COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Dave Yost · Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Columbiana Metropolitan Housing Authority, Columbiana County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

February 23, 2017

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COLUMBIANA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2016, on our consideration of the Columbiana Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Columbiana Metropolitan Housing Authority's internal control over financial reporting and compliance.

James G. Zupka, CPA, Inc.

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

December 20, 2016

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

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

FINANCIAL HIGHLIGHTS

- The Authority's total revenues increased only modestly in 2016, by $22,549, making revenues $5,379,511 compared to that of $5,356,962 in 2015.

- The Authority's net position decreased by $508,267 during 2016. Since the Authority engages in only business-type activities, the decrease is all in the category of business-type net position.

- The total expenses of all Authority-wide programs increased by $325,899. Total expenses were $5,800,493 in 2016 compared to $5,474,594 in 2015.

USING THIS ANNUAL REPORT

The following outlines the format of this report:

MD&A
- Management Discussion and Analysis -

Basic Financial Statements
- Authority-wide Financial Statements -
- Fund Financial Statements -
- Notes to the Financial Statements -

Other Required Supplementary Information
- Required Supplementary Information (other than MD&A)

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

Authority-Wide Financial Statements

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

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

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

> Net Investment in Capital Assets: This component of Net Position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position". This account resembles the old operating reserves account.

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

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

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

Financial Statements

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

THE AUTHORITY'S PROGRAMS

Business-Type Programs

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

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

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

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

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

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

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

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

	2016	2015
Assets and Deferred Outflows		
Current and Other Assets	$ 1,558,298	$ 2,394,278
Capital Assets	10,797,465	10,681,423
Deferred Outflows of Resources	373,342	85,348
Total Assets and Deferred Outflows of Resources	$ 12,729,105	$ 13,161,049
Liabilities and Deferred Inflows		
Current Liabilities	$ 410,241	$ 599,285
Noncurrent Liabilities	2,636,215	2,419,094
Deferred Inflows Of Resources	63,766	15,520
Total Liabilities and Deferred Inflows of Resources	3,110,222	3,033,899
Net Position		
Net Investment in Capital Assets	9,270,123	10,071,804
Restricted	-	39,886
Unrestricted	348,760	15,460
Total Net Position	9,618,883	10,127,150
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 12,729,105	$ 13,161,049

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

Major Factors Affecting the Statement of Net Position

Current Assets dropped considerably, by a little more than $839,000 (or 35 percent), primarily as a result of wrapping up its Energy Performance Contracting construction. At the prior year-end there was considerable unspent debt proceeds to be used for this purpose. Current Liabilities also dropped significantly. At the prior year-end with construction related to the Energy Performance Contracting in progress, construction invoices due were unusually high. With the end of the program, invoices for accounts payable have returned to a more normal level.

The comparison also highlights there were spikes in the GASB Statement No. 68 balances. Deferred Outflow of Resources, Non-Current Liabilities, and Deferred Inflow of Resources all reflect considerable increases. GASB Statement No. 68 was the new accounting pronouncement implemented last year that requires Columbiana Metropolitan Housing Authority to report what is estimated to be its share of the unfunded pension liability and related balances of the Ohio Public Employees Retirement System. The concept behind the accounting standard is that in order for the retirement system to eliminate its unfunded liability, participants in the retirement system will have to increase their contributions to it. State law requires employees of Columbiana Metropolitan Housing Authority to participate in the retirement system and for Columbiana Metropolitan Housing Authority to make retirement contributions to the system on behalf of its employees.

Statement of Revenues, Expenses, and Changes in Net Position

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

Table 2 - Statement of Revenue, Expenses, andChanges in Net Position

	2016	2015
Revenues		
Total Tenant Revenues	$ 715,770	$ 727,317
Operating Subsidies	4,343,705	4,389,143
Capital Grants	155,657	200,088
Investment Income	5,224	4,837
Other Revenues	159,155	35,577
Total Revenues	5,379,511	5,356,962
Expenses		
Administrative	1,030,212	952,088
Tenant Services	68,027	13,140
Utilities	413,554	531,667
Maintenance	1,062,527	953,294
Protective Services	82,718	93,123
Insurance and General Expenses	235,423	179,345
Housing Assistance Payaments	2,178,275	2,082,958
Depreciation	729,757	668,979
Total Expenses	5,800,493	5,474,594
Change in Net Position	$ (420,982)	$ (117,632)

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

Overall revenues were virtually unchanged from the prior year.

Expenses increased by almost $326,000 (or 6 percent). Notable increases were to administrative and tenant services expenses primarily for staffing costs, maintenance expenses due to increased contract costs to service aging equipment in Agency rental units, and HAP expense related to actions taken by management to fully utilize funding provided by HUD to make rental assistance payments under its Housing Choice Voucher program to assist as many eligible families as was possible. Those increases were offset to an extent by a more than $118,000 (22 percent) drop in utility costs reflecting the winter season was a bit milder than the prior year and savings being realized by the energy improvements made under the Energy Performance Contracting program completed in the period.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year end, the Authority had $10,797,465 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions, and depreciation) of $116,042 from the end of last fiscal year.

Table 3 - Condensed Statement of Changes in Capital Assets

	2016	2015
Land	$ 1,063,604	$ 1,063,604
Construction in Progress	0	809,831
Buildings and Leasehold Improvements	30,821,518	29,174,031
Equipment	993,478	993,478
Accumulated Depreciation	(22,081,135)	(21,359,521)
Total	$ 10,797,465	$ 10,681,423

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

Table 4 - Changes in Capital Assets

Beginning Balance - June 30, 2015	$ 10,681,423
Current year Additions	863,997
Current Year Disposals	(18,198)
Current year Depreciation Expense	(729,757)
Ending Balance - June 30, 2016	$ 10,797,465

The current year additions were primarily capital improvements to the structures and systems.

Debt Outstanding

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

Table 5 - Condensed Statement of Changes in Debt Outstanding

	2016
Beginning Balance	$ 1,653,285
Current Year Principal Payments	(112,224)
Ending Balance	$ 1,541,061

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

IN CONCLUSION

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

FINANCIAL CONTACT

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

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

ASSETS		
Current Assets		
Cash and Cash Equivalents:	$	1,326,945
Restricted Cash and Cash Equivalents		69,663
Receivables, Net		55,201
Prepaid Expenses and Other Assets		65,194
Inventory		33,494
Total Current Assets		1,550,497
Non-Current Assets		
Non-Depreciable Capital Assets		1,063,604
Depreciable Capital Assets, Net		9,733,861
Net Pension Asset (See Note 7)		7,801
Total Non-Current Assets		10,805,266
DEFERRED OUTFLOWS OF RESOURCES		373,342
TOTAL ASSETS AND DEFRRED OUTFLOWS OF RESOURCES	$	12,729,105
LIABILITIES		
Current Liabilities		
Accounts Payable	$	34,002
Accrued Liabilities		81,811
Tenant Security Deposits		55,944
Intergovernmental Payable		88,678
Unearned Revenue		2,923
Current Portion - Mortgages Payable		146,883
Total Current Liabilities		410,241
Non-Current Liabilities		
Mortgages Payable, Net of Current Portion		1,394,178
Accrued Compensated Absences		100,229
Net Pension Liability (See Note 6)		1,076,344
Other Non-Current Liabilities		65,464
Total Non-Current Liabilities		2,636,215
TOTAL LIABILITIES		3,046,456
DEFERRED INFLOWS OF RESOURCES		63,766
NET POSITION		
Net Investment in Capital Assets		9,270,123
Restricted		-
Unrestricted Net Position		348,760
TOTAL NET POSITION		9,618,883
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	12,729,105

See accompanying notes to the basic financial statements.

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

Operating Revenue	
Tenant Rental Revenue	$ 715,770
Government Operating Grants	4,343,705
Other Revenue	152,900
Total Operating Revenue	5,212,375
Operating Expenses	
Administrative	1,030,212
Tenant Services	68,027
Utilities	413,554
Maintenance	1,062,527
Protective Services	82,718
Insurance and General Expense	184,634
Housing Assistance Payments	2,178,275
Depreciation Expense	729,757
Total Operating Expenses	5,749,704
Operating Income	(537,329)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	5,224
Interest Expense	(50,789)
Gain on Disposition	6,255
Total Non-Operating Revenues (Expenses)	(39,310)
(Loss) Before Capital Contributions and Grants	(576,639)
Capital Grants	155,657
Change In Net Position	(420,982)
Total Net Position - Beginning of Year	10,127,150
Prior Period Adjustment (See Note 10)	(87,285)
Total Net Position - End of Year	$ 9,618,883

See accompanying notes to the basic financial statements.

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

Cash Flows from Operating Activities	
Cash Received- HUD Operating Subsidies and Grants	$ 4,317,588
Cash Received from Tenants and Other Sources	864,646
Cash Payments for Housing Assistance Payments	(2,178,275)
Cash Payments for Administrative Costs	(1,012,599)
Cash Payments for Other Operating Expenses	(2,033,937)
Net Cash Provided (Used) by Operating Activities	(42,577)
Cash Flows from Capital and Related Financing Activities	
Capital Additions	(863,997)
Capital Grants	155,657
Interest Expense	(52,129)
Repayment of Long-Term Debt	(112,224)
Disposition of Capital Assets	24,453
Net Cash Provided (Used) by Capital and Related Financing Activities	(848,240)
Cash Flows from Investing Activities	
Investment Income	5,224
Net Cash Provided (Used) by Investing Activities	5,224
Increase in Cash and Cash Equivalents	(885,593)
Cash and Cash Equivalents - Beginning of Year	2,282,201
Cash and Cash Equivalents - End of Year	$ 1,396,608
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ (537,329)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Depreciation	729,757
(Increase) Decrease in:	
Accounts Receivable	(51,309)
Prepaid Expenses	(3,653)
Inventory	8,772
Other Non-Current Assets	(3,423)
Deferred Outflows of Resources	(287,994)
Increase (Decrease) in:	
Accounts Payable	(250,404)
Intergovernmental	(40,601)
Compensated Absences	17,613
Security Deposits	(3,381)
Other Current Liabilities	(6,231)
Other Non-Current Liabilities	337,360
Deferred Inflow of Resources	48,246
Net Cash Provided (Used) by Operating Activities	$ (42,577)

See accomnpanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Programs (Continued)

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

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

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

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

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

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

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

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

Investments
Investments are restricted by the provisions of the HUD regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2016 totaled $5,224.

Receivables - Net of Allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the fiscal year. No allowance for doubtful accounts was made at June 30, 2016 on tenants accounts receivable of $4,535.

Prepaid Expenses
Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the fiscal year in which the services are consumed.

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

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charges as expenditures when used. No allowance for obsolete inventory was made at June 30, 2016 on inventory of $33,494.

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

Capital Assets

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

Due From/To Other Programs

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

Compensated Absences

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability.

The following is a summary of changes in the compensated absence liability.

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016	Due Within One Year
Compensated Absences	$ 82,616	$ 61,494	$ (43,881)	$ 100,229	$ -

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

Unearned Revenue

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

Net Position

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grant from HUD and other miscellaneous revenue.

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

Capital Grant

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

Income Taxes

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

Budgetary Accounting

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

Estimates

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

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

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

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

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

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

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

At fiscal year end June 30, 2016, the carrying amount of the Authority's deposits totaled $1,396,608 (including $100 petty cash and $13,719 deposits held in trust) and its bank balance was $1,431,225. Based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2016, $569,347 was covered by the Federal Depository Insurance Corporation, and $848,059 was uninsured and collateralized with securities held by the financial institution's agent.

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

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

Investments

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

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

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

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

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

The Authority held no investments at June 30, 2016.

Restricted Cash

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

Unspent Debt Proceeds	$ 13,719
Tenant Security Deposits	55,944
Total Restricted Cash	$ 69,663

NOTE 3: CAPITAL ASSETS

The following is a summary of capital assets:

	Balance July 1, 2015	Reclasses	Additions	Deletions	Balance June 30, 2016
Capital Assets Not Being Depreciated					
Land	$ 1,063,604	$ 0	$ 0	$ -	$ 1,063,604
Construction-in-Progress	809,831	(809,831)	0	0	0
Total Capital Assets Not Being Depreciated	1,873,435	(809,831)	0	-	$ 1,063,604
Capital Assets Being Depreciated					
Buildings and Improvements	25,934,148	809,831	863,997	(26,341)	27,581,635
Furniture, Equipment, and Machinery	993,478	0	0	0	993,478
Leasehold Improvements	3,239,883	0	0	0	3,239,883
Total Capital Assets Being Depreciated	30,167,509	809,831	863,997	(26,341)	31,814,996
Accumulated Depreciation					
Buildings and Improvements	(20,448,943)	0	(682,860)	8,143	(21,123,660)
Furniture, Equipment, and Machinery	(910,578)	0	(46,897)	0	(957,475)
Total Accumulated Depreciation	(21,359,521)	0	(729,757)	8,143	(22,081,135)
Depreciable Assets, Net	8,807,988	809,831	134,240	(18,198)	9,733,861
Total Capital Assets, Net	$ 10,681,423	$ -	$ 134,240	$ (18,198)	$ 10,797,465

NOTE 4: LONG-TERM DEBT

Lease/Purchase Agreement – PNC Equipment Finance

The Authority entered into a second phase energy performance contract (EPC) with Honeywell International Inc., on April 21, 2015 for $1,667,198. This amount included a payoff of $141,252 to Citicorp North America for the initial EPC. The term of the agreement is 112 monthly payments at a fixed interest rate of 3.24 percent. The outstanding balance as of June 30, 2016 is $1,541,061.

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

Year Ended June 30	Principal	Interest	Total
2017	$ 146,883	$ 47,789	$ 194,672
2018	158,628	42,858	201,486
2019	171,002	37,536	208,538
2020	184,032	31,804	215,836
2021	203,683	19,708	223,391
2022-2023	676,833	41,536	718,369
Total	$ 1,541,061	$ 221,231	$ 1,762,292

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

Lease/Purchase Agreement – PNC Equipment Finance (Continued)

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2016:

	Balance June 30, 2015	Additions	Retired	Balance June 30, 2016	Due In One Year
PNC Equipment Finance	$ 1,653,285	$ 0	$ (112,224)	$ 1,541,061	$ 146,883
Accrued Compensated Absences	82,616	61,494	(43,881)	100,229	0
Net Pension Liability	807,371	268,973	0	1,076,344	0
Repayment to HUD for Overpaid Subsidy in Prior Years	0	87,285	0	87,285	21,821
PNC Equipment Finance	$ 2,543,272	$ 417,752	$ (156,105)	$ 2,804,919	$ 168,704

NOTE 5: **RISK MANAGEMENT**

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

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability

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

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

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

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

Net Pension Liability

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

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

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

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

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Authority's contractually required contribution to the Traditional and Combined Plans was $102,749 for FYE 6/30/16.

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

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

	Traditional Plan	Combined Plan	Total
Proportionate Share of the Net Pension Liability / (Asset)	$1,076,344	($7,801)	$1,068,543
Proportion of the Net Pension Liability / (Asset)	0.006214%	0.016030%	
Pension Expense	$151,236	$4,113	$155,349

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

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$316,378	$3,368	$319,746
Authority contributions subsequent to the measurement date	49,838	3,758	53,596
Total Deferred Outflows of Resources	$366,216	$7,126	$373,342
Deferred Inflows of Resources			
Differences between expected and actual experience	$20,797	$3,559	$24,356
Changes in proportion and differences between City contributions and proportionate share of contributions	38,197	1,213	39,410
Total Deferred Inflows of Resources	$58,994	$4,772	$63,766

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

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

$53,596 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30:		
	2017	$51,842
	2018	56,901
	2019	77,859
	2020	71,774
	2021	(594)
	Thereafter	(1,802)
Total		$255,980

Actuarial Assumptions - OPERS

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

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

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

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

Actuarial Assumptions - OPERS

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets 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 2015 and the long-term expected real rates of return:

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

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

Actuarial Assumptions – OPERS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

Authority's proportionate share of the net pension liability	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Plan	$1,714,878	$1,076,344	$537,760
Combined Plan	($160)	($7,801)	($13,946)

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NOTE 7: **POST-EMPLOYMENT BENEFITS**

A. Plan Description

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

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

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

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

B. Funding Policy

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

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

B. Funding Policy (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015 and 2016, State and Local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%. The portion of actual Authority contributions for the year ended June 30, 2016, 2015, and 2014, which were used by OPERS to fund post-employment benefits were $17,125, $17,045, and $13,099, respectively.

NOTE 8: **CONTINGENCIES**

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at June 30, 2016.

NOTE 8: **CONTINGENCIES** (Continued)

Litigations

In the normal course of operations, the Authority may be subject to litigations and claims. At June 30, 2016, the Authority was not aware of any such matters.

NOTE 9: **NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Authority's federal award programs. The Schedule has been prepared on the accrual basis of accounting. The Agency did not elect to makes use of the 10% de minimus indirect cost rate.

NOTE 10: **PRIOR PERIOD ADJUSTMENT**

In the period the Authority entered into a repayment agreement with HUD to repay HUD the amount of $87,285 over a period of no more than 4 years. HUD concluded the Authority had been overpaid subsidy in prior years for its Woodland Hills property (AMP 2) related to changes the Authority made to resident paid utilities at the property in previous periods.

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

Traditional Plan	2016	2015	2014
Authority's Proportion of the Net Pension Liability - Traditional Plan	0.006214%	0.006694%	0.006694%
Authority's Proportionate Share of the Net Pension Liability	$1,076,344	$807,371	$789,135
Authority's Covered-Employee Payroll	$796,200	$803,992	$840,592
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	135.19%	100.42%	93.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Traditional Plan	81.08%	86.45%	86.36%

Combined Plan	2016	2015	2014
Authority's Proportion of the Net Pension (Asset)	0.016030%	0.011370%	0.011370%
Authority's Proportionate Share of the Net Pension (Asset)	($7,801)	($4,378)	($1,193)
Authority's Covered-Employee Payroll	$60,042	$48,275	$39,825
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	-12.99%	-9.07%	-3.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Combined Plan	116.90%	114.83%	104.33%

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

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

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

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

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

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2016

	Project Total	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care	14.879 Mainstream Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	817,854	63,627	108,158		1,792	79,169	256,345	1,326,945		1,326,945
112 Cash - Restricted - Modernization and Development	13,719							13,719		13,719
114 Cash - Tenant Security Deposits	55,944							55,944		55,944
100 Total Cash	887,517	63,627	108,158	-	1,792	79,169	256,345	1,396,608	-	1,396,608
122 Accounts Receivable - HUD Other Projects					29,040			29,040		29,040
125 Accounts Receivable - Miscellaneous							21,626	21,626		21,626
126 Accounts Receivable - Tenants	4,535							4,535		4,535
120 Total Receivables, Net of Allowances for Doubtful Accounts	4,535	-	-	-	29,040	-	21,626	55,201	-	55,201
142 Prepaid Expenses and Other Assets	65,194							65,194		65,194
143 Inventories	15,102						18,392	33,494		33,494
144 Inter Program Due From		9,823					109,825	119,648	-119,648	-
150 Total Current Assets	972,348	73,450	108,158	-	30,832	79,169	406,188	1,670,145	-119,648	1,550,497
161 Land	1,063,604							1,063,604		1,063,604
162 Buildings	27,468,532						113,103	27,581,635		27,581,635
163 Furniture, Equipment & Machinery - Dwellings	304,406							304,406		304,406
164 Furniture, Equipment & Machinery - Administration	566,119	94,653					28,300	689,072		689,072
165 Leasehold Improvements	3,239,883							3,239,883		3,239,883
166 Accumulated Depreciation	-21,910,549	-94,653					-75,933	-22,081,135		-22,081,135
160 Total Capital Assets, Net of Accumulated Depreciation	10,731,995	-	-	-	-	-	65,470	10,797,465	-	10,797,465
171 Notes, Loans and Mortgages Receivable - Non-Current	102,412							102,412	-102,412	-
174 Other Assets	2,917	1,151				210	3,523	7,801		7,801
180 Total Non-Current Assets	10,837,324	1,151	-	-	-	210	68,993	10,907,678	-102,412	10,805,266
200 Deferred Outflow of Resources	139,595	55,064				10,083	168,600	373,342		373,342
290 Total Assets and Deferred Outflow of Resources	11,949,267	129,665	108,158	-	30,832	89,462	643,781	12,951,165	-222,060	12,729,105
312 Accounts Payable <= 90 Days	29,014	216				32	4,740	34,002		34,002
321 Accrued Wage/Payroll Taxes Payable	38,132	4,796				717	38,166	81,811		81,811
331 Accounts Payable - HUD PHA Programs	21,821							21,821		21,821
333 Accounts Payable - Other Government	66,857							66,857		66,857
341 Tenant Security Deposits	55,944							55,944		55,944
342 Unearned Revenue	2,923							2,923		2,923
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	146,883							146,883		146,883
347 Inter Program - Due To		60,000	5,142		30,832	23,674		119,648	-119,648	-
310 Total Current Liabilities	361,574	65,012	5,142	-	30,832	24,423	42,906	529,889	-119,648	410,241
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,394,178							1,394,178		1,394,178
353 Non-current Liabilities - Other	65,464						102,412	167,876	-102,412	65,464
354 Accrued Compensated Absences - Non Current	56,883	10,631				1,588	31,127	100,229		100,229
357 Accrued Pension and OPEB Liabilities	402,464	158,730				29,088	486,062	1,076,344		1,076,344
350 Total Non-Current Liabilities	1,918,989	169,361	-	-	-	30,676	619,601	2,738,627	-102,412	2,636,215
300 Total Liabilities	2,280,563	234,373	5,142	-	30,832	55,099	662,507	3,268,516	-222,060	3,046,456
400 Deferred Inflow of Resources	23,843	9,405				1,722	28,796	63,766		63,766
508.4 Net Investment in Capital Assets	9,204,653						65,470	9,270,123		9,270,123
512.4 Unrestricted Net Position	440,208	-114,113	103,016			32,641	-112,992	348,760		348,760
513 Total Equity - Net Assets / Position	9,644,861	-114,113	103,016	-	-	32,641	-47,522	9,618,883	-	9,618,883
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	11,949,267	129,665	108,158	-	30,832	89,462	643,781	12,951,165	-222,060	12,729,105

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Project Total	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care	14.879 Mainstream Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	701,042							701,042		701,042
70400 Tenant Revenue - Other	14,728							14,728		14,728
70500 Total Tenant Revenue	715,770	-	-	-	-	-	-	715,770	-	715,770
70600 HUD PHA Operating Grants	1,964,914	1,790,906			314,590	273,295		4,343,705		4,343,705
70610 Capital Grants	155,657							155,657		155,657
70710 Management Fee							420,261	420,261	-420,261	-
70720 Asset Management Fee							57,480	57,480	-57,480	-
70730 Book Keeping Fee							42,300	42,300	-42,300	-
70700 Total Fee Revenue	-	-	-	-	-	-	520,041	520,041	-520,041	-
71100 Investment Income - Unrestricted	4,163	56	21			231	697	5,168		5,168
71400 Fraud Recovery		6,899				265		7,164		7,164
71500 Other Revenue	132,799		2,870			697	9,370	145,736		145,736
71600 Gain or Loss on Sale of Capital Assets	46,027							46,027	-39,772	6,255
72000 Investment Income - Restricted	56							56		56
70000 Total Revenue	3,019,386	1,797,861	2,891	-	314,590	274,488	530,108	5,939,324	-559,813	5,379,511
91100 Administrative Salaries	238,724	93,869				14,033	220,989	567,615		567,615
91200 Auditing Fees	6,030	6,734				1,006	1,935	15,705		15,705
91300 Management Fee	351,252	36,000			21,009	12,000		420,261	-420,261	-
91310 Book-keeping Fee	42,300							42,300	-42,300	-
91400 Advertising and Marketing	1,588	861				89	50	2,588		2,588
91500 Employee Benefit contributions - Administrative	165,568	43,233				6,954	93,558	309,313		309,313
91600 Office Expenses	37,655	12,286				2,280	16,765	68,986		68,986
91700 Legal Expense	3,566	412				43	330	4,351		4,351
91800 Travel	1,594	363				47	3,453	5,457		5,457
91900 Other	37,667	215				1,577	16,738	56,197		56,197
91000 Total Operating - Administrative	885,944	193,973	-	-	21,009	38,029	353,818	1,492,773	-462,561	1,030,212
92000 Asset Management Fee	57,480							57,480	-57,480	-
92100 Tenant Services - Salaries	28,916							28,916		28,916
92300 Employee Benefit Contributions - Tenant Services	6,119							6,119		6,119
92400 Tenant Services - Other	31,998		994					32,992		32,992
92500 Total Tenant Services	67,033	-	994	-	-	-	-	68,027	-	68,027
93100 Water	100,122						383	100,505		100,505
93200 Electricity	188,728						4,885	193,613		193,613
93300 Gas	47,093						3,021	50,114		50,114
93600 Sewer	69,065						257	69,322		69,322
93000 Total Utilities	405,008	-	-	-	-	-	8,546	413,554	-	413,554
94100 Ordinary Maintenance and Operations - Labor	312,364							312,364		312,364
94200 Ordinary Maintenance and Operations - Materials and Other	82,551						111,577	194,128		194,128
94300 Ordinary Maintenance and Operations Contracts	261,067	10,506					15,498	287,071		287,071
94500 Employee Benefit Contributions - Ordinary Maintenance	202,673							202,673		202,673
94000 Total Maintenance	858,655	10,506	-	-	-	-	127,075	996,236	-	996,236
95200 Protective Services - Other Contract Costs	82,718							82,718		82,718
95000 Total Protective Services	82,718	-	-	-	-	-	-	82,718	-	82,718
96110 Property Insurance	110,040						5,531	115,571		115,571
96120 Liability Insurance						155		155		155
96140 All Other Insurance		2,604						2,604		2,604
96100 Total insurance Premiums	110,040	2,604	-	-	-	155	5,531	118,330	-	118,330

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Project Total	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.267 Continuum of Care	14.879 Mainstream Vouchers	COCC	Subtotal	ELIM	Total
96200 Other General Expenses	2,581		4,837				39,772	47,190	-39,772	7,418
96210 Compensated Absences	9,378	222				1,588	5,908	17,096		17,096
96300 Payments in Lieu of Taxes	31,076							31,076		31,076
96400 Bad debt - Tenant Rents	10,714							10,714		10,714
96000 Total Other General Expenses	53,749	222	4,837	-	-	1,588	45,680	106,076	-39,772	66,304
96710 Interest of Mortgage (or Bonds) Payable	50,789							50,789		50,789
96700 Total Interest Expense and Amortization Cost	50,789	-	-	-	-	-	-	50,789	-	50,789
96900 Total Operating Expenses	2,571,416	207,305	5,831	-	21,009	39,772	540,650	3,385,983	-559,813	2,826,170
97000 Excess of Operating Revenue over Operating Expenses	447,970	1,590,556	-2,940	-	293,581	234,716	-10,542	2,553,341	-	2,553,341
97100 Extraordinary Maintenance	64,791							64,791		64,791
97200 Casualty Losses - Non-capitalized	1,500							1,500		1,500
97300 Housing Assistance Payments		1,673,526			293,581	211,168		2,178,275		2,178,275
97400 Depreciation Expense	724,097						5,660	729,757		729,757
90000 Total Expenses	3,361,804	1,880,831	5,831	-	314,590	250,940	546,310	6,360,306	-559,813	5,800,493
10010 Operating Transfer In	149,738							149,738	-149,738	-
10020 Operating transfer Out	-149,738							-149,738	149,738	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-342,418	-82,970	-2,940	-	-	23,548	-16,202	-420,982	-	-420,982
11020 Required Annual Debt Principal Payments	112,225							112,225		112,225
11030 Beginning Equity	10,066,446	-31,143	105,956	9,093			-23,202	10,127,150		10,127,150
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-79,167			-9,093		9,093	-8,118	-87,285		-87,285
11170 Administrative Fee Equity		-76,120						-76,120		-76,120
11180 Housing Assistance Payments Equity		-37,993						-37,993		-37,993
11190 Unit Months Available	5,748	5,844			807	900		13,299		13,299
11210 Number of Unit Months Leased	5,640	4,502			807	864		11,813		11,813

COLUMBIANA METROPLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
STATEMENT OF MODERNIZATOIN COSTS – COMPLETED
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

	OH12P026501-12
Fund Approved	$ 578,193
Funds Expended	578,193
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 578,193
Funds Expended	578,193
Excess (Deficiency) of Funds Advanced	$ 0

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

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

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

Federal Grantor/ *Pass-Through Grantor/* Program Title	**Federal CFDA Number**	**Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Public Housing Programs		
Low Rent Public Housing Program	14.850	$ 1,654,671
Capital Fund Program	14.872	465,900
Total Public Housing Programs		2,120,571
Housing Choice Voucher Program Cluster		
Section 8 Housing Choice Voucher Program	14.871	1,790,906
Mainstream Vouchers Program	14.879	273,295
Total Housing Choice Voucher Cluster		2,064,201
Continuum of Care Program	14.267	314,590
Total Direct Programs		4,499,362
Total U.S. Department of Housing and Urban Development		4,499,362
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 4,499,362

This schedule is prepared on the accrual basis of accounting.

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

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

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Columbiana Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

James G. Zupka, CPA, Inc.

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

December 20, 2016

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

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

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Columbiana Metropolitan Housing Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Columbiana Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants
December 20, 2016

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

1. SUMMARY OF AUDITOR'S RESULTS

2015(i)	Type of Financial Statement Opinion	Unmodified
2015(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2015(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2015(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2015(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2015(iv)	Were there any significant deficiencies in internal control reported for major federal programs	No
2015(v)	Type of Major Programs' Compliance Opinion	Unmodified
2015(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2015(vii)	Major Programs (list): Housing Choice Voucher Program Cluster: Section 8 Housing Choice Voucher Program - CFDA #14.871 Mainstream Vouchers - CFDA #14.879	
2015(viii)	Dollar Threshold: Type A\B Programs	Type A: $750,000 Type B: All Others
2015(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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

The prior period 2015 had no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrence in this audit period.

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Dave Yost • Auditor of State

COLUMBIANA COUNTY METROPOLITAN HOUSING AUTHORITY

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 7, 2017

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