At December 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Authority contributions subsequent to measurement date	$ 820,126	$ -	$ 820,126
Net difference between projected and actual investment earnings	1,601,917	-	1,601,917
Change in employer proportionate share of net pension liability	718	(1,361,058)	(1,360,340)
Change in assumptions	1,705,951	-	1,705,951
Differences between expected and actual experience	14,553	(69,799)	(55,246)
Total	$ 4,143,265	$ (1,430,857)	$ 2,712,408

Note 10 - Pension Plan (Continued)

The amount of $820,126 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Deferred Outflows	Deferred Inflows	Pension Expense
2018	$ 1,399,061	$ (787,387)	$ 611,674
2019	1,399,061	(590,771)	808,290
2020	569,772	(48,266)	521,506
2021	(46,546)	(1,033)	(47,579)
2022	433	(1,033)	(600)
Thereafter	1,358	(2,367)	(1,009)
Total	$ 3,323,139	$ (1,430,857)	$ 1,892,282

Actuarial Assumptions

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 periods included in the measurement:

	Actuarial Assumptions
Actuarial cost method	Individual entry age
Cost-of-living adjustments	Pre-January 7, 2013 Retirees: 3%; Post-January 7, 2013 Retirees: 3% simple through 2018, then 2.15% simple
Salary increases, including inflation	3.25 % - 10.75 %
Inflation	3.25 %
Investment rate of return	7.50%

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy 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 most recent experience study was completed for the five-year period ended December 31, 2015.

Note 10 - Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

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.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit 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. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. 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 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 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 investment 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
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

Note 10 - Pension Plan (Continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following chart represents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	1 Percent Decrease (6.50%)	Current Discount Rate (7.50%)	1 Percent Increase (8.50%)
Proportionate share of the net pension liability	$ 16,429,417	$ 10,726,284	$ 5,975,883

Assumption Changes

During the current measurement period, the OPERS board adopted certain assumption changes, which impacted its annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent.

Note 11 - Other Postemployment Benefits

OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, for qualifying members of both the Traditional Pension and Combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare coverage.

In order to qualify for postemployment healthcare coverage, age-and-service retirees under the Traditional Pension Plan and the Combined Plan must have 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The healthcare coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Statement No. 45.

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

OPEB for healthcare costs provided by OPERS are as follows:

- The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement healthcare through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement healthcare benefits.
- Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB plan.
- OPERS' Postemployment Healthcare Plan was established under, and is administered in accordance with, Internal Revenue Code (IRC) Section 401(h). Each year, the OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment healthcare. The portion of employer contributions allocated to healthcare for members in the traditional pension and combined plans was 2 percent during calendar year 2016. The OPERS board of trustees is also authorized to establish rules for the retiree or the retiree's 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.

Note 11 - Other Postemployment Benefits (Continued)

- The portion of the Authority's 2017, 2016, and 2015 expense that was used to fund postemployment benefits was $135,062, $150,070, and $155,665, respectively.

Note 12 - Deferred Compensation

The Authority offers its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all regular employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Authority made no contributions to the plan in 2017.

All assets of the plan are held in a trust for the exclusive benefit of the participants and their beneficiaries. Investments are managed by the Ohio Public Employees Deferred Compensation Program. The plan is not included in the Authority's financial statements, as the Authority does not hold these assets in a trustee capacity.

Note 13 - Nonexchange Financial Guarantees

Operating Deficit Guarantees

In relation to the performance of the tax credit companies for which the Authority is a member, the Authority has agreed to provide certain levels of funding in the event operating deficits exceed operating reserves. The maximum amount required to fund the excess operating deficit ranges by company. The guarantees are in place until specific milestones specifically defined in the operating agreements are met. If the Authority is required to fund a deficit under these guarantees, the advances would be structured as a loan to the companies. These loans would be repayable, without interest, in accordance with available cash flow. The Authority has not recognized any additional liability relating to these nonexchange financial guarantees as of December 31, 2017.

Note 14 - Commitments and Contingencies

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2017.

Note 15 - Blended Component Units

A condensed statement of net position for the Authority's blended component units as of December 31, 2017 is presented as follows:

	Gender Road Limited Partnership	Homes at Second Avenue, LLC	Four Pointe MHA, LLC
Assets			
Current assets	$ 617,892	$ 1,917,951	$ 905,080
Noncurrent assets:			
Capital assets - Net	3,873,802	11,842,836	17,247,422
Other noncurrent assets	-	-	218,743
Total noncurrent assets	3,873,802	11,842,836	17,466,165
Total assets	4,491,694	13,760,787	18,371,245
Liabilities			
Current liabilities	422,216	683,741	915,054
Noncurrent liabilities	6,042,554	-	14,168,129
Total liabilities	6,464,770	683,741	15,083,183
Net Position			
Net investment in capital assets	(2,166,280)	11,842,836	3,079,293
Unrestricted	193,204	1,234,210	208,769
Total net position	$ (1,973,076)	$ 13,077,046	$ 3,288,062

A condensed statement of activities for the Authority's blended component units as of December 31, 2017 is presented as follows:

	Gender Road Limited Partnership	Homes at Second Avenue, LLC	Four Pointe MHA, LLC
Operating Revenue	$ 592,313	$ 1,168,201	$ 2,686,763
Operating Expense	1,184,187	1,441,452	3,899,424
Change in Net Position	(591,874)	(273,251)	(1,212,661)
Net Position - Beginning of year	(1,381,202)	13,350,297	4,500,723
Net Position - End of year	$ (1,973,076)	$ 13,077,046	$ 3,288,062

Note 15 - Blended Component Units (Continued)

A condensed statement of cash flows for Authority's blended component units as of December 31, 2017 is presented as follows:

	Gender Road Limited Partnership	Homes at Second Avenue, LLC	Four Pointe MHA, LLC
Cash Flows from Operating Activities	$ (7,669)	$ 1,120,208	$ 324,205
Cash Flows Provided by (Used in) Financing Activities	2,099	(1,111,094)	916,869
Cash Flows Used in Investing Activities	(25,000)	-	(854,176)
Net (Decrease) Increase in Cash	(30,570)	9,114	386,898
Cash and Cash Equivalents - Beginning of year	615,496	1,873,466	485,006
Cash and Cash Equivalents - End of year	$ 584,926	$ 1,882,580	$ 871,904
Reconciliation of Operating Loss to Net Cash from Operating Activities			
Operating loss	$ (591,874)	$ (273,251)	$ (1,212,661)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation and amortization	391,756	750,076	610,951
Changes in assets and liabilities	192,449	643,383	925,915
Total adjustments	584,205	1,393,459	1,536,866
Net cash (used in) provided by operating activities	$ (7,669)	$ 1,120,208	$ 324,205

Required Supplemental Information

Required Supplemental Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System

Last Four Fiscal Years

Ended December 31

	2013	2014	2015	2016
Authority's proportion of the net pension liability - Traditional Plan	0.06429 %	0.06429 %	0.05960 %	0.04729 %
Authority's proportion of the net pension liability - Combined Plan	0.01813 %	0.01813 %	0.02353 %	0.02069 %
Authority's proportionate share of the net pension liability	$ 7,577,523	$ 7,747,594	$ 10,326,292	$ 10,726,284
Authority's covered employee payroll	$ 7,398,100	$ 7,948,700	$ 7,488,142	$ 7,503,592
Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	102.43 %	97.47 %	137.90 %	142.95 %
Plan fiduciary net position as a percentage of total pension liability	86.36 %	86.45 %	81.08 %	77.25 %

Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year end. Information prior to 2013 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

See note to the required financial information schedules.

Required Supplemental Information
Schedule of the Authority's Pension Contributions
Ohio Public Employees Retirement System

Last Five Fiscal Years

Ended December 31

	2013	2014	2015	2016	2017
Contractually required contribution	$ 961,753	$ 953,844	$ 898,577	$ 900,431	$ 820,126
Contributions in relation to the contractually required contribution	961,753	953,844	898,577	900,431	820,126
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Authority's Covered Employee Payroll	$ 7,398,100	$ 7,948,700	$ 7,488,142	$ 7,503,592	$ 6,308,662
Contributions as a Percentage of Covered Employee Payroll	13.00 %	12.00 %	12.00 %	12.00 %	13.00 %

Years listed represent the Authority's calendar year. Information prior to 2013 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled. Information broken down by plan type (Traditional vs. Combined) was not available.

See note to the required financial information schedules.

Benefit Changes

There were no changes of benefit terms in 2017.

Changes in Assumptions

In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0 percent to 7.5 percent, a reduction in the wage inflation rate from 3.75 percent to 3.25 percent, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

Other Supplemental Information

	Description	Project Total 14.850 & 14.872	Section 8 Hsg Choice Vouhcers 14.871	Section 8 Mainstream 14.181	DHAP 97.109	*Other Fed Progam 1* Choice Neighborhood Hope VI 14.892	Continuum of Care Program 14.267	Central Office
111	Cash - Unrestricted	$ 1,951,426	$ 1,073,396	$ 168,066	$ 82,193	$ -	$ 108,614	$ 8,504,077
113	Cash - Other restricted	12,994	-	-	-	-	-	4,563,302
114	Cash - Tenant security deposits	163,073	-	-	-	-	-	-
	Total Cash	2,127,493	1,073,396	168,066	82,193	-	108,614	13,067,379
122	Accounts receivable - HUD other projects	848,240	985,644	-	-	41,214	-	-
125	Account receivable - Miscellaneous - Other	1,828	-	5,723	-	122,142	279,617	9,656,014
126	Accounts receivable - Tenants	144,828	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - Tenants	(44,097)	-	-	-	-	-	-
127	Notes, loans, and mortgages receivable - Current	-	-	-	-	-	-	51,194
129	Accrued interest receivable	-	-	-	-	-	-	357,681
	Total Receivables - Net of allowance for doubtful accounts	950,799	985,644	5,723	-	163,356	279,617	10,064,889
131	Investments - Unrestricted	-	-	-	-	-	-	6,167,908
132	Investments - Restricted	5,866,152	-	-	-	-	-	10,915,199
142	Prepaid expenses and other assets	113,717	6,380	-	-	-	26	94,602
	Total Current Assets	9,058,161	2,065,420	173,789	82,193	163,356	388,257	40,309,977
161	Land	1,037,886	785,041	-	-	-	-	5,150,491
162	Buildings	97,068,343	684,135	-	-	-	-	11,889,249
163	Furniture, equipment, and machinery - Dwellings	496,290	-	-	-	-	-	-
164	Furniture, equipment, and machinery - Administration	-	2,032,091	-	-	-	-	2,799,595
166	Accumulated depreciation	(69,240,281)	(2,104,882)	-	-	-	-	(9,337,947)
167	Construction in progress	2,202,350	-	-	-	-	-	-
	Total Capital Assets - Net of accumulated depreciation	31,564,588	1,396,385	-	-	-	-	10,501,388
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	63,947,105
174	Other assets	-	-	-	-	-	-	574,176
176	Equity interest in joint ventures	-	-	-	-	-	-	33,747,579
	Total Noncurrent Assets	31,564,588	1,396,385	-	-	-	-	108,770,248
	Deferred Outflow of Resources	-	1,928,785	-	-	-	59,228	2,155,252
	Total Assets and Deferred Outflow of Resources	**$ 40,622,749**	**$ 5,390,590**	**$ 173,789**	**$ 82,193**	**$ 163,356**	**$ 447,485**	**$ 151,235,477**

	Description	*FSS grant For low rent* housing 14.896	*Other Fed Progam 2* Ross Grant 14.870	Other Business Activities	AHSC 14.327	Eliminations	Total	Discretely Presented Component Units
111	Cash - Unrestricted	$ -	$ -	$ 4,325,448	$ 51,431	$ -	$ 16,264,651	$ 2,442,914
113	Cash - Other restricted	-	-	-	2,887	-	4,579,183	20,151,546
114	Cash - Tenant security deposits	-	-	220,994	-	-	384,067	251,246
	Total Cash	-	-	4,546,442	54,318	-	21,227,901	22,845,706
122	Accounts receivable - HUD other projects		21,800	-	3,170,153	-	5,067,051	-
125	Account receivable - Miscellaneous - Other	-	-	652,457	-	(6,571,932)	4,145,849	-
126	Accounts receivable - Tenants	-	-	7,770	-		152,598	57,963
126.1	Allowance for doubtful accounts - Tenants	-	-	(487,319)	-		(531,416)	-
127	Notes, loans, and mortgages receivable - Current	-	-	-	-		51,194	-
129	Accrued interest receivable	-	-	233,716	-	-	591,397	-
	Total Receivables - Net of allowance for doubtful accounts	-	21,800	406,624	3,170,153	(6,571,932)	9,476,673	57,963
131	Investments - Unrestricted	-	-	117,542	-	-	6,285,450	-
132	Investments - Restricted	-	-	-	-	-	16,781,351	-
142	Prepaid expenses and other assets	-	-	87,263	-	-	301,988	337,700
	Total Current Assets	-	21,800	5,157,871	3,224,471	(6,571,932)	54,073,363	23,241,369
161	Land	-	-	2,726,597	-	-	9,700,015	3,592,632
162	Buildings	-	-	50,394,861	-	-	160,036,588	74,631,546
163	Furniture, equipment, and machinery - Dwellings	-	-	263,953	-	-	760,243	871,800
164	Furniture, equipment, and machinery - Administration	-	-	180,898	266,609	-	5,279,193	-
166	Accumulated depreciation	-	-	(15,885,636)	(266,609)	-	(96,835,355)	(12,068,715)
167	Construction in progress	-	-	126,128	-	-	2,328,478	3,703,203
	Total Capital Assets - Net of accumulated depreciation	-	-	37,806,801	-	-	81,269,162	70,730,466
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	1,541,576	-	(22,798,456)	42,690,225	-
174	Other assets	-	-	-	-	-	574,176	655,469
176	Equity interest in joint ventures	-	-	3,651,847	-	(2,080,000)	35,319,426	-
	Total Noncurrent Assets	-	-	43,000,224	-	(24,878,456)	159,852,989	71,385,935
	Deferred Outflow of Resources	-	-	-	-	-	4,143,265	-
	Total Assets and Deferred Outflow of Resources	**$ -**	**$ 21,800**	**$ 48,158,095**	**$ 3,224,471**	**$ (31,450,388)**	**$ 218,069,617**	**$ 94,627,304**

	Description	Project Total 14.850 & 14.872	Section 8 Hsg Choice Vouhcers 14.871	Section 8 Mainstream 14.181	DHAP 97.109	*Other Fed Progam 1* Choice Neighborhood Hope VI 14.892	Continuum of Care Program 14.267	Central Office
312	Accounts payable <= 90 days	$ 1,389,774	$ 3,088,484	$ -	$ -	$ 138,356	$ 273,954	$ 76,704
321	Accrued wage/payroll taxes payable	-	-	-	-	-	-	149,022
322	Accrued compensated absences - Current portion	-	75,137	-	-	-	1,510	88,746
324	Accrued contingency liability	-	-	-	-	25,000	-	-
325	Accrued interest payable	-	-	-	-	-	-	20,915
331	Accounts payable - HUD PHA Programs - Operating subsidy	-	-	-	-	-	-	-
333	Accounts payable - Other government	-	-	-	-	-	-	-
341	Tenant security deposits	163,690	-	-	-	-	-	-
342	Deferred revenue - Other	5,952	-	-	-	-	-	528,350
343	Current portion of long-term debt - Capital projects/mortgage revenue	25,000	-	-	-	-	-	-
345	Other current liabilities	124,471	5,512	-	-	-	1,148	26,963
346	Accrued liabilities - Other	5,984	546	-	-	-	284,185	18,275
	Total Current Liabilities	1,714,871	3,169,679	-	-	163,356	560,797	908,975
351	Long-term debt - Net of current - Capital projects/mortgage revenue	6,015,082	-	-	-	-	-	2,113,168
353	Noncurrent liabilities - Other	10,271	198,972	-	-	-	-	-
354	Accrued compensated absences - Noncurrent	-	36,628	-	-	-	736	43,262
357	Accrued pension and OPEB liabilities	-	4,993,332	-	-	-	153,333	5,579,619
	Total Noncurrent Liabilities	6,025,353	5,228,932	-	-	-	154,069	7,736,049
	Total Liabilities	7,740,224	8,398,611	-	-	163,356	714,866	8,645,024
	Deferred Inflow of Resources	-	666,097	-	-	-	20,454	744,306
508.4	Net investment in capital assets	25,869,593	1,396,385	-	-	-	-	11,646,375
511.4	Restricted net position	-	-	-	-	-	-	21,117,693
512.4	Unrestricted net position	7,012,932	(5,070,503)	173,789	82,193	-	(287,835)	109,082,079
	Total Equity - Net assets/position	32,882,525	(3,674,118)	173,789	82,193	-	(287,835)	141,846,147
	Total Liabilities, Deferred Inflows of Resources, and Equity - Net	**$ 40,622,749**	**$ 5,390,590**	**$ 173,789**	**$ 82,193**	**$ 163,356**	**$ 447,485**	**$ 151,235,477**

	Description	*FSS grant For low rent* housing 14.896	*Other Fed Progam 2* Ross Grant 14.870	Other Business Activities	AHSC 14.327	Eliminations	Total	Discretely Presented Component Units
312	Accounts payable <= 90 days		$ 21,800	$ 1,258,219	$ 3,128,086	$ (6,274,290)	$ 3,101,087	$ 1,198,828
321	Accrued wage/payroll taxes payable	-	-	2,443	-		151,465	4,124
322	Accrued compensated absences - Current portion	-	-	-	-		165,393	-
324	Accrued contingency liability	-	-	-	-		25,000	873,101
325	Accrued interest payable	-	-	55,376	-		76,291	223,838
331	Accounts payable - HUD PHA Programs - Operating subsidy	-	-	-	-		-	-
333	Accounts payable - Other government	-	-	60,338	-		60,338	-
341	Tenant security deposits	-	-	201,228	-		364,918	196,192
342	Deferred revenue - Other	-	-	22,440	-		556,742	12,827
343	Current portion of long-term debt - Capital projects/mortgage revenue	-	-	2,393,627	-		2,418,627	4,469,877
345	Other current liabilities	-	-	27,000	-		185,094	-
346	Accrued liabilities - Other	-	-	262,868	-	(297,641)	274,217	-
	Total Current Liabilities	-	21,800	4,283,539	3,128,086	(6,571,931)	7,379,172	6,978,787
351	Long-term debt - Net of current - Capital projects/mortgage revenue	-	-	32,594,867	-	(23,262,504)	17,460,613	42,165,530
353	Noncurrent liabilities - Other	-	-	-	-	-	209,243	2,426,102
354	Accrued compensated absences - Noncurrent	-	-	-	-	-	80,626	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	10,726,284	-
	Total Noncurrent Liabilities	-	-	32,594,867	-	(23,262,504)	28,476,766	44,591,632
	Total Liabilities	-	21,800	36,878,406	3,128,086	(29,834,435)	35,855,938	51,570,419
	Deferred Inflow of Resources	-	-	-	-	-	1,430,857	-
508.4	Net investment in capital assets	-	-	22,477,569	-		61,389,922	24,095,059
511.4	Restricted net position	-	-	261,990	-	-	21,379,683	20,215,695
512.4	Unrestricted net position	-	-	(11,459,870)	96,385	(1,615,953)	98,013,217	(1,253,869)
	Total Equity - Net assets/position	-	-	11,279,689	96,385	(1,615,953)	180,782,822	43,056,885
	Total Liabilities, Deferred Inflows of Resources, and Equity - Net	**$ -**	**$ 21,800**	**$ 48,158,095**	**$ 3,224,471**	**$ (31,450,388)**	**$ 218,069,617**	**$ 94,627,304**

	Description	Project Total 14.850 & 14.872	Section 8 Hsg Choice Vouhcers 14.871	Section 8 Mainstream 14.181	DHAP 97.109	*Other Fed Progam 1* Choice Neighborhood Hope VI 14.892	Continuum of Care Program 14.267	Central Office
70300	Net tenant rental revenue	$ 1,379,653	$ -	$ -	$ -	$ -	$ -	$ -
70600	**HUD PHA Operating Grants**	12,138,867	88,049,579	359,728	-	4,164,239	3,505,475	-
70610	Capital grants	1,064,120	-	-	-	-	-	-
70710	Management fee	-		-	-	-		7,655,606
70720	Asset management fee	-	-	-	-	-	-	121,980
70730	Bookkeeping fee	-	-	-	-	-	-	1,275,375
70740	Front line service fee	-	-	-	-	-	-	-
	Total Fee Revenue	-	-	-	-	-	-	9,052,961
71100	Investment income - Unrestricted	61,151	-	-	-	-	-	24,910
71400	Fraud recovery	-	40,090	-	-	-	-	-
71500	Other revenue	319,418	71,385	-	-	-	-	6,416,988
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	7,263,790
72000	Investment income - Restricted	5	-	-	-	-	-	432,815
	Total Revenue	14,963,214	88,161,054	359,728	-	4,164,239	3,505,475	23,191,464
91100	Administrative salaries	361,019	3,127,406	-	-	-	93,601	3,924,952
91200	Auditing fees	33,455	69,817	-	-	-	2,714	62,942
91300	Management fee	301,352	1,800,684	10,620	-	-	77,125	-
91310	Bookkeeping fee	88,240	1,125,427	6,637	-	-	48,202	-
91400	Advertising and marketing	1,260	600	-	-	-	-	5,694
91500	Employee benefit contributions - Administrative	157,684	1,595,038	-	-	-	64,180	1,157,725
91600	Office expenses	470,364	496,620	-	-	721,597	19,326	1,211,248
91700	Legal expense	68,541	2,109	-	-	-	-	407,913
91800	Travel	1,232	33,379	-	-	-	-	259,758
91900	Other	920,479	27,782	-	-	3,054,522	184,086	652,384
	Total Operating - Administrative	2,403,626	8,278,862	17,257	-	3,776,119	489,234	7,682,616
92000	Asset management fee	121,980	-	-	-	-	-	-

	Description	*FSS grant For low rent housing* 14.896	*Other Fed Progam 2* Ross Grant 14.870	Other Business Activities	AHSC 14.327	Eliminations	Total	Discretely Presented Component Units
70300	Net tenant rental revenue	$ -	$ -	$ 4,984,977	$ -	$ -	$ 6,364,630	$ 3,962,385
70600	**HUD PHA Operating Grants**	143,439	23,721	-	635,629,254	-	744,014,302	-
70610	Capital grants	-	-	-	-	-	1,064,120	-
70710	Management fee	-	-	-	-	(7,655,606)	-	-
70720	Asset management fee	-	-	-	-	(121,980)	-	-
70730	Bookkeeping fee	-	-	-	-	(1,275,375)	-	-
70740	Front line service fee	-	-	-	-	-	-	-
	Total Fee Revenue	-	-	-	-	(9,052,961)	-	-
71100	Investment income - Unrestricted	-	-	1,798	-	-	87,859	104,773
71400	Fraud recovery	-	-	-	-	-	40,090	-
71500	Other revenue	-	-	4,081,126	-	(2,265,210)	8,623,707	856,148
71600	Gain or loss on sale of capital assets	-	-	10,650,875	-	-	17,914,665	(2,021)
72000	Investment income - Restricted	-	-	32,751	-	-	465,571	-
	Total Revenue	143,439	23,721	19,751,527	635,629,254	(11,318,171)	778,574,944	4,921,285
91100	Administrative salaries	126,604	-	291,872	-	-	7,925,454	800,844
91200	Auditing fees		-	9,300	-		178,228	71,842
91300	Management fee	-	-	-	5,465,825	(7,655,606)	-	38,930
91310	Bookkeeping fee	-	-	6,869	-	(1,275,375)	-	-
91400	Advertising and marketing	-	-	42,290	-		49,844	4,572
91500	Employee benefit contributions - Administrative	16,835	-	64,299	-		3,055,761	85,024
91600	Office expenses		24,190	76,081	97,241	(185,210)	2,931,457	230,627
91700	Legal expense	-	-	50,139	-		528,702	7,116
91800	Travel	-	-	332	-		294,701	2,779
91900	Other	-	-	561,322	13,561,316		18,961,891	-
	Total Operating - Administrative	143,439	24,190	1,102,504	19,124,382	(9,116,191)	33,926,038	1,241,734
92000	Asset management fee	-	-	-	-	(121,980)	-	-

	Description	Project Total 14.850 & 14.872	Section 8 Hsg Choice Vouhcers 14.871	Section 8 Mainstream 14.181	DHAP 97.109	*Other Fed Progam 1* Choice Neighborhood Hope VI 14.892	Continuum of Care Program 14.267	Central Office
92100	Tenant services - Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -
92200	Relocation costs	-	-	-	-	-	-	-
92300	Employee benefit contributions - Tenant services	-	-	-	-	-	-	-
92400	Tenant services - Other	61,275	-	-	-	-	-	135,065
	Total Tenant Services	61,275	-	-	-	-	-	135,065
93100	Water	912,605	1,308	-	-	-	-	4,394
93200	Electricity	226,330	8,206	-	-	-	-	117,539
93300	Gas	48,348	1,022	-	-	-	-	2,950
	Total Utilities	1,187,283	10,536	-	-	-	-	124,883
94100	Ordinary maintenance and operations - Labor	694,983	-	-	-	-	-	-
94200	Ordinary maintenance and operations - Materials and other	869,854	10,224	-	-	-	-	130,004
94300	Ordinary maintenance and operations contracts - Garbage and trash removal contracts	42,777	-	-	-	-	-	-
94300	Ordinary maintenance and operations contracts - Heating and cooling contracts	68,254	-	-	-	-	-	19,091
94300	Ordinary maintenance and operations contracts - Snow removal contracts	10,112	-	-	-	-	-	769
94300	Ordinary maintenance and operations contracts - Elevator maintenance contracts	-	247	-	-	-	-	12,758
94300	Ordinary maintenance and operations contracts - Landscape and grounds contracts	339,333	-	-	-	-	-	31,464
94300	Ordinary maintenance and operations contracts - Unit turnaround contracts	11,220	-	-	-	-	-	71,970
94300	Ordinary maintenance and operations contracts - Electrical contracts	3,756	-	-	-	-	-	25,493
94300	Ordinary maintenance and operations contracts - Plumbing contracts	900	-	-	-	-	-	9,559
94300	Ordinary maintenance and operations contracts - Extermination contracts	180,367	-	-	-	-	-	25,002
94300	Ordinary maintenance and operations contracts - Janitorial contracts	11,595	-	-	-	-	-	-
94300	Ordinary maintenance and operations contracts - Routine maintenance contracts	12,238	2,243	-	-	-	-	35,795
94300	Ordinary maintenance and operations contracts - Misc. contracts	57,464	32,210	-	-	-	-	143,069
94500	Employee benefit contribution - Ordinary maintenance	256,517	-	-	-	-	-	-
	Total Maintenance	2,559,370	44,924	-	-	-	-	504,974
95100	Protective services - Labor	-	-	-	-	-	-	-
95200	Protective services - Other contract costs	112,974	-	-	-	-	-	270,602
95300	Employee benefit contributions - Protective services	-	-	-	-	-	-	-
	Total Protective Services	112,974	-	-	-	-	-	270,602
96110	Property insurance	266,508	10,728	-	-	-	209	22,098
96120	Liability insurance	5,039	32,116	-	-	-	468	77,517
96130	Workers' compensation	-	-	-	-	-	-	-
96140	All other insurance	-	1,332	-	-	-	52	52,218
	Total Insurance Premiums	271,547	44,176	-	-	-	729	151,833

	Description	*FSS grant For low rent* housing 14.896	*Other Fed Progam 2* Ross Grant 14.870	Other Business Activities	AHSC 14.327	Eliminations	Total	Discretely Presented Component Units
92100	Tenant services - Salaries	$ -	$ -	$ 12,825	$ -	$ -	$ 12,825	$ -
92200	Relocation costs	-	-	215,370	-	-	215,370	-
92300	Employee benefit contributions - Tenant services	-	-	4,257	-	-	4,257	-
92400	Tenant services - Other	-	-	8,723	-	-	205,063	-
	Total Tenant Services	-	-	241,175	-	-	437,515	-
93100	Water	-	-	139,182	-	-	1,057,489	259,898
93200	Electricity	-	-	146,254	-	-	498,329	328,356
93300	Gas	-	-	45,506	-	-	97,826	24,732
	Total Utilities	-	-	330,942	-	-	1,653,644	612,986
94100	Ordinary maintenance and operations - Labor	-	-	329,061	-	-	1,024,044	390,862
94200	Ordinary maintenance and operations - Materials and other	-	-	369,649	-	-	1,379,731	191,299
94300	Ordinary maintenance and operations contracts - Garbage and trash removal contracts	-	-	47,542	-		90,319	49,491
94300	Ordinary maintenance and operations contracts - Heating and cooling contracts	-	-	230	-		87,575	43,384
94300	Ordinary maintenance and operations contracts - Snow removal contracts	-	-	1,180	-		12,061	4,946
94300	Ordinary maintenance and operations contracts - Elevator maintenance contracts	-	-	15,637	-		28,642	26,292
94300	Ordinary maintenance and operations contracts - Landscape and grounds contracts	-	-	76,065	-		446,862	46,473
94300	Ordinary maintenance and operations contracts - Unit turnaround contracts	-	-	43,862	-		127,052	8,921
94300	Ordinary maintenance and operations contracts - Electrical contracts	-	-	-	-		29,249	3,074
94300	Ordinary maintenance and operations contracts - Plumbing contracts	-	-	3,617	-		14,076	7,021
94300	Ordinary maintenance and operations contracts - Extermination contracts	-	-	26,441	-		231,810	26,106
94300	Ordinary maintenance and operations contracts - Janitorial contracts	-	-	52,118	-		63,713	84,276
94300	Ordinary maintenance and operations contracts - Routine maintenance contracts	-	-	18,148	-		68,424	13,466
94300	Ordinary maintenance and operations contracts - Misc. contracts	-	-	14,663	-		247,406	14,020
94500	Employee benefit contribution - Ordinary maintenance	-	-	56,644	-	-	313,161	64,092
	Total Maintenance	-	-	1,054,857	-	-	4,164,125	973,723
95100	Protective services - Labor	-	-	-	-	-	-	-
95200	Protective services - Other contract costs	-	-	44,401	-	-	427,977	-
95300	Employee benefit contributions - Protective services	-	-	-	-	-	-	-
	Total Protective Services	-	-	44,401	-	-	427,977	-
96110	Property insurance	-	-	85,668	-	-	385,211	118,997
96120	Liability insurance	-	-	48,395	-	-	163,535	20,369
96130	Workers' compensation	-	-	-	-	-	-	-
96140	All other insurance	-	-	10,823	-	-	64,425	11,028
	Total Insurance Premiums	-	-	144,886	-	-	613,171	150,394

	Description	Project Total 14.850 & 14.872	Section 8 Hsg Choice Vouhcers 14.871	Section 8 Mainstream 14.181	DHAP 97.109	*Other Fed Progam 1* Choice Neighborhood Hope VI 14.892	Continuum of Care Program 14.267	Central Office
96200	Other general expenses	560,607	62,005	103,234	-	-	-	1,000,000
96210	Payments in lieu of taxes	164	-	-	-	-	-	17,263
96400	Bad debt - Tenant rents	-	-	-	-	-	-	-
96600	Bad debt - Other	-	-	-	-	-	-	659,372
	Total Other General Expenses	560,771	62,005	103,234	-	-	-	1,676,635
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-	-	20,915
96730	Amortization	-	-	-	-	-	-	-
	Interest Expense and Amortization Cost	-	-	-	-	-	-	20,915
	Total Operating Expenses	7,278,826	8,440,503	120,491	-	3,776,119	489,963	10,567,523
	Excess Revenue Over (Under) Operating Expenses	7,684,388	79,720,551	239,237	-	388,120	3,015,512	12,623,941
97300	Housing assistance payments	-	83,247,535	393,086	-	-	3,151,405	-
97400	Depreciation expense	3,088,676	63,731	-	-	-	-	507,213
	Total Expenses	10,367,502	91,751,769	513,577	-	3,776,119	3,641,368	11,074,736
10010	Operating transfer in	981,694	901,639	-	-	-	-	23,483,179
10020	Operating transfer out	(6,816,832)	-	-	-	(3,348,108)	-	(1,581,694)
11040	Equity transfer in	-	-	-	-	-	-	18,400,229
11040	Equity transfer out	(14,579,524)	-	-	-	-	-	-
	Total Other Financing Sources (Uses)	(20,414,662)	901,639	-	-	(3,348,108)	-	40,301,714
	Excess (Deficiency) of Revenue Over (Under) Expenses	(15,818,950)	(2,689,076)	(153,849)	-	(2,959,988)	(135,893)	52,418,442
71500	**Member Contributions**	-	-	-	-	-	-	-
	Change in Net Position	**$ (15,818,950)**	**$ (2,689,076)**	**$ (153,849)**	**$ -**	**$ (2,959,988)**	**$ (135,893)**	**$ 52,418,442**

	Description	*FSS grant For low rent housing* 14.896	*Other Fed Progam 2* Ross Grant 14.870	Other Business Activities	AHSC 14.327	Eliminations	Total	Discretely Presented Component Units
96200	Other general expenses	-	-	-	-	-	1,725,846	-
96210	Payments in lieu of taxes	-	-	332,843	-	-	350,270	-
96400	Bad debt - Tenant rents	-	-	2,335	-	-	2,335	10,812
96600	Bad debt - Other	-	-	18,086	-	-	677,458	-
	Total Other General Expenses	-	-	353,264	-	-	2,755,909	10,812
96710	Interest of mortgage (or bonds) payable	-	-	706,580	-	-	727,495	655,230
96730	Amortization	-	-	-	-	-	-	44,305
	Interest Expense and Amortization Cost	-	-	706,580	-	-	727,495	699,535
	Total Operating Expenses	143,439	24,190	3,978,609	19,124,382	(9,238,171)	44,705,874	3,689,184
	Excess Revenue Over (Under) Operating Expenses	-	(469)	15,772,918	616,504,872	(2,080,000)	733,869,070	1,232,101
97300	Housing assistance payments	-	-	-	616,504,872	-	703,296,898	-
97400	Depreciation expense	-	-	2,038,253	-	-	5,697,873	2,330,734
	Total Expenses	143,439	24,190	6,016,862	635,629,254	(9,238,171)	753,700,645	6,019,918
10010	Operating transfer in	-	-	500,000	-	-	25,866,512	-
10020	Operating transfer out	-	-	(14,119,878)	-	-	(25,866,512)	-
11040	Equity transfer in	-	-	(3,820,705)	-	-	14,579,524	-
11040	Equity transfer out	-	-	-	-	-	(14,579,524)	-
	Total Other Financing Sources (Uses)	-	-	(17,440,583)	-	-	-	-
	Excess (Deficiency) of Revenue Over (Under) Expenses	-	(469)	(3,705,918)	-	(2,080,000)	24,874,299	(1,098,633)
71500	**Member Contributions**	-	-	-	-	-	-	4,397,700
	Change in Net Position	**$ -**	**$ (469)**	**$ (3,705,918)**	**$ -**	**$ (2,080,000)**	**$ 24,874,299**	**$ 3,299,067**

REAC Supplemental Information Requirement

As required by the Department of Housing and Urban Development (HUD) for REAC reporting purposes, the Authority prepares its financial data schedules in accordance with HUD requirements in a prescribed format. The HUD prescribed format differs from the required classification of several balances under accounting principles generally accepted in the United States of America as follows: (1) depreciation expense and housing assistance payments are excluded from operating activities; (2) gain (loss) on sales of capital assets, interest income, and capital grants are included in operating activities; (3) tenant receivable and allowance for doubtful accounts are reflected separately; and (4) the blended component unit activities are presented in the "other business activities" column, which is included in total programs.

Reconciliation from Statement of Revenues, Expenses, and Changes in Net Position to the Financial Data Schedules

For reporting purposes, REAC requires Public Housing Authorities to distinguish capital grant revenue between funds used for hard and soft costs. Hard costs refer to activities associated with the purchase of equipment, modernization work and other capital activity. Hard costs are reported within the Capital Grants line item on the financial data schedules. Soft costs refer to the use of funds to either support a project's operation or other expenses that do not meet the Authority's capitalization threshold policy. Soft costs are reported within the HUD PHA Operating Grants line item on the financial data schedules.

Below is a reconciliation of capital grant revenues reported per the financial data schedules to those reported in the accompanying financial statements:

FDS Line Number	Description	Revenue Reported in "Project Total" Line Item
70600	HUD PHA Operating Grants	$ 6,240,771
70610	Capital Grants	1,064,120
	Total per Statement of Revenues, Expenses, and Changes in Net Position	$ 7,304,891

Columbus Metropolitan Housing Authority

Federal Awards Supplemental Information

December 31, 2017

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*

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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*

Independent Auditor's Report

To Management and the Board of Commissioners
Columbus Metropolitan Housing Authority

We have audited, 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, the financial statements of the business-type activities and the aggregate discretely presented component units of Columbus Metropolitan Housing Authority (the "Authority"), as of and for the year ended December 31, 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 May 8, 2018. Our report includes a reference to other auditors who audited the financial statements of Jenkins Terrace, LLC; Worley Terrace, LLC; Elim Manor Elderly Housing, LLC; Franklin Station, LLC; Poindexter Place, LLC; and Sawyer Manor and Trevitt Heights, LLC, which represent 100 percent of the assets and revenue of the aggregate discretely presented component units as described in our report on Columbus Metropolitan Housing Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Jenkins Terrace, LLC; Worley Terrace, LLC; Franklin Station, LLC; Poindexter Place, LLC; and Sawyer Manor and Trevitt Heights, LLC were not audited in accordance with *Government Auditing Standards.*

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 opinions 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.*

To Management and the Board of Commissioners
Columbus Metropolitan Housing Authority

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.

Plante & Moran, PLLC

May 8, 2018

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

plante moran

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Commissioners
Columbus Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

We have audited Columbus Metropolitan Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Columbus Metropolitan Housing Authority's basic financial statements include the operations of Elim Manor Elderly Housing, LLC, which received $2,672,412 in federal awards that is not included in the schedule during the year ended December 31, 2017. Our audit, described below, did not include the operations of Elim Manor Elderly Housing, LLC because this component unit engaged other auditors to perform an audit in accordance with compliance requirements in the *Consolidated Audit Guide for Audits of HUD Programs.*

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs 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* (the "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 each 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 Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

To the Board of Commissioners
Columbus Metropolitan Housing Authority

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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 a 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.

Plante & Moran, PLLC

May 8, 2018

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2017

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Housing Voucher Cluster - Section 8 Housing Choice Vouchers	14.871	$ -	$ 88,049,579
Performance Based Contract Administrator Program	14.327	-	635,629,254
Public Housing Capital Fund Program	14.872	-	7,304,890
Supportive Housing for Persons with Disabilities	14.181	-	359,728
Continuum of Care Program	14.267	-	3,505,475
Public and Indian Housing	14.850	-	5,898,120
Choice Neighborhoods Planning Grants	14.892	100,000	4,164,239
Family Self-Sufficiency Program	14.896	-	143,439
Resident Opportunity and Supportive Services - Service Coordinators	14.870	-	23,721
Total federal awards		**$ 100,000**	**$ 745,078,445**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2017

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Columbus Metropolitan Housing Authority (the "Authority") under programs of the federal government for the year ended December 31, 2017. The information in the 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* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures 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. Pass-through entity identifying numbers are presented where available.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ None reported

Noncompliance material to financial statements noted? ______ Yes __X__ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ______ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.327	Performance Based Contract Administrator Program
14.267	Continuum of Care Program
14.872	Public Housing Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs: $3,000,000

Auditee qualified as low-risk auditee? __X__ Yes ______ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

Dave Yost • Auditor of State

COLUMBUS METROPOLITAN HOUSING AUTHORITY

FRANKLIN 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
JUNE 21, 2018

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