CUYAHOGA METROPOLITAN HOUSING AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2017

Dave Yost · Auditor of State

Members of the Board
Cuyahoga Metropolitan Housing Authority
8120 Kinsman Road
Cleveland, Ohio 44104

We have reviewed the *Independent Auditors' Report* of the Cuyahoga Metropolitan Housing Authority, Cuyahoga County, prepared by CliftonLarsonAllen LLP, for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

August 23, 2018

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Cuyahoga Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Western Reserve Revitalization and Management Company, Inc., a blended component unit. The blended component unit represents 12 percent of assets, 16 percent of net position and 3 percent of revenues of the business-type activities of the Authority. We also did not audit the financial statements of Riverside Park Homes, L.P., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Garden Valley Housing Partnership IV, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly Limited Partnership, Fairfax Intergenerational Housing, L.P., and Bohn Tower Redevelopment, L.P., which represent 100% of the assets, partner's capital and revenues of the discretely presented component units. Those statements listed above, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. 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. The audits of the blended component unit and the aggregate discretely presented component units were not performed in accordance with *Government Auditing Standards*.

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2017, and the respective changes in financial position and, where applicable, 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 on pages 1 through 7, the schedule of the Authority's proportionate share of the net pension liability on page 59 and the schedule of the Authority's contributions on page 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules listed as supplementary information in the table of contents 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

Board of Commissioners
Cuyahoga Metropolitan Housing Authority

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 information is 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 June 28, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
June 28, 2018

The Cuyahoga Metropolitan Housing Authority ("CMHA" or the "Authority") owns and manages property and administers rent subsidy programs to provide eligible low-income persons good, safe and affordable housing. CMHA is a political subdivision of the State of Ohio, created under sections 3735.27 to 3735.50 of the Ohio Revised Code and serves the County of Cuyahoga primarily through two federally assisted programs administered by the U.S. Department of Housing and Urban Development ("HUD"): Conventional Low Income Public Housing and Housing Choice Voucher programs.

The following discussion and analysis provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2017, and should be read in conjunction with the Authority's financial statements which begin on page 8. If you have any questions, please contact Tami Marinella, Chief Financial Officer, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2757.

Overview of the Financial Statements

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including Governmental Accounting Standards Board ("GASB") Statement No. 34 (as amended by GASB Statement No. 37). The Authority follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provide a comprehensive authority-wide look at the Authority's financial activities. The statements are:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The financial statements are prepared on the accrual basis of accounting and present all assets and deferred outflows plus liabilities and deferred inflows of the Authority, both financial and capital, and short and long term. They also present all revenues and expenses of the Authority during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Authority's financial condition as of December 31, 2017, and the results of its operations and cash flows for the year then ended.

Management of the Authority continued its efforts to strengthen internal controls and compliance of policies through its Departments of Compliance, Internal Audit and Risk Management. The Authority also has both a Finance Committee and Operations Committee that consist of a member of the Board of Commissioners, the Chief Executive Officer, Chief of Operations, Chief Financial Officer and various other staff members with financial and operational expertise across the Authority's departments. These committees meet monthly and report its activities to the Board of Commissioners.

In addition, the Board of Commissioners has an Audit Committee to assist in fulfilling its oversight responsibilities for the financial reporting process, system of internal control, audit process, and the Authority's process for monitoring compliance with laws and regulations. The Audit Committee consists of up to five outside, independent members with collective knowledge of accounting and reporting principles applied by the Authority in preparing its financial statements. Working directly with the Director of Internal Audit, the Audit Committee meets regularly and reports its activities to the full Board.

2017 Financial Highlights

For the year ended 2017, the audited financial statements are presented with Primary Government and Discretely Presented Component units on separate pages. The financial highlights and related analysis presented in the Management's Discussion and Analysis represents the Primary Government only.

- The Authority's net position decreased by $4.9 million (2.9%) during 2017. Net position was $165.2 million and $170.1 million at December 31, 2017 and 2016, respectively.
- Total operating and non-operating revenues decreased by $2.1 million (1.0%) during 2017, and were $215.8 million and $217.9 million for 2017 and 2016, respectively.
- Total operating and non-operating expenses of all Authority programs decreased by $3.4 million (1.5%). Total expenses were $220.7 million and $224.1 million for 2017 and 2016, respectively.
- The Authority's unrestricted net position decreased by $3.1 million (10.7%) during 2017, and was $25.8 million and $28.9 million for 2017 and 2016, respectively.

The Authority's Programs

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority generally maintains separate accounting records for each grant program or annual contributions contract, as required by HUD. A list of the more significant programs is as follows:

<u>Conventional Low-Income Public Housing Program:</u> Under the Low Income Public Housing Program, the Authority rents units that it owns to low-income households. The Low Income Public Housing Program is operated under an Annual Contributions Contract with HUD, and HUD provides operating subsidy and capital grant funding to enable CMHA to provide the housing at a rent that is based upon 30% of household income. The Low Income Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

<u>Housing Choice Voucher Program and Moderate Rehabilitation Programs:</u> Under the Housing Choice Voucher Program, the Authority administers contracts with private 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 with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

<u>Housing Choice Voucher Program Project Based Voucher Program:</u> Project Based vouchers are a component of the Authority's Housing Choice Voucher Program. Project Based assistance requires a resident to live in a housing unit at the property being subsidized.

<u>Section 8 New Construction Housing Assistance Payment Programs</u>: These programs account for the operation of low-income housing developments where the Authority, or its subsidiary, contract directly with HUD under a Housing Assistance Payment contract. The Authority, through its subsidiary, owns and manages all developments and handles all HUD funding and reporting.

<u>Market Rate Property-Woody Woods</u>: Properties that are rented by people who pay the market rent to lease the property. The Woody Woods property currently serves residents of Cuyahoga County.

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements.

Jobs Plus Pilot Program: Addresses poverty among public housing residents of Outhwaite Homes and Carver Park by incentivizing and enabling employment through earned income credits for working families, and a set of services designed to support work including employer linkages, job placement and counseling, educational advancement, and financial counseling.

AUTHORITY-WIDE FINANCIAL STATEMENT

Statement of Net Position

The Statement of Net Position includes all assets and liabilities of the Authority using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The following table reflects the condensed information from the Authority's Statement of Net Position compared to the prior year.

Table 1 - Condensed Statements of Net Position

(in millions)

	December 31	
	2017	2016
Assets		
Current and Other Assets	$ 144.7	$ 163.0
Net Capital Assets	168.1	175.1
Total Assets	312.8	338.1
Deferred Outflows of Resources	27.5	21.1
Liabilities		
Accounts Payable and Other Current Liabilities	38.3	32.8
Long-term Liabilities:		
Net Pension Liability	72.0	53.4
Other Long-Term Liabilities	64.2	92.8
Total Liabilities	174.5	179.0
Deferred Inflows of Resources	0.6	10.1
Net Position		
Net Investment in Capital Assets	128.9	131.4
Restricted	10.5	9.8
Unrestricted	25.8	28.9
Total Net Position	$ 165.2	$ 170.1

For more detailed information see the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Current Assets and Other Assets decreased by $18.3 million and current liabilities increased by $5.5 million. The Authority's current ratio decreased to 0.82 in 2017, compared to 1.23 in 2016. There are insufficient current assets (primarily cash, investments, and receivables from HUD) to extinguish current liabilities. Net Capital assets decreased to $168.1 million in 2017 from $175.1 million in 2016. The $7.0 million decrease is attributed to net capital asset additions of $8.7 million offset by depreciation expense of $15.7 million. For additional detail see "Capital Assets."

Long term liabilities decreased $10.0 million, to $136.2 million in 2017, from $146.2 million in 2016.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the Authority, as well as the non-operating revenues and expenses. Condensed information from the Authority's statements of revenue, expenses and changes in net position is as follows for the years ended December 31, 2017 and 2016:

Table 2 - Condensed Statements of Revenues, Expenses, and Changes in Net Position
(in millions)

	December 31	
	2017	2016
Operating Revenues		
Dwelling Rent from Tenants	$ 16.0	$ 16.2
HUD Operating Subsidies and Grants	174.9	186.9
Grants - Other	0.1	0.1
Other Revenues	9.1	5.4
Total Operating Revenues	200.9	209.4
Operating Expenses		
Housing Assistance Payments	93.3	95.9
Depreciation and Amortization	15.7	18.0
Administrative	44.0	36.1
Building Maintenance	23.2	27.4
Utilities	18.7	19.2
Tenant Services	4.4	4.9
General	9.8	9.9
Protective Services	7.8	8.4
Other	0.3	0.4
Total Operating Expenses	217.2	220.2
Operating Loss	(16.3)	(10.8)
Non-Operating Revenues (Expenses)		
Capital Grants from HUD	14.4	8.2
Interest Income	0.5	0.3
Interest Expense	(3.5)	(3.9)
Total Non-Operating Revenues—Net	11.4	4.6
Change in Net Position	(4.9)	(6.2)
Net Position—Beginning of Year	170.1	176.3
Net Position—End of Year	$ 165.2	$ 170.1

For more detailed information see the Statement of Net Position.

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

December 31, 2017 compared to December 31, 2016

Operating revenues decreased $8.5 million or 4.0% in 2017. Dwelling Rent decreased by $0.2 million, HUD Operating Subsidies and Grants decreased $12.0 million and Other Revenues increased by $3.7 million.

Operating expenses decreased $3.0 million or 1.4% with decreases in Building Maintenance ($4.2 million), Housing Assistance Payments ($2.6 million), Depreciation ($2.3 million), Protective Services ($0.6 million) and Tenant Services ($0.5 million). These decreases were offset by increased Administrative Expenses ($7.9 million).

Capital Grants from HUD increased $6.2 million or 76.0%. Interest income increased $0.2 million while Interest expense decreased $0.4 million.

Capital Assets

At December 31, 2017, the Authority had $168.1 million invested in a variety of net capital assets (as reflected in the following schedule), which represents a net decrease of $7.0 million from December 31, 2016.

	December 31	
	2017	2016
Land	$ 30.6	$ 30.6
Buildings	699.5	688.7
Equipment-Administrative	20.0	19.6
Equipment-Dwelling	9.1	9.6
Leasehold Improvements	0.4	0.4
Construction in Progress	1.9	4.6
Total	761.5	753.5
Accumulated Depreciation	(593.3)	(578.4)
Capital Assets-Net	$ 168.2	$ 175.1

Capital additions in 2017 were primarily for housing stock improvements.

<u>Some of the major projects were</u>:

- Continuation of roof replacement at Union Square, Beachcrest, 4 Lakeview Terrace buildings and 3 Outhwaite buildings
- Continuation of Springbrook elevator upgrades
- Continuation of Apthorp boiler and hot water tanks
- Continuation of Riverview Towers elevator upgrades

Debt Outstanding

As of December 31, 2017, the Authority had $68.5 million in long-term debt and capital lease obligations compared to $74.3 million at December 31, 2016, for a $5.8 million decrease. The following summarizes these obligations:

Table 4 - Outstanding Debt at Year-End
(in millions)

	December 31	
	2017	2016
Ambleside - Mortgage Note	$ 6.2	$ 6.5
Severance - Mortgage Note	5.5	5.8
Quarrytown - Mortgage Note	3.7	4.0
WRRMC Promissory Note	0.5	-
General Revenue Bonds	1.1	1.7
Refunding Revenue Bond Series 2016	5.7	5.8
Build America Bonds	12.9	12.9
Ohio Bond Financing	9.4	10.1
Unamortized Bond Premium Ohio Bond	0.2	0.2
Modernization Express Loan A	9.7	10.2
Modernization Express Loan B	5.8	6.1
Energy Program - Capital Lease	7.8	11.0
Total	$ 68.5	$ 74.3

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the U.S. Department of Housing and Urban Development. Operating subsidy for the Conventional Low Income Housing Program was funded at 93%. Future years' funding levels are expected to be approximately 85%. The Administrative fee funding for the Housing Choice Voucher Program was funded at 78% and levels are expected to decline in 2018.
- Local labor supply and demand, which can affect salary and wage rates of the Authority.
- 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, which affects the costs of the programs.
- Employee health insurance costs continue to rise.

Contacting the Authority

Questions concerning this report or requests for additional information should be directed to Tami Marinella, Chief Financial Officer, 8120 Kinsman Road, Cleveland, Ohio 44104.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	12,592,478
Cash - Restricted		10,964,551
Cash - Restricted for resident security deposits		1,394,743
Accounts Receivable Tenants - Net of Allowance for doubtful accounts of $209,151		346,015
Accounts Receivable - HUD		2,755,490
Accounts Receivable - Other Governments		173,406
Accounts Receivable - Other - Net of Allowance for doubtful accounts of $124,983		1,172,343
Fraud Recovery - Net of Allowance for doubtful accounts of $105,414		36,290
Inventories		157,178
Prepaid Expenses and Other Current Assets		1,833,251
Total Current Assets		31,425,745
Non-Current Assets:		
Capital Assets		
Land		30,630,452
Buildings and improvements		699,455,615
Furniture, equipment and machinery - Dwellings		20,029,255
Furniture, equipment and machinery - Administration		9,058,480
Leasehold Improvements		392,296
Construction in Progress		1,893,871
Total Capital Assets		761,459,969
Less: Accumulated depreciation		(593,320,077)
Total Capital Assets, net of accumulated depreciation		168,139,892
Notes and Mortgage Receivable - Non-Current		87,990,860
Investment in Real Estate Partnerships		11,815,280
Other Assets		13,430,340
Total Non-Current Assets		281,376,372
TOTAL ASSETS		312,802,117
Deferred Outflow of Resources - Pension		27,530,075
TOTAL ASSETS & DEFERRED OUTFLOWS	$	340,332,192

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2017

LIABILITIES		
Current Liabilities		
Accounts Payable - Vendors	$	14,136,621
Accounts Payable - HUD		194,600
Accrued wages/taxes payable		7,974,488
Accrued Interest Payable		943,318
Unearned Revenues		2,279,403
Accrued Expenses		4,903,365
Security and Other Deposits		1,388,886
Current Portion of Long-Term Debt		6,444,189
Total Current Liabilities		38,264,870
Non-Current Liabilities		
Long-Term Debt—net of current portion		62,069,289
Accrued Compensated Absences		523,929
Workers' Compensation Liability		1,149,300
Accrued Pension and OPEB Liabilities		72,022,324
Other Non-Current Liabilities		476,301
Total Non-Current Liabilities		136,241,143
TOTAL LIABILITIES		174,506,013
Deferred Inflow of Resources - Pension		649,153
NET POSITION		
Net Investment in Capital Assets		128,850,847
Restricted		10,490,581
Unrestricted		25,835,598
TOTAL NET POSITION		165,177,026
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	$	340,332,192

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
BALANCE SHEET – DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2017

ASSETS		
Cash and Cash Equivalents	$	2,948,532
Restricted Cash		36,751,434
Accounts Receivable - HUD		1,270,070
Accounts Receivable - Tenants, Net of Allowance for doubtful accounts		27,281
Accounts Receivable - Other		674,037
Prepaid Expense		352,889
Prepaid Ground Lease		24,229,839
Rental Property, Net of Accumulated Depreciation		149,012,193
Deferred Charges, Net of Accumulated Amortization		998,156
TOTAL ASSETS	**$**	**216,264,431**
LIABILITIES & PARTNERS' CAPITAL		
Accounts Payable - Vendors	$	7,881,087
Accounts Payable - Construction		1,579,767
Accounts Payable - Related Party		798,643
Current Portion of Long-Term Debt		311,131
Accrued Interest Payable		51,883
Accrued Expenses		327,393
Deferred Revenue		684,472
Prepaid Rent		4,405
Tenant Security Deposits		177,178
Long-Term Debt, Net of Current Portion		135,824,755
Notes Payable - Other		4,840,000
Notes Payable - Related Party		6,413,234
Deferred Interest - Mortgages Payable		1,526,116
Developer Fee Payable		11,050,429
TOTAL LIABILITIES		171,470,493
PARTNERS' CAPITAL		44,793,938
TOTAL LIABILITIES AND PARTNERS' CAPITAL	**$**	**216,264,431**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2017

OPERATING REVENUES	
Dwelling Rent	$ 16,039,611
HUD Operating Subsidies and Grants	174,917,133
Other Operating Grants	883,263
Other Revenues	9,080,411
TOTAL OPERATING REVENUES	200,920,418
OPERATING EXPENSES	
Housing Assistance Payments	93,360,320
Depreciation and Amortization	15,669,983
Administrative	44,061,802
Building Maintenance	23,265,522
Utilities	18,667,532
Tenant Services	4,372,778
General	9,763,793
Protective Services	7,779,121
Other	252,760
TOTAL OPERATING LEXPENSES	217,193,611
Operating Loss	(16,273,193)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	455,962
Interest Expense	(3,515,043)
Special Items Net Gain/(Loss)	14,473
Capital Grants	14,373,184
Total Nonoperating Revenues	11,328,576
CHANGE IN NET POSITION	(4,944,617)
Net Position - Beginning of Year	170,121,643
TOTAL NET POSITION - END OF YEAR	$ 165,177,026

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF OPERATIONS AND CHANGES IN PARTNERS' CAPITAL –
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2017

OPERATING REVENUE		
Net Tenant Rental Revenue	$	1,506,133
Other Tenant Revenue		21,421
Other Government Grants		6,450,581
Other Revenue		115,057
TOTAL REVENUE	**$**	**8,093,192**
OPERATING EXPENSES		
General and Administrative	$	425,020
Payroll		991,398
Utilities		1,437,096
Insurance		342,880
Management Fees		511,495
Maintenance		1,321,983
Protective Services		464,784
Professional Fees		243,120
Miscellaneous Expense		33,075
TOTAL OPERATING EXPENSES	**$**	**5,770,851**
Operating Income		2,322,341
OTHER INCOME (EXPENSES)		
Interest Income - Unrestricted		79,595
Other Income		2,202
Ground Lease		(16,024)
Interest Expense - Debt Issuance Costs		(26,104)
Interest Expense		(1,235,830)
Asset Management Fees		(24,651)
Depreciation and Amortization		(4,845,315)
Other Expenses		(45,847)
TOTAL NONOPERATING EXPENSES		(6,111,974)
NET LOSS		(3,789,633)
Partners' Capital - Beginning Equity		42,547,258
Capital Contributions		6,098,813
Syndication Costs - Non-Controlling Interest		(62,500)
PARTNERS' CAPITAL - ENDING EQUITY	**$**	**44,793,938**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
HUD Operating Subsidies and Grants	$ 167,052,926
Other Revenues	9,999,837
Cash Received from Tenant Rents	16,041,396
Cash Payments for Administrative and General	(39,874,116)
Cash Payments for Housing Operations and Tenant Services	(60,843,528)
Housing Assistance Payments	(93,360,320)
Net Cash Used by Operating Activities	(983,805)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Debt Issuance	510,000
HUD Capital Grants	14,373,184
Capital Asset Additions	(8,681,552)
Repayment of Debt and Capital Lease Obligations	(5,675,078)
Special Item	14,473
Interest on Debt and Capital Lease Obligations	(3,515,043)
Net Cash Used by Capital and Related Financing Activities	(2,974,016)
CASH FLOWS FROM INVESTING ACTIVITIES	
Issuance of Notes Receivables	(5,217,418)
Interest Income	455,962
Net Cash Used by Investing Activities	(4,761,456)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,719,277)
Cash - Beginning of Year	33,671,049
CASH - END OF YEAR	$ 24,951,772

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Loss	$ (16,273,193)
Adjustments to Reconcile Net Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	15,669,983
Loss on disposal of asset	21,634
Provision for Bad Debts	507,681
Changes in Operating Assets and Liabilities:	
Accounts receivable - Tenants	(505,896)
Accounts receivable - HUD	(356,616)
Accounts receivable - Other	897,792
Inventories	39,642
Prepaid Expenses and Other Current Assets	(6,798,217)
Deferred Outflows	(6,423,202)
Accounts Payable - Vendors	6,678,638
Accounts Payable - HUD	152,055
Accrued expenses	(2,970,770)
Security and Other Deposits	15,984
Deferred Inflows	(9,407,444)
Worker's Compensation	(120,867)
Accrued Pension and OPEB Liabilities	18,586,215
Other Liabilities	(697,224)
NET CASH USED BY OPERATING ACTIVITIES	$ (983,805)

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING BALANCE SHEET-
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2017

	Riverside Park Homes, LP	Garden Valley Housing Partnership I, LP	Garden Valley Housing Partnership II, LP	Garden Valley Housing Partnership III, LP	Garden Valley Housing Partnership IV, LP	Euclid-Lee Senior, LP	Miles Pointe Elderly LP	Fairfax Intergenerational Housing LP	Bohn Tower Redevelopment LP	Carver Park Phase I, LP	West Side Riverview LP	Total Memorandum Only
Assets												
Cash and Cash Equivalents	$ 164,664	$ 37,971	$ 247,041	$ 189,095	$ 365,134	$ 375,469	$ 85,545	$ 184,228	$ 393,086	$ 906,231	$ 68	$ 2,948,532
Restricted Cash	815,677	1,247,217	703,102	915,678	458,239	105,894	62,297	317,556	1,007,767	31,118,007	-	36,751,434
Accounts Receivable - HUD	-	-	-	-	-	-	-	-	-	1,270,070	-	1,270,070
Accounts Receivable - Tenants, Net of Allowance	-	-	-	961	622	352	-	25,346	-	-	-	27,281
Accounts Receivable - Other	626,950	9,728	-	18,418	-	1,445	17,492	4	-	-	-	674,037
Prepaid Expense	32,319	49,888	4,942	6,404	6,273	64,185	53,601	64,213	46,524	24,540	-	352,889
Prepaid Ground Lease	-	428,294	275,934	393,412	169,200	-	-	152,999	1,800,000	21,010,000	-	24,229,839
Rental Property, Net of Accumulated Depreciation	12,346,088	15,990,732	10,124,303	17,202,143	11,721,361	16,317,254	8,556,827	10,829,149	22,375,240	23,401,370	147,726	149,012,193
Deferred Charges, Net of Accumulated Amortization	37,301	97,602	93,071	65,378	243,787	71,712	61,497	52,472	273,130	-	2,206	998,156
Total Assets	**$ 14,022,999**	**$ 17,861,432**	**$ 11,448,393**	**$ 18,791,489**	**$ 12,964,616**	**$ 16,936,311**	**$ 8,837,259**	**$ 11,625,967**	**$ 25,895,747**	**$ 77,730,218**	**$ 150,000**	**$ 216,264,431**
Liabilities and Partners' Capital												
Accounts Payable - Vendors	38,815	71,820	96,944	17,098	127,290	115,768	9,316	83,336	181,980	7,138,720	-	7,881,087
Accounts Payable - Construction	-	-	-	-	54,507	24,501	432,872	152,352	915,535	-	-	1,579,767
Accounts Payable - Related Party	-	133,468	8,983	-	-	233,376	-	319,692	-	103,124	-	798,643
Current Portion of Long-Term Debt	150,000	-	-	-	26,655	-	-	26,430	108,046	-	-	311,131
Accrued Interest Payable	10,266	-	-	-	41,617	-	-	-	-	-	-	51,883
Accrued Expenses	34,252	42,153	-	64,620	20,597	40,877	16,768	26,384	57,002	24,740	-	327,393
Deferred Revenue	684,472	-								-	-	684,472
Prepaid Rent	-	2,397	2,008	-	-	-	-	-	-	-	-	4,405
Tenant Security Deposits	27,053	18,859	8,323	16,960	11,360	20,556	11,238	2,660	46,041	14,128	-	177,178
Long-Term Debt, Net of Current Portion	-	15,624,683	10,137,911	15,383,747	2,297,037	12,300,978	2,982,833	6,398,479	10,445,954	60,103,133	150,000	135,824,755
Notes Payable - Other	-	-	-	-	3,040,000	-	-	-	1,800,000	-	-	4,840,000
Notes Payable - Related party	-	-	-	-	3,870,234	-	-	-	2,543,000	-	-	6,413,234
Deferred Interest- Mortgages Payable	-	226,697	-	450,276	244,585	68,724	29,626	64,572	441,636	-	-	1,526,116
Developer Fee Payable	-	854,340	-	1,085,354	354,504	984,989	80,100	1,327,287	2,578,419	3,785,436	-	11,050,429
Total Liabilities	**$ 944,858**	**$ 16,974,417**	**$ 10,254,169**	**$ 17,018,055**	**$ 10,088,386**	**$ 13,789,769**	**$ 3,562,753**	**$ 8,401,192**	**$ 19,117,613**	**$ 71,169,281**	**$ 150,000**	**$ 171,470,493**
Partners' Capital	13,078,141	887,015	1,194,224	1,773,434	2,876,230	3,146,542	5,274,506	3,224,775	6,778,134	6,560,937	-	44,793,938
Total Liabilities and Partners' Capital	**$ 14,022,999**	**$ 17,861,432**	**$ 11,448,393**	**$ 18,791,489**	**$ 12,964,616**	**$ 16,936,311**	**$ 8,837,259**	**$ 11,625,967**	**$ 25,895,747**	**$ 77,730,218**	**$ 150,000**	**$ 216,264,431**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION-
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2017

	Riverside Park Homes, LP	Garden Valley Housing Partnership I, LP	Garden Valley Housing Partnership II, LP	Garden Valley Housing Partnership III, LP	Garden Valley Housing Partnership IV, LP	Euclid-Lee Senior, LP	Miles Pointe Elderly LP	Fairfax Intergenerational Housing LP	Bohn Tower Redevelopment LP	Carver Park Phase I, LP	West Side Riverview LP	Total Memorandum Only
Operating Revenue												
Net Tenant Rental Revenue	$ 211,858	$ 110,454	$ 96,019	$ 103,094	$ 54,645	$ 176,326	$ 93,063	$ 433,927	$ 167,935	$ 58,812	$ -	$ 1,506,133
Other Tenant Revenue	-	5,868	-	11,184	-	-	-	705	-	3,664	-	21,421
Other Government Grants	411,559	504,420	282,737	381,023	466,193	301,060	159,264	-	2,194,770	1,749,555	-	6,450,581
Other Revenue	7,336	-	78,519	-	693	1,495	383	-	26,631	-	-	115,057
Total Revenue	**630,753**	**620,742**	**457,275**	**495,301**	**521,531**	**478,881**	**252,710**	**434,632**	**2,389,336**	**1,812,031**	**-**	**8,093,192**
Operating Expenses												
General and Administrative	38,365	12,277	20,152	9,084	35,668	23,020	9,431	5,336	147,631	124,056	-	425,020
Payroll	160,595	72,071	60,273	77,110	103,481	109,363	60,688	117,379	165,387	65,051	-	991,398
Utilities	73,751	106,389	46,590	88,015	25,774	86,712	53,054	44,885	507,840	404,086	-	1,437,096
Insurance	38,791	50,334	30,041	35,890	29,006	28,451	18,726	31,008	55,647	24,986	-	342,880
Management Fees	38,176	39,165	23,585	29,718	31,569	57,303	7,834	32,912	143,831	107,402	-	511,495
Maintenance	124,577	181,711	98,901	167,894	40,109	108,244	52,174	92,463	285,636	170,274	-	1,321,983
Protective Services	48,180	45,353	30,875	4,275	1,767	23,917	14,435	17,923	135,986	142,073	-	464,784
Professional Fees	25,771	23,553	21,058	23,603	8,655	22,619	23,851	31,942	45,729	16,339	-	243,120
Miscellaneous Expense	-	16,506	50	14,068	591	319	118	-	1,423	-	-	33,075
Total operating expenses	**548,206**	**547,359**	**331,525**	**449,657**	**276,620**	**459,948**	**240,311**	**373,848**	**1,489,110**	**1,054,267**	**-**	**5,770,851**
Operating Income (Loss)	82,547	73,383	125,750	45,644	244,911	18,933	12,399	60,784	900,226	757,764	-	2,322,341
Other Income (Expenses)												
Interest Income - unrestricted	107	1,018	1,132	1,633	9,187	684	155	2,166	63,513	-	-	79,595
Other Income	-	-	-	-	-	-	-	2,202	-	-	-	2,202
Ground Lease	-	(4,930)	(3,161)	(4,484)	(1,800)	-	-	(1,649)	-	-	-	(16,024)
Interest Expense-debt issuance costs	(5,473)	(3,012)	(1,648)	(3,866)	(6,141)	-	(1,567)	(4,397)	-	-	-	(26,104)
Interest Expense	-	(32,526)	-	(74,766)	(215,130)	(12,301)	(7,500)	(48,771)	(758,643)	(86,193)	-	(1,235,830)
Asset Management Fees	(4,334)	(4,333)	-	-	-	(5,328)	(5,328)	(5,328)	-	-	-	(24,651)
Depreciation and Amortization	(501,422)	(648,287)	(585,857)	(724,030)	(353,646)	(574,810)	(289,795)	(389,952)	(609,471)	(168,045)	-	(4,845,315)
Other Expenses	(1,267)	-	-	-	(28,655)	-	-	35,661	(20,055)	(31,531)	-	(45,847)
Total Nonoperating Expenses	(512,389)	(692,070)	(589,534)	(805,513)	(596,185)	(591,755)	(304,035)	(410,068)	(1,324,656)	(285,769)	-	(6,111,974)
Net Loss	(429,842)	(618,687)	(463,784)	(759,869)	(351,274)	(572,822)	(291,636)	(349,284)	(424,430)	471,995	-	(3,789,633)
Partners' Capital-Beginning Equity	13,507,983	1,505,702	1,253,925	2,533,303	1,038,766	3,719,364	5,566,142	3,574,059	5,709,072	4,138,942	-	42,547,258
Capital Contributions	-	-	404,083	-	2,238,738	-	-	-	1,505,992	1,950,000	-	6,098,813
Syndication Costs - non-controlling interest	-	-	-	-	(50,000)	-	-	-	(12,500)	-	-	(62,500)
Partners' Capital-Ending Equity	**$ 13,078,141**	**$ 887,015**	**$ 1,194,224**	**$ 1,773,434**	**$ 2,876,230**	**$ 3,146,542**	**$ 5,274,506**	**$ 3,224,775**	**$ 6,778,134**	**$ 6,560,937**	**$ -**	**$ 44,793,938**

See accompanying Notes to Financial Statements

NOTE 1 DEFINITION OF THE ENTITY

The Cuyahoga Metropolitan Housing Authority (CMHA or the Authority) is a political subdivision organized under the laws of the State of Ohio. The Authority is responsible for operating certain low-rent housing programs in the County of Cuyahoga under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority generally maintains separate accounting records for each grant program or annual contributions contract, as required by HUD. A list of the various programs is as follows:

Conventional Low-Income Public Housing Program: Under the Low Income Public Housing Program, the Authority rents units that it owns to low-income households. The Low Income Public Housing Program is operated under an Annual Contributions Contract with HUD, and HUD provides operating subsidy and capital grant funding to enable CMHA to provide the housing at a rent that is based upon 30% of household income. The Low Income Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program and Moderate Rehabilitation Program: Under the Housing Choice Voucher Program, the Authority administers contracts with private 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 with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Housing Choice Voucher Program Project Based Voucher Program: Project Based vouchers are a component of the Authority's Housing Choice Voucher Program. Project Based assistance requires a resident to live in a housing unit at the property being subsidized.

Section 8 New Construction Housing Assistance Payment Programs: These programs account for the operation of low-income housing developments where the Authority, or its subsidiary, contracts directly with HUD under a Housing Assistance Payment contract. The Authority, through its subsidiary, owns and manages all developments and handles all HUD funding and reporting.

Market Rate Property-Woody Woods: Properties that are rented by people who pay the market rent to lease the property. The Woody Woods property currently serves residents of Cuyahoga County.

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements.

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Local Fund: In 1998, a $100,000 contribution of capital was made by Title V to a new Local Fund. This fund is to be used for expenditures necessary for the accomplishment of the Authority's mission but which do not fall under HUD oversight. All expenditures from the Local Fund must be approved by the Chief Executive Officer and Chief Financial Officer.

Jobs Plus Pilot Program: Addresses poverty among public housing residents of Outhwaite Homes and Carver Park by incentivizing and enabling employment through earned income credits for working families, and a set of services designed to support work including employer linkages, job placement and counseling, educational advancement, and financial counseling.

Other Grants

The Authority received state and local funding under the 21st Century Grant, the Neighborhood System of Care, and private donations. Expenditures for these programs and grants must be made in accordance with the rules and regulations established by the grantors.

Component Units

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (c) the component unit is financially dependent on the primary government.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The blended method includes the financial statements of the blended unit as part of the primary government. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

Blended Component Units

The Authority has 1 blended component unit consisting of Western Reserve Revitalization and Management Company, Inc. (WRRMC). The statements of WRRMC include the financial activity of Ambleside Redevelopment, LLC, Severance Redevelopment, LLC, and Quarrytown Redevelopment, LLC, which are all wholly owned subsidiaries of WRRMC.

Western Reserve Revitalization and Management Company, Inc. (WRRMC) - The Authority established Western Reserve Revitalization and Management Company, Inc., a 501(c)(3) corporation, as a wholly-owned subsidiary. Accordingly, WRRMC is reported as a blended component unit of the Authority. WRRMC was established for public, charitable, and educational purposes to revitalize neighborhoods in Cuyahoga County; to assist the Authority in the planning, undertaking, developing, construction, and operation of housing for families who are low income; to develop, construct, renovate, acquire, own, lease, manage, and sell interest in real and personal property; and to promote and participate in other housing related or educational activities that assist residents of the Authority.

WRRMC has separate audited financial statements which may be obtained from the Chief Financial Officer, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2757.

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Component Units(continued)

Discretely Presented Component Units

The Authority has 11 discretely presented component units consisting of: Riverside Park Homes, L.P., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Garden Valley Housing Partnership IV, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly, L.P., Fairfax Intergenerational Housing L.P., Bohn Tower Redevelopment, L.P., Carver Park Phase I, L.P., and West Side Riverview, L.P.

The Authority has a controlling minority interest in these real estate limited partnerships as of December 31, 2017. The majority interests are held by third parties unrelated to the Authority. CMHA, or a CMHA affiliate, operates as either General Partner, Special General Partner, Class B Limited Partner or Limited Partner in the limited partnerships. As such, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. The subsidiary of the Authority, Western Reserve Revitalization and Management Company, Inc. (WRRMC) is financially accountable for the limited partnerships as they are fiscally dependent on the Authority according to the terms of the partnership agreements. Additionally, in some cases, WRRMC is legally obligated to fund operating deficits. The Authority also has outstanding loans and net advances to the limited partnerships at December 31, 2017. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

Riverside Park Homes, L.P. – The Partnership controls a property consisting of 90 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.9% owned by the investor limited partners, and 0.10% owned by Riverside Park Homes, Inc., the General Partner. Riverside Park Homes, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Garden Valley Housing Partnership I, L.P. - The Partnership controls a property consisting of 81 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.9% owned by investor limited partners, 0.037% owned by the Administrative General Partner, 0.038% owned by the Managing General Partner and 0.025% owned by Garden Valley Redevelopment LLC, the Special General Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Garden Valley Housing Partnership II, L.P. - The Partnership controls a property consisting of 57 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 0.0095% owned by the Managing General Partner, 0.0095% owned by the Administrative General Partner, 99.98% owned by the Limited Partner and 0.001% by Garden Valley Redevelopment, LLC, the Class B Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Component Units (Continued)

Garden Valley Housing Partnership III, L.P. - The Partnership controls a property consisting of 69 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.9% owned by the investor limited partners, 0.04845% by the Managing General Partner, 0.04655% by the Administrative General Partner and 0.005% owned by Garden Valley Redevelopment LLC, the Special Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Garden Valley Housing Partnership IV, L.P. – The Partnership controls a property consisting of 60 units of affordable housing financed with an FHA insured loan and operated with the assistance of a Section 8 project-based HAP Contract under the Rental Assistance Demonstration Program. The units will be operated as qualified Low Income Housing Tax Credit units under Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 0.003825% owned by the Managing General Partner, 0.003675% owned by the Co-General Partner, 99.99% owned by the Limited Partner and 0.0025% by Garden Valley Redevelopment, LLC, the Special Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Euclid-Lee Senior, L.P. – The Partnership controls a property consisting of 79 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.9% owned by the investor limited partners and 0.10% owned by Cleveland East LLC, the General Partner. Cleveland East LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Miles Pointe Elderly, L.P. – The Partnership controls a property consisting of 43 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.9% owned by the investor limited partners and 0.10% owned by Miles Pointe GP, LLC, the General Partner. Miles Pointe GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Fairfax Intergenerational Housing, L.P. – The Partnership controls a property consisting of 40 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.9% owned by the limited partner and 0.1% owned by WRRMC Intergenerational Housing, Inc., the General Partner. WRRMC Intergenerational Housing, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Bohn Tower Redevelopment, L.P. - The Partnership controls a property consisting of 267 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (“Section 42”). The Partnership is 99.99% owned by the limited partners and 0.01% owned by Bohn Tower GP, Inc., the General Partner. Bohn Tower GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Component Units (Continued)

Carver Park Phase I, L.P. – The Partnership controls a property consisting of 747 units. The Partnership became a RAD property on October 1, 2017 that received 4% Low-Income Housing Tax Credits (LIHTC) and is projected to receive 221(d)4 FHA financing. The Partnership is 99.90% owned by the limited partners and 0.10% owned by Carver Park Phase I GP, the General Partner. Carver Park Phase I GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

West Side Riverview, L.P. – The Partnership controls a project of renovations, demolition and new construction of townhomes and apartments consisting of 70 units. The West Side Riverview, L.P. project received 4% Low-Income Housing Tax Credits (LIHTC) and is projected to receive 221(d)4 FHA financing and has been approved as a Rental Assistance Demonstration (RAD) project. The Partnership is 99.99% owned by WRRMC and 0.01% owned by Mid-West Cluster GP, the General Partner. Mid-West Cluster GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Excluded Entities — Certain entities that conduct activities for the benefit of the Authority or its residents are excluded from the financial statements. These entities are:

Joint Venture — The Authority is a member of the Housing Authority Risk Retention Group ("HARRG") and the Housing Authority Property Insurance, a Mutual Company ("HAPI"). HARRG and HAPI are nonprofit, tax exempt mutual insurance companies that are wholly owned by their public housing authority members. HARRG operates under the Federal Liability Risk Retention Act. It provides liability insurance coverage solely to public housing authorities and public housing and redevelopment agencies throughout the United States. HAPI is a captive insurance company formed pursuant to the Vermont Captive Insurance Companies Act. It provides property insurance to public housing authorities and public housing and redevelopment authorities throughout the United States. The Board of Directors is elected by HARRG's approximately 839 members. The number of votes granted to each member is based upon premiums paid and is limited to a maximum of 10% of the total votes available. Due to the lack of significant oversight responsibility and accountability of the Authority's Board of Commissioners for actions, operations, and fiscal matters of HARRG and HAPI, the degree of financial interdependency is considered insufficient to warrant inclusion of these organizations within the Authority's reporting entity. HARRG and HAPI issue stand-alone financial reports that include financial statements and required supplementary information.

Interested parties may obtain a copy by making a written request to Housing Authority Insurance, c/o Sarah Rodriguez, P.O. Box 189, Cheshire, Connecticut, 06410 or by calling 203-272-8220.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America, as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's component units report under Financial Accounting Standards Board (FASB) guidance. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. Other than the reclassification of certain items, no modifications have been made to the component units' financial information in the Authority's financial reporting entity for these differences.

The Authority maintains its accounts substantially in accordance with the chart of accounts prescribed by HUD and is organized utilizing the fund accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Each of the Authority's programs is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. All of the Authority's programs are accounted for as a single enterprise fund. An enterprise fund accounts for those operations financed and operated in a manner similar to private business or where the Authority has decided that determination of revenue earned, costs incurred and net revenue over expense is necessary for management accountability.

Enterprise funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.* Proprietary funds are accounted for using the "economic resources measurement focus" and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenue, Expense and Changes in Net Position presents increases (revenue) and decreases (expense) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements. The unexpended portions of grants held by HUD for the Authority remain available for the Authority's use, subject to the terms of the grant agreements and other agreements with HUD. The unexpended portions of the grants held by HUD are not reflected in the Authority's financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include investments with original maturities of three months or less. Cash and cash equivalents are stated at fair value. Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

Restricted Cash

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, insurance escrows, and repairs or improvements to the building which extend their useful lives.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments of the Authority consist of those permitted by the investment policy and include certificates of deposit, money market funds, and U.S. Treasury Bonds. Investments are reported at fair value. Fair value is based upon quoted market prices. The Authority classifies its investments as current or noncurrent based on the maturity dates.

Restricted Assets

Certain assets may be classified as restricted assets on the statement of net position because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Inter-Program Receivables and Payables

Inter-program receivables and payables are current and are the result of the use of a central fund as the common paymaster for centralized costs of the Authority. Cash settlements are made periodically. All inter-program balances net to zero and, therefore, are eliminated for financial statement presentation purposes.

Capital Assets

Capital assets (items with an individual cost greater than $1,500, or appliances less than $1,500, and a useful life exceeding two years), including land, property and equipment, are recorded at cost. Property and equipment are depreciated using the straight line method over the estimated useful lives of the assets, which are as follows:

Property	15-40 years
Equipment	3-7 years

Impairment of Long-Lived Assets

The Authority accounts for impairments in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Under the provisions of the statement, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No impairment losses were recorded during the year ended December 31, 2017.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgage Notes Receivable

The Authority has advanced loans to third-party developers in conjunction with various mixed finance projects. All principal and interest are due at maturity or based upon cash flow, and due to the uncertainty created by the extended period time to repayment, interest income will be recognized when cash payments are received. The Authority reviews Mortgage Notes Receivable for collectability whenever events or circumstances indicate that the carrying value of the receivable may not be recoverable. See Note 6 for further information on Mortgage Notes Receivable.

Developer Fees Receivable

Developer fees receivable are stated at the amount management expects to collect on balances outstanding at year end. Developer fees are due based upon terms of the related agreements. Management evaluates collectability based upon several factors, including historical collection experience and review and assessment of the financial condition of the debtor. At December 31, 2017, all amounts were deemed 100% collectible.

Inventory

Inventory is valued using a weighted average costing method. Expense is recorded based upon consumption.

Debt Obligations

Debt obligations (and the related debt service requirements) are the responsibility of the Authority and are classified as liabilities in the accompanying financial statements.

Compensated Absences

Vacation time may be accrued and carried over from year to year up to a maximum of 240 hours. Earned vacation time is due and payable to employees upon termination of employment.

Sick time is accrued up to 120 hours per year and carried over from year to year to a maximum of 960 hours (120 days). Upon retirement, employees can convert accumulated but unused sick time into a cash payment at the rate of one day for every two days accumulated.

Debt Amortization Funds

Debt amortization funds consist of restricted cash and investments held by fiscal agents. These funds are used to retire current installments of debt and to pay interest accrued thereon. Investments of debt amortization funds are carried at fair value.

Revenue Recognition

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which the grants relate. Tenant rental revenues are recognized during the period of occupancy. Receipts from CFP, URD (HOPE VI), and other reimbursement based grants are recognized when the related expenses are incurred. Expenses are recognized as incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Issuance Costs and Original Issue Discounts

Prior to 2012, bond premiums, original issuance discounts, and bond issuance costs were amortized over the life of the underlying debt using the straight-line method. Based on the implementation of GASB Statement No. 65 in 2012, bond issuance costs will now be expensed.

Indirect Costs

Certain indirect costs are charged to programs under a cost allocation plan. These indirect costs are accumulated in and allocated from the Central Office Cost Center.

Use of 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, liabilities, revenues and expenses, at and during the reporting period. Actual results could differ from those estimates.

Pensions

For purposes of measuring 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 plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Budgetary Accounting and Control

The Authority's annual budget is prepared on the accrual basis of accounting and approved by the Board of Commissioners. The budget includes anticipated amounts for current year revenues and expenses, for the operating and Housing Assistance Program, as well as new capital projects.

The Board of Commissioners adopts the annual budget for the Authority following a review and approval process by the Finance Committee and Chief Executive Officer. Once adopted by the Board the annual budget is implemented and monitored by the Finance Department on a monthly basis to address any variances against budget.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pensions.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow until that time. For the Authority, deferred inflows of resources are reported for pensions and non-exchange revenue received before the resources are required to be used.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Net position is displayed in three components as follows:

Net investment in capital assets – this component of net position consists of all capital assets, reduced by the outstanding balance 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, laws, regulations, etc.

Unrestricted net position – this component of net position consists of resources that do not meet the definition of net investment in capital assets or restricted net position.

New Accounting Pronouncements

In fiscal year 2017, the Authority implemented the following GASB Statements: Statement No. 82 – *Pension Issues* – an amendment of GASB Statements No. 67, No. 68, and No. 73. The objective of this Statement is to address issues (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of this Statement resulted in changes to the pension disclosures.

NOTE 3 DEPOSITS AND INVESTMENTS - PRIMARY GOVERNMENT

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has a deposit policy that addresses custodial credit risk. At December 31, 2017, the carrying amount of the Authority's deposits was $17,634,086 and the total balance of bank accounts held by the Authority was $19,154,196. Of the bank balances held in various financial institutions, certain amounts were covered by federal depository insurance and the remainder was covered under the Ohio pooled collateral system. As of December 31, 2017, $794,194 was not collateralized for various financial institutions and was related to bank accounts for the blended component units.

Under Ohio law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within 5 years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require the security for public deposits and investments to be maintained in the Authority's name.

NOTE 3 DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT (CONTINUED)

Investments

The investment policy of the Authority's monies is governed by the provisions of the Ohio Revised Code and regulations established by the U.S. Department of Housing and Urban Development. The Authority is permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, state and local government investment pools, direct obligations of the federal government, obligations of federal government agencies, and securities of federal government agencies. These investments must mature within three years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding 30 days.

The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon 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.

Investments held by the Authority at December 31, 2017 are presented below, categorized by investment type and credit quality rating. Credit ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All investments mature within one year.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority staggers maturity dates of investments to avoid losses from rising interest rates and the investment policy generally limits the maturities of investments to not more than three years to reduce the risk of impact on the fair value of investments.

As of December 31, 2017, the value and maturities for these assets were as follows:

		Maturities (in Years)	
Assets	Value	Less Than 1	1-5
Cash and Cash Equivalents			
Cash and Cash Equivalents	$ 17,634,086	$ 17,634,086	$ -
CD's	1,104,642	1,104,642	-
Investment type:			.
Money Market Funds	4,747,567	4,747,567	-
U.S. Govt and Agency Obligations	1,465,477	582,742	882,735
Total	$ 24,951,772	$ 24,069,037	$ 882,735

Credit Risk

The Authority's investment policy limits investments to those backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government agency or issued by a Government-sponsored agency, coupled with an appropriate maturity date.

NOTE 3 DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT (CONTINUED)

Concentration of Credit Risk

The Authority does not allow more than 50% of its investment portfolio to be invested in a single security type or with a single financial institution or broker/dealer; however, all deposits exceeding the FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as permitted by the Ohio Revised Code.

Description	Total Fair Value/ Carrying Value	Credit Quality Rating
FDIC Certificates of Deposit	$ 1,104,642	FDIC
Money Market Funds	4,747,567	AAA
U.S. Treasury Bonds	1,465,477	AAA
Total Primary Government Investments	$ 7,317,686	

- Rating offered by Standard & Poor's

A reconciliation of cash and investments as shown on the Statement of Net Position at December 31, 2017 to the deposits and investments included in this note is as follows:

Cash and Cash Equivalents	$ 12,592,478
Cash - Restricted	12,359,294
Total	$ 24,951,772
Carrying Amount of Deposits	$ 17,634,086
Carrying Amount of Investments	7,317,686
Total	$ 24,951,772

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2017, The Authority had investments in certificates of deposit, money market funds and U.S. Treasury Bonds. Certificates of deposit and money market funds are recorded at amortized cost and are therefore not included within the fair value hierarchy established by generally accepted accounting principles. The U.S. Treasury Bonds were $1,465,477 and are valued using quoted market prices (Level 1).

NOTE 4 RESTRICTED CASH AND INVESTMENTS - PRIMARY GOVERNMENT

At December 31, 2017, the Authority had the following cash and investments, the use of which was restricted under the terms of various grant programs, debt obligations, and other requirements:

Conventional Program:	
Tenant Security Deposits	$ 1,262,784
Industrial Commission of Ohio Escrow Fund	2,498,230
FSS Escrow Deposits	55,687
Housing Choice Voucher Restricted HAP:	
Restricted HAP	917,024
FSS Escrow Deposits	400,325
Ohio Bond Financing:	
Debt Service Reserve	1,250,566
Capital Fund Revenue Loan A:	
Net Proceeds	10,780
Debt Service Reserve	1,179,192
Capital Fund Revenue Loan B:	
Debt Service Reserve	702,668
Business Activity:	
Local Advisory Council	173,849
Western Reserve Revitalization and Management Company, Inc.:	
Pledge Reserve	503,535
Pledge ACC Reserve	180,217
Pledge Operating Reserve	400,301
Pledge Developer Fee	333,390
Euclid-Lee Pledged Lease-Up Reserve	79,172
Riverside Homes Operating Reserve	277,192
Ambleside Redevelopment, LLC:	
Tenant Security Deposits	39,330
Replacement Escrow	758,492
Insurance Escrow	45,995
MIP Escrow	13,778
Severance Redevelopment, LLC:	
Tenant Security Deposits	42,500
Replacement Escrow	533,408
Insurance Escrow	2,805
MIP Escrow	4,492
Quarrytown Redevelopment, LLC:	
Tenant Security Deposits	42,923
Replacement Escrow	635,326
Insurance Escrow	5,067
MIP Escrow	3,060
Woody Woods:	
Tenant Security Deposits	7,206
Total	$ 12,359,294

NOTE 5 CAPITAL ASSETS

PRIMARY GOVERNMENT	January 1, 2017	Additions	Reclass	Deletions	December 31, 2017
Capital Assets Not Being Depreciated:					
Land	$ 30,630,452	$ -	$ -	$ -	$ 30,630,452
Construction in Progress	4,577,739	7,813,621	(10,464,392)	(33,098)	1,893,871
Total Capital Assets Not Being Depreciated	35,208,191	7,813,621	(10,464,392)	(33,098)	32,524,323
Capital Assets Being Depreciated:					
Buildings and Improvements	688,732,255	327,785	10,395,575	-	699,455,615
Equipment-Dwelling	19,657,580	531,698	68,818	(228,840)	20,029,255
Equipment-Administration	9,569,061	8,449	-	(519,030)	9,058,480
Leasehold Improvements	392,296	-	-	-	392,296
Subtotal Capital Assets Being Depreciated	718,351,192	867,932	10,464,392	(747,871)	728,935,646
Accumulated Depreciation:					
Buildings and Improvements	(555,320,042)	(15,022,038)	-	-	(570,342,080)
Equipment-Dwelling	(23,089,384)	(428,754)	(7,619,497)	228,840	(30,908,794)
Equipment-Administration	-	(207,730)	7,619,497	519,030	7,930,797
Subtotal Accumulated Depreciation	(578,409,426)	(15,658,522)	-	747,871	(593,320,077)
Depreciable Assets, Net	139,941,766	(14,790,590)	10,464,392	-	135,615,569
Total Capital Assets—Net	$ 175,149,957	$ (6,976,968)	$ -	$ (33,098)	$ 168,139,892

DISCRETE COMPONENTS	January 1, 2017	Additions	Reclass	Deletions	December 31, 2017
Capital Assets Not Being Depreciated:					
Construction in Progress	$ 34,621,659	$ 8,096,860	$ (29,010,206)	$ -	$ 13,708,313
Total Capital Assets Not Being Depreciated	34,621,659	8,096,860	(29,010,206)	-	13,708,313
Capital Assets Being Depreciated:					
Buildings and Improvements	98,633,372	14,433,311	29,010,206	-	142,076,889
Equipment-Dwelling	1,816,253	492,144	-	-	2,308,397
Leasehold Improvements	14,523,789	1,609,661	-	-	16,133,450
Subtotal Capital Assets Being Depreciated	114,973,414	16,535,116	29,010,206	-	160,518,736
Accumulated Depreciation:					
Buildings and Improvements	(19,129,102)	(4,622,282)	-	-	(23,751,384)
Equipment-Dwelling	(1,381,866)	(81,606)	-	-	(1,463,472)
Subtotal Accumulated Depreciation	(20,510,968)	(4,703,888)	-	-	(25,214,856)
Depreciable Assets, Net	94,462,446	11,831,228	29,010,206	-	135,303,880
Total Capital Assets—Net	$ 129,084,105	$ 19,928,088	$ -	$ -	$ 149,012,193

NOTE 6 NOTES AND MORTGAGES RECEIVABLE - PRIMARY GOVERNMENT

Notes and mortgages receivable are comprised of the following types of loans:

Mixed Finance Construction Loans - the Authority advances loans to third-party developers in conjunction with multi-lender Mixed Finance arrangements for new construction. A lump sum payment of principal and interest, if applicable, is due at maturity, which is 40 to 50 years. These loans are secured by the notes and mortgages on the respective properties. There are other loans where principal and interest are paid based on the cash flow of the respective properties.

Allowances - At December 31, 2017, Notes and Mortgages Receivable total $99.1 million (before eliminations) and related accrued interest totals $3.5 million. The balance includes amounts for construction loans. An allowance for uncollectible amounts of $29.8 million has been credited against these receivables at December 31, 2017. All notes and mortgages are collateralized by the respective properties. These loans are due at maturity ranging from 40 to 50 years. Allowances have been established for funds loaned from WRRMC to Cleveland Housing Network, Inc. as and for some funds loaned from the Authority to other Partnerships, these loans may be satisfied by transfer of property to the Authority.

Interest Income - Interest is due at the maturity date of these loans. Due to the length of time preceding the required payment of interest, interest earned on the notes and mortgage receivables has been deferred and not recognized in the Statements of Revenues, Expenses, and Changes in Net Position. Interest receivable accrued to date under terms of the notes but not given accounting recognition in these financial statements is summarized.

Notes and mortgages receivable at December 31, 2017 consisted of the following:

Loaned To	Loaned From	Origination Date	Maturity Date	Original Balance	Interest Rate	12/31/17 Balance
Building Lease between Western Reserve and COCC	COCC	9/18/09	8/31/39	$ 14,368,802	0.000%	$ 11,020,320
Miscellaneous Receivable	COCC	various	various	various	various	5,785
Bohn Tower Redevelopment, LP	Business Activity	2/1/15	2/1/57	2,543,000	7.000%	2,543,000
Cedar I (RAD)	Various	11/24/15	11/24/65	8,512,041	1.000%	7,973,288
Cedar II (RAD)	Various	2/4/16	2/4/56	4,633,943	2.250%	4,402,943
Cedar II (RAD) - Infrastructure	Business Activity	1/29/16	1/29/56	1,481,855	0.000%	1,378,695
Garden Valley Housing Partnership IV, LP	Business Activity	12/21/15	12/21/55	3,870,234	2.750%	3,699,234
Repayment Agreements	Public Housing	various	various	various	various	99,744
Valleyview I (Tremont Point)	Public Housing	12/22/06	12/31/52	7,273,213	0.250%	7,273,213
Valleyview I (Tremont Point)	Public Housing	12/22/06	12/21/46	500,000	4.900%	500,000
Valleyview II (Tremont Point II)	Public Housing	9/17/08	12/31/60	3,350,273	1.750%	3,350,276
Valleyview II (Tremont Point II)	Public Housing	9/7/08	12/31/16	1,500,000	1.750%	1,500,000
Garden Valley Housing Partnership I, LP	Public Housing	11/18/09	4/1/62	11,700,000	0.200%	11,700,000
Garden Valley Housing Partnership I, LP	Public Housing	11/18/09	4/1/62	1,750,593	0.200%	1,750,592
Garden Valley Housing Partnership II, LP	Public Housing	3/17/10	12/31/60	10,209,408	0.000%	10,209,408
Garden Valley Housing Partnership III, LP	Public Housing	9/16/10	1/16/62	14,953,185	0.500%	14,953,185
Euclid Lee Senior, LP	Public Housing	11/4/11	11/5/56	6,059,163	0.100%	5,962,955
Euclid Lee Senior, LP	Public Housing	11/4/11	11/5/56	6,338,023	0.100%	6,338,023
Miles Pointe Elderly, LP	Public Housing	8/16/12	8/16/57	300,000	0.250%	3,000,000
Fairfax International Housing, LP	Multifamily Property Disposition	10/22/12	10/22/62	1,400,000	0.250%	1,400,000
					Total Notes Receivables	99,060,660
					Elimination of Building Lease	(11,020,320)
					Net Loans Receivable - Current	(49,481)
					Net Loans Receivable - Non current	$ 87,990,860

NOTE 6 NOTES AND MORTGAGES RECEIVABLE - PRIMARY GOVERNMENT (CONTINUED)

WRRMC loaned funds to various Cleveland Housing Network, Inc. ("CHN") Partnerships. As of December 31, 2017, the notes receivable terms are summarized as follows:

Partnership Name	Original Date of Loan	*Maturity Date	Original Balance of Loan	**Balance at 12/31/2017	Interest Rate
Cleveland New Construction, LP III	12/31/2003	12/31/2019	$ 1,343,000	$ 1,517,997	0.25%
Cleveland New Construction, LP IV	9/4/2007	12/31/2038	1,400,000	1,709,127	2.50%
East Cleveland Homes, LP	3/11/2004	3/11/2024	1,480,000	2,418,353	4.68%
Hough Homes, LP	12/1/2005	12/31/2037	2,327,273	3,550,973	5.25%
Hough Homes II, LP	12/9/2004	12/31/2036	1,492,475	2,276,941	4.68%
Stockyard Homes, LP	12/20/2006	12/31/2038	1,497,636	1,629,834	1.00%
Total notes receivable, including deferred interest				13,103,225	
Allowance for notes receivable, including deferred interest				(13,103,225)	
Notes receivable, net				$ -	

* The maturity date, as defined in each Loan Agreement, is the earliest of 20 or 30 years from the date the last unit in the CHN Partnership is leased to a tenant meeting all LIHTC and HUD requirements, but in no event later than the maturity date in the above schedule.

** Balance includes accrued interest

No principal and interest payments are received on the notes receivable until each note's maturity date. The notes are secured by a mortgage on each CHN respective Partnership. During 2016, the notes receivable were placed on nonaccrual status. For the years ended December 31, 2017 and 2016, interest income of $0 for both years, was earned.

CMHA loaned funds to various partnerships. As of December 31, 2017, the notes receivable terms are summarized as follows:

Partnership Name	Original Date of Loan	*Maturity Date	Original Balance of Loan	**Balance at 12/31/2017	Interest Rate
East Side Neighborhood Homes LP	11/15/2004	11/15/2050	8,450,000	8,731,592	0.25%
OCDS LP	9/16/2004	9/16/2049	2,040,000	3,917,969	5.03%
OCDS LP	9/16/2004	9/16/2049	261,480	270,305	0.25%
Gordon Square LP	12/22/2005	3/31/2047	1,670,000	2,931,731	4.79%
Gordon Square LP	12/22/2005	3/31/2047	800,000	824,389	0.25%
Total notes receivable, including deferred interest				16,675,986	
Allowance for notes receivable, including deferred interest				(16,675,986)	
Notes receivable, net				$ -	

NOTE 7 DEVELOPER FEES RECEIVABLE - PRIMARY GOVERNMENT

In connection with the development of various mixed finance projects, the Authority has development fees receivable from the discretely presented component units totaling $10.1 million. These receivables are payable based upon the respective partnership agreements and are due to WRRMC.

NOTE 8 INVESTMENT IN REAL ESTATE PARTNERSHIPS - PRIMARY GOVERNMENT

The Authority's blended component unit, Western Reserve Revitalization and Management Company, Inc., includes investments in real estate partnerships as follows:

Riverside Park Homes, LP	$	10,752,673
Fairfax Intergenerational, LP		658,524
Garden Valley Housing Partnership II, LP		404,083
Total Investment in Real Estate Partnerships	$	11,815,280

NOTE 9 ACCRUED EXPENSES - PRIMARY GOVERNMENT

Current accrued expenses at December 31, 2017 consist of the following items:

Payroll and Related Accruals	$	5,616,787
Accrued Compensated Absences		2,357,701
Unearned Revenue		2,279,403
Worker's Compensation - Current Portion		800,000
Other Litigation Reserves		983,500
Interest Payable		943,318
Accrued Utilities		302,999
Contract Retentions		1,216,635
Insurance		147,950
Professional Service Fees		1,135,310
Other		316,971
Total	$	16,100,574

NOTE 10 DEBT AND LEASE OBLIGATIONS - PRIMARY GOVERNMENT

Debt Summary

A summary of the Authority's long-term debt and capital lease in 2017 follows:

	Primary Government				
	January 1, 2017	Increase	Decrease	December 31, 2017	Due Within One Year
Ambleside - Mortgage Note	$ 6,525,449	$ -	$ (348,133)	$ 6,177,316	$ 93,986
Severance - Mortgage Note	5,831,140	-	(314,020)	5,517,120	78,712
Quarrytown - Mortgage Note	3,972,153	-	(236,413)	3,735,740	56,109
Western Reserve	-	510,000	-	510,000	510,000
General Revenue Bonds	1,650,000	-	(530,000)	1,120,000	550,000
Refunding Revenue Bond Series 2016	5,835,000	-	(130,000)	5,705,000	130,000
Unamortized Discount - Bond	(19,430)	-	7,286	(12,144)	(7,286)
Build America Bonds	12,855,000	-	-	12,855,000	-
Ohio Bond Financing	10,095,000	-	(700,000)	9,395,000	740,000
Unamortized Bond Premium Ohio Bond	214,830	-	(20,959)	193,871	20,959
Modernization Express Loan A	10,244,520	-	(525,230)	9,719,290	559,390
Modernization Express Loan B	6,104,580	-	(312,980)	5,791,600	333,330
Energy Program - Capital Lease	11,046,724	-	(3,241,039)	7,805,685	3,378,989
Total	$ 74,354,966	$ 510,000	$ (6,351,488)	$ 68,513,478	$ 6,444,189

First Mortgage Note – Ambleside

On July 1, 2014, the Authority established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of $6,720,000, with an interest rate at 4.50%, maturing August 1, 2049. Principal and interest payments are made monthly. At December 31, 2017, $6,177,316 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 93,986	$ 287,681	$ 381,667
2019	98,237	283,365	381,602
2020	102,784	278,850	381,634
2021	107,506	274,128	381,634
2022	112,445	269,189	381,634
2023-2027	644,621	1,263,550	1,908,171
2028-2032	806,934	1,101,237	1,908,171
2033-2037	1,010,117	898,054	1,908,171
2038-2042	1,264,460	643,711	1,908,171
2043-2047	1,582,846	325,325	1,908,171
2048-2049	353,380	24,371	377,751
Total	$ 6,177,316	$ 5,649,461	$ 11,826,777

NOTE 10 DEBT AND LEASE OBLIGATIONS – PRIMARY GOVERNMENT (CONTINUED)

First Mortgage Note – Severance

On September 1, 2014, the Authority established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of $5,989,900 with an interest rate of 4.55%, maturing October 1, 2049. Principal and interest payments are made monthly. At December 31, 2017, $5,517,120 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 78,712	$ 260,032	$ 338,744
2019	89,852	256,205	346,057
2020	90,200	252,200	342,400
2021	94,391	248,009	342,400
2022	98,777	243,624	342,400
2023-2027	567,137	1,144,865	1,712,002
2028-2032	711,710	1,000,292	1,712,002
2033-2037	893,137	818,865	1,712,001
2038-2042	1,120,814	591,188	1,712,002
2043-2047	1,406,529	305,473	1,712,002
2048-2049	365,861	26,561	392,422
Total	$ 5,517,120	$ 5,147,314	$ 10,664,434

First Mortgage Note – Quarrytown

On September 1, 2014, the Authority established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of $4,080,300 with an interest rate at 4.55%, maturing October 1, 2049. Principal and interest payments are made monthly. At December 31, 2017, $3,735,740 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 56,109	$ 177,133	$ 233,242
2019	58,716	174,526	233,242
2020	61,444	171,798	233,242
2021	64,299	168,943	233,242
2022	67,286	165,956	233,242
2023-2027	386,330	779,879	1,166,209
2028-2032	484,814	681,396	1,166,210
2033-2037	608,401	557,808	1,166,209
2038-2042	763,493	402,716	1,166,209
2043-2047	958,121	208,089	1,166,210
2048-2049	226,727	18,093	244,820
Total	$ 3,735,740	$ 3,506,337	$ 7,242,077

NOTE 10 DEBT AND LEASE OBLIGATIONS - PRIMARY GOVERNMENT (CONTINUED)

Series 2009A and 2009B Administrative Campus Financing - On September 18, 2009, the Authority issued Series 2009A Tax Exempt General Revenue Bonds in the amount of $3,145,000 and Series B Build America Bonds in the amount of $12,855,000. The net proceeds from the bonds were used to build the consolidated Administrative Campus. The Series A Bonds have various maturity dates and coupon rates as follows:

- September 1, 2014 $485,000 at 2.75%
- September 1, 2015 $500,000 at 3.00%
- September 1, 2016 $510,000 at 3.38%
- September 1, 2017 $530,000 at 3.63%
- September 1, 2018 $550,000 at 3.75%
- September 1, 2019 $570,000 at 4.00%

The Build America Bonds, Series 2009B, is a type of bond created under The American Recovery and Reinvestment Act of 2009. This type of bond is taxable and allows government entities to offer bonds in the market at competitive rates, thereby widening the pool of potential buyers. The Build America Bonds mature as follows: September 1, 2029 - $4,835,000 at 7.88% and September 1, 2039 - $8,020,000 at 8.13%. Under the Build America Program, the Authority will be reimbursed by the Internal Revenue Service 35% of the interest paid, thus lowering the actual interest rate the Authority will pay. At December 31, 2017, $12,855,000 and $1,120,000 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 550,000	$ 1,071,293	$ 1,621,293
2019	570,000	1,050,124	1,620,124
2020	390,000	1,025,341	1,415,341
2021	400,000	994,412	1,394,412
2022	420,000	962,498	1,382,498
2023-2027	2,455,000	4,272,020	6,727,020
2028-2032	3,160,000	3,179,608	6,339,608
2033-2037	4,080,000	1,738,194	5,818,194
2038-2039	1,950,000	200,201	2,150,201
Total Payments	13,975,000	14,493,691	28,468,691
Less Amortized Bond Discount	(12,144)	-	(12,144)
Total	$ 13,962,856	$ 14,493,691	$ 28,456,547

NOTE 10 DEBT AND LEASE OBLIGATIONS - PRIMARY GOVERNMENT (CONTINUED)

General Revenue Refunding Bonds, Series 2016

On March 1, 2016, the Authority issued General Revenue Refunding Bonds, Series 2016 in the amount of $5,900,000. The Authority intends to use the proceeds of the Series 2016 Bonds (1) to defease the outstanding Series 2009A Bonds, (2) to pay the maturing principal of the Series 2013 Bond Anticipation Notes and (3) to fund the Debt Service Reserve Fund established pursuant to the First Supplement for the holders of the Series 2016 Bonds. The bonds will bear interest from March 1, 2016, payable on March 1 and September 1 of each year, beginning September 1, 2016. The interest rate is 1.75%, with a maturity at March 1, 2020. At December 31, 2017, $5,705,000 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 130,000	$ 99,269	$ 229,269
2019	130,000	96,994	226,994
2020	5,445,000	47,643	5,492,643
Total	$ 5,705,000	$ 243,906	$ 5,948,906

Ohio Bond Financing – 2007 CFFP

On July 17, 2007, the Authority issued a Capital Fund backed bond with three other housing authorities. The Authority's debt from the bond issuance is $15,315,000 and after providing for a debt service reserve and upfront costs, the Authority will have $14,003,165 to spend on improvements to facilities. The bonds have a 20 year term with interest rates from 3.90% to 4.67%. A bond premium was also received and will be amortized over the life of the bonds on a straight line basis. Payments will be made in April and October starting in October of 2007 and will be made directly from HUD. At December 31, 2017, $9,588,871 in debt and unamortized bond premium remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 740,000	$ 451,250	$ 1,191,250
2019	775,000	413,375	1,188,375
2020	820,000	373,500	1,193,500
2021	860,000	331,500	1,191,500
2022	905,000	287,375	1,192,375
2023-2027	5,295,000	688,625	5,983,625
Total	9,395,000	2,545,625	11,940,625
Unamortized Bond Premium	193,871	-	193,871
Total	$ 9,588,871	$ 2,545,625	$ 12,134,496

NOTE 10 DEBT AND LEASE OBLIGATIONS - PRIMARY GOVERNMENT (CONTINUED)

Capital Fund Financing – CFFP 2009

On November 18, 2009, the Authority issued Capital Fund backed debt in the form of two loans (Loans A and B). The Authority's debt for both loans is $20,878,960.

Loan A in the amount of $13,082,970 will provide $11,700,426 net proceeds after debt service reserves and up-front costs. These proceeds will be used for Phase III of the Garden Valley Mixed Finance redevelopment after being loaned to the Garden Valley Housing Partnership I, LP. The maturity date for the loan is October 1, 2029, and it has an interest rate of 6.40%.

Loan B in the amount of $7,795,990 will provide $7,000,256 net proceeds after debt service reserves and up-front costs. These proceeds were used at various Authority properties to fund the implementation of Uniform Federal Accessibility Standards (UFAS) improvements. The maturity date for the loan is October 1, 2029, and it has an interest rate of 6.40%.

Payments are made in April and October each year and began in April 2010. The payments are made directly from HUD. At December 31, 2017, $15,510,890 in debt remained outstanding for these two loans.

Combined obligations for both loans under the agreements are as follows:

	Principal	Interest	Balance
2018	$ 892,720	$ 978,414	$ 1,871,134
2019	950,780	920,351	1,871,131
2020	1,012,620	858,511	1,871,131
2021	1,078,490	792,650	1,871,140
2022	1,148,640	722,503	1,871,143
2023-2027	6,965,810	2,389,857	9,355,667
2028-2029	3,461,830	280,436	3,742,266
Total	$ 15,510,890	$ 6,942,722	$ 22,453,612

Capital Lease

On October 10, 2006, the Authority entered into an equipment lease-purchase agreement with PNC Bank to acquire equipment under an energy performance contract to upgrade the heating and energy efficiency of several properties. As of December 31, 2017 the gross amount of related capital assets is $18,582,116 and the accumulated depreciation is $13,014,302. The total amount of the contract is $33,610,000 which was all committed at December 31, 2008. Principal payments commenced April 10, 2008. Interest from inception to April 10, 2007 in the amount of $707,818 was added to principal. At December 31, 2017, $7,805,685 in debt remained outstanding.

NOTE 10 DEBT AND LEASE OBLIGATIONS - PRIMARY GOVERNMENT (CONTINUED)

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2018	$ 3,378,989	$ 274,427	$ 3,653,416
2019	3,522,809	130,607	3,653,416
2020	903,887	9,468	913,355
Total	$ 7,805,685	$ 414,502	$ 8,220,187

Western Reserve Revitalization and Management Corporation

On April 10, 2017 Western Reserve Revitalization and Management Corporation signed a promissory note with Ohio Capital Finance Corporation in the amount of $510,000 for predevelopment costs for the development and rehabilitation of properties located in Cuyahoga County. The maturity date is April 10, 2019 although the Corporation intends to repay this note in full during 2018 and has conservatively recorded this amount as a current liability in the statement of net position. Interest on the unpaid balance will accrue at the greater rate of (a) Prime Rate minus 0.50% and (b) 4.00% per annum. At December 31, 2017, $510,000 in debt remained outstanding.

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS

Debt Summary

A summary of the discrete component unit long-term debt in 2017 follows:

	Discretely Presented Component Units					
	January 1, 2017	Increase	Decrease	Debt Issuance Costs	December 31, 2017	Due Within One Year
Bohn Tower Mortgage/Bonds	$ 27,217,977	$ 1,663,237	$ (13,650,000)	$ (334,214)	$ 14,897,000	$ 108,046
Carver Park Mortgage/Bonds	53,248,618	6,854,515	-	-	60,103,133	-
Euclid-Lee Mortgages	12,300,978	-	-	-	12,300,978	-
Fairfax Mortgage/Construction	6,487,164	-	(23,410)	(38,845)	6,424,909	26,430
Garden Valley I Mortgages	15,700,593	-	-	(75,910)	15,624,683	-
Garden Valley II Mortgages	10,209,408	-	-	(71,497)	10,137,911	-
Garden Valley III Mortgages	15,553,185	-	-	(169,438)	15,383,747	-
Garden Valley IV Bonds/ Mortgage/ Construction	13,551,722	2,490,531	(6,641,488)	(166,839)	9,233,926	26,655
Miles Pointe Mortgage	3,000,000	-	-	(17,167)	2,982,833	-
Riverside Park Promissory	150,000	-	-	-	150,000	150,000
West Side Riverview Promissory	150,000	-	-		150,000	-
Total	$ 157,569,645	$ 11,008,283	$ (20,314,898)	$ (873,910)	$ 147,389,120	$ 311,131

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS (CONTINUED)

Obligations under the debt agreements are as follows:

		Principal
2018	$	311,131
2019		30,668,146
2020		175,467
2021		183,108
2022		191,081
Thereafter		115,860,187
	$	147,389,120

Bohn Tower Redevelopment, L.P.

On February 1, 2015, the Partnership entered into a loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed $11,000,000. The maturity date is November 1, 2056. Principal and interest, at 4.40%, are to be paid monthly, however only interest is paid through November 2016 with principal payments beginning December 1, 2016. At December 31, 2017, $10,888,214 in debt remained outstanding. Debt issuance costs were $334,214 at December 31, 2017.

In February 1, 2015, the Partnership entered into an agreement with the Authority to obtain tax-exempt Housing Revenue Bonds, Series 2015, in the amount of $12,700,000. The maturity date was March 1, 2017. The interest rate is 0.70% and interest is payable on March 1 and September 1 of each year. On March 1, 2017 CMHA entered into a First Supplemental Trust Indenture with the Trustee which extended the maturity date of the Partnership's bonds to May 1, 2017 and modified the interest rate from 0.70% per annum to 0.95% per annum. The Bonds were paid in full on May 1, 2017.

On February 1, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of $2,543,000. The maturity date shall be 42 years, or February 1, 2057. Interest accrues at 7.00%. At December 31, 2017, $2,543,000 and $441,636 in debt and deferred interest, respectively, remained outstanding.

On February 1, 2015, the Partnership signed a promissory note with the Authority in the amount of $1,800,000 to lease the land and building. The maturity date is January 31, 2047. Interest on the unpaid balance will accrue at the rate of 3.00%. At December 31, 2017, $1,800,000 in debt remained outstanding.

On February 26, 2015, the Partnership entered into a bridge loan agreement, not to exceed $1,000,000, with Enterprise Community Loan Fund, Inc. to be used for the acquisition and rehabilitation of 267 affordable rental housing units. The entire principal balance of this Note, together with all accrued and unpaid interest shall be payable in full on the earlier to occur of: (a) the date of the capital contribution to be made at the time of Loan Conversion, or (b) the last calendar day of the 20-month anniversary of the date of this Note (the Maturity Date). The entire unpaid principal balance of the loan, together with all accrued and unpaid interest was due on June 30, 2017, its maturity date. The loan was paid in full on October 13, 2017.

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS (CONTINUED)

Carver Park Phase I, L.P.

On September 8, 2016, the Partnership signed a Leasehold Acquisition Note in the amount of $14,010,000 with the Authority. The maturity date will be September 7, 2061. Interest will accrue and compound at 1.90% annually. At December 31, 2017, the amount of $14,010,000 was outstanding.

On September 8, 2016, the Partnership signed an Authority Funds Note in the amount of $7,000,000 with the Authority. The maturity date will be no later than September 7, 2061. Interest will accrue at 1.90% annually. Interest and principal will be due and payable on the maturity date. At December 31, 2017, the amount of $7,000,000 was outstanding.

On September 1, 2016, the Partnership issued Multifamily Housing Revenue Bonds, Series 2016, in the amount of $30,500,000. The maturity date is September 1, 2019. The initial interest rate is 1.0%, with interest payable on June 1 and December 1 of each year, beginning December 1, 2016. At December 31, 2017, $30,500,000 remained outstanding.

On September 1, 2016, the Partnership entered into a Leasehold Multifamily Mortgage with Red Mortgage Capital, LLC, in the amount of $13,700,000, interest will accrue at 3.56% annually. The maturity date for this debt is July 1, 2058. At December 31, 2017, the outstanding debt is $8,593,133.

Euclid-Lee Senior, L.P.

On November 4, 2011, the Partnership entered into a loan Agreement with the Authority in the amount not to exceed $6,059,163. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2017, $5,962,955 and $34,382 in debt and accrued interest payable, respectively, remained outstanding.

On November 4, 2011, the Partnership entered into a promissory note with the Authority in the amount not to exceed $6,338,348. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2017, $6,338,023 and $34,342 in debt and accrued interest payable, respectively, remained outstanding.

Fairfax Intergenerational Housing, L.P.

On October 22, 2012, the Partnership entered into a loan agreement with the Authority in the amount of $1,400,000. The loan is secured by a mortgage on the rental property and is due fifty years after construction of the Project has been completed and a final occupancy certificate has been issued. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date on October 24, 2062. At December 31, 2017, $1,400,000 and $18,181 in debt and accrued interest payable, respectively, remained outstanding.

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS (CONTINUED)

Fairfax Intergenerational Housing, L.P. (continued)

On October 12, 2012, the Partnership entered into a promissory note with Fairfax Renaissance Development Corporation (FRDC), an affiliate of the General Partner, in the amount of $998,000. The loan is secured by the rental property and bears interest at the rate of 0.25% per annum. No principal or interest payments are required until its maturity date of June 30, 2059. At December 31, 2017, $998,000 and $12,880 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a Home Investment Partnership loan agreement with the City of Cleveland in the amount of $3,202,000. The loan is secured and interest accrues at a rate of 0.25%. The term of the loan will be 45 years and the loan term will begin on the date when all construction work has been performed in compliance with the obligations of the Agreement. No principal or interest payments are required until its maturity date. At December 31, 2017, $3,202,000 was outstanding. Interest deferred as of December 31, 2017, was $33,511.

On October 22, 2012, the Partnership entered into a Construction Loan Agreement with PNC Bank in an amount not to exceed $1,000,000, with the option to convert the loan into a permanent loan not to exceed $1,000,000. Commencing May 1, 2015 the loan bears interest at 3.95% per annum. At December 31, 2017, $863,754 was outstanding. Interest incurred and expensed during 2017 was $34,770. Debt issuance costs were $38,845 at December 31, 2017.

Garden Valley Housing Partnership I, L.P.

On November 18, 2009, the Partnership entered into a loan agreement with the Authority in the amount of $11,700,000. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2017, $11,700,000 and $163,800 in debt and accrued interest payable, respectively, remained outstanding. Debt issuance costs were $75,910 at December 31, 2017.

On November 18, 2009, the Partnership entered into a promissory note with the Authority in the amount of $1,750,593. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2017, $1,750,593 and $24,507 in debt and accrued interest payable, respectively, remained outstanding.

On September 23, 2009, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of $2,250,000. The loan is secured and interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of December 31, 2060. At December 31, 2017, $2,250,000 and $38,390 in debt and accrued interest payable, respectively, remained outstanding.

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS (CONTINUED)

Garden Valley Housing Partnership II, L.P.

On March 17, 2010, the Partnership entered into a loan agreement with the Authority in the amount of $10,209,408. The loan is secured by a second mortgage on the rental property and is due on its maturity date of December 31, 2060. The loan is non-interest bearing and no principal payments are required until its maturity date. At December 31, 2017, $10,209,408 in debt remained outstanding. Debt issuance costs were $71,497 at December 31, 2017.

Garden Valley Housing Partnership II, L.P. has a fiscal year end of November 30. Management believes there are no material transactions that would affect the financial position of operations of the LIHTC Partnership.

Garden Valley Housing Partnership III, L.P.

On September 16, 2010, the Partnership entered into a Capital Competitive Recovery Act Fund Loan Agreement with the Authority in the amount of $14,953,185. The loan is secured by a mortgage on the rental property and is due fifty years after the first day of the month following construction completion, or January 2062. Interest accrues at a rate of 0.50% per annum. No principal or interest payments are required until its maturity date. At December 31, 2017, $14,953,185 and $450,276 in debt and accrued interest payable, respectively, remained outstanding. Debt issuance costs were $169,438 at December 31, 2017.

On September 16, 2010, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of $600,000. The loan is secured by the rental property and is non-interest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 10% per annum. No principal or interest payments are required until its maturity date of December 31, 2061. At December 31, 2017, $600,000 in debt remained outstanding.

Garden Valley Housing Partnership IV, L.P.

On December 21, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority, in the amount not to exceed $3,870,234. The funds will be used for the development of Heritage View Homes IV, which includes 60 units of housing, all of which will be Rental Assistance Demonstration Project-Based units (RAD). Interest will accrue at 2.75% per annum. Principal and interest will be payable December 21, 2057, the maturity date. At December 31, 2017, $3,870,234 and $227,380 in debt and accrued interest, respectively, remained outstanding.

On December 21, 2015, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of $600,000. The loan is secured by the rental property and is non-interest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 2% per annum. No principal or interest payments are required until its maturity date of May 1, 2057. The outstanding loan balance as of December 31, 2017, was $540,000.

On December 1, 2015, CMHA issued Housing Revenue Bonds, Series 2015, in the amount of $6,550,000. The Authority loaned the proceeds to the Partnership to assist in the financing of the project. The maturity date is June 1, 2017.

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS (CONTINUED)

Garden Valley Housing Partnership IV, L.P. (continued)

The interest rate is 1.0% and interest is payable on June 1 and December 1 of each year. At December 31, 2017, $0 in debt remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Agency in the amount of $1,500,000. The interest rate is 0.0% and payments of $375,000 are due in four installments as outlined in the loan agreement. At December 31, 2017, $1,500,000 in debt remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Agency in the amount of $1,000,000. This loan is secured by the Project. The loan bears interest at 2.0%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, December 21, 2055. As of December 31, 2017 the outstanding principal balance was $1,000,000. Deferred interest as of December 31, 2017 was $17,205.

On December 23, 2015, the Partnership entered into a loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed $2,509,900. The maturity date is March 1, 2057. Principal and interest, at 4.0%, are to be paid monthly, however only interest is paid through March 1, 2017 with principal payments beginning April 1, 2017. At December 31, 2017, $2,490,531 in debt remained outstanding. Debt issuance costs were $166,839.

Miles Pointe Elderly, L.P.

On August 16, 2012, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of $3,000,000. The loan is secured by a mortgage on the rental property and is due in forty-five years. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of August 16, 2057. At December 31, 2017, $3,000,000 and $29,626 in debt and accrued interest payable, respectively, remained outstanding. Debt issuance costs were $17,167 at December 31, 2017.

Riverside Park Homes, L.P.

On November 19, 2015, the Partnership entered into a promissory note with Ohio Capital Finance Corporation PNC Affordable Housing Loan Fund, LLC, in the amount of $150,000. The loan proceeds will be used to pay for predevelopment costs related to a new phase of the Property. The loan is guaranteed by an affiliate of the General Partner. The loan bears interest at a rate equal to the greater of: (a) Prime Rate (4.50% as of December 31, 2017) minus 0.5%, or (b) 3%, per annum. The entire balance of principal and interest is due upon the earlier of: (a) the closing of the Property's financing for the construction or rehabilitation of any improvements on the land, or (b) receipt of proceeds of the first installment of capital contributions made to the Property upon closing of a new re-syndication phase, which is expected to occur during 2018. At December 31, 2017, $150,000 and $10,266 in debt and accrued interest payable, respectively, remained outstanding.

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS (CONTINUED)

West Side Riverview, L.P.

On February 10, 2016, the Partnership entered into a promissory note with Ohio Capital Finance Corporation PNC Affordable Housing Loan Fund, LLC, in the amount of $150,000. The loan bears interest at a rate equal to the greater of: (a) Prime Rate (4.50% as of December 31, 2017) minus 0.5%, or (b) 3%, per annum. The entire balance of principal and interest is due upon the earlier of: (a) the closing of the Property's financing for the construction or rehabilitation of any improvements on the land, or (b) receipt of proceeds of the first installment of capital contributions made to the Property upon closing of the new phase. At December 31, 2017, $150,000 was outstanding.

NOTE 12 LONG-TERM OBLIGATIONS

Changes in the Authority's long-term obligations for the year ended December 31, 2017 was as follows:

	Primary Government				
	January 1, 2017	Increase	Decrease	December 31, 2017	Due Within One Year
Long-Term Debt Obligations	$ 74,354,966	$ 510,000	$ (6,351,488)	$ 68,513,478	$ 6,444,189
Net Pension Liability - OPERS	53,436,109	18,586,215	-	72,022,324	-
Workers' Compensation Liability	2,070,167	-	(120,867)	1,949,300	800,000
Compensated Absences	3,318,759	-	(437,129)	2,881,630	2,357,701
Other Non-Current Liabilities	21,507,115	-	(21,030,814)	476,301	-
Total	$ 154,687,116	$ 19,096,215	$ (27,940,298)	$ 145,843,033	$ 9,601,890

	Discretely Presented Component Units				
	January 1, 2017	Increase	Decrease	December 31, 2017	Due Within One Year
Long-Term Debt Obligations	$ 157,569,645	$ 11,008,283	$ (21,188,808)	$ 147,389,120	$ 311,131
Other Non-Current Liabilities	9,095,408	3,771,118	-	12,866,526	274,571
Total	$ 166,665,053	$ 14,779,401	$ (21,188,808)	$ 160,255,646	$ 585,702

NOTE 13 CONDUIT DEBT OBLIGATION

Conduit (no-commitment) debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and is therefore not reported on the balance sheet.

On February 3, 2016, a resolution by the Board of Commissioners authorized the issuance and sale of CMHA's self-supporting housing revenue bonds in an amount not to exceed $30,500,000 for Carver Park Phase I, LP, to acquire, renovate and operate the first phase of the existing Carver Park Complex, consisting of 279 units of affordable housing.

NOTE 13 CONDUIT DEBT OBLIGATION (CONTINUED)

Also authorized was the execution and delivery of a trust indenture, a bond purchase agreement, a loan agreement, a regulatory agreement and certain other documents in connection with the issuance of the bonds.

NOTE 14 RETIREMENT AND OTHER BENEFIT PLANS

Plan Description

The Authority contributes to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system which administers three separate pension plans: the Traditional Pension Plan, the Combined Plan, and the Member-Directed Plan. All public employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplemental information, and detailed information about OPERS' fiduciary net position. That report can 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.

Benefits Provided

Traditional Pension Plan - The Traditional Pension Plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and final average salary. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The Combined Plan - The Combined Plan is a defined benefit plan with elements of a defined contribution plan. Under the Combined Plan, members earn a formula benefit similar to, but at a smaller factor than, the Traditional Pension Plan benefit. This plan is funded by employer contributions and associated investment earnings. Additionally, member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment earnings (or losses) on those contributions. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

The Member-Directed Plan - The Member-Directed Plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The retirement distribution under this plan is equal to the sum of member and vested employer contributions, plus investment earnings (or losses) on those contributions. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20 percent per year. Upon retirement or termination, the member may choose a defined contribution retirement distribution or may elect to use his or her defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

NOTE 14 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Plan benefits, and any benefit increases, are established by legislature pursuant to Chapter 145 of the Ohio Revised Code. The board of trustees, pursuant to Chapter 145, has elected to maintain funds to provide healthcare coverage to eligible Traditional Pension and Combined Plan retirees and survivors of members. Healthcare coverage does not vest and is not required under Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the board.

Senate Bill (SB) 343 enacted into law new legislation 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. Members who were eligible to retire under law in effect prior to SB 343 or will be eligible to retire no later than five years after January 7, 2013 comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

Age and Service Defined Benefits - Benefits in the Traditional Pension Plan for members are calculated on the basis of age, final average salary, and service credit. 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:

Group A	**Group B**	**Group C**
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age 57 with 25 years of service credit or age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

The 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 an 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 benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

NOTE 14 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Benefits in the Combined Plan consist of both an age and service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, final average salary, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan.

The benefit formula for the defined benefit component of the plan for members in transition Groups A and B applies a factor of 1.0 percent to the member's final average salary for the first 30 years of service. A factor of 1.25 percent is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0 percent to the member's final average salary for the first 35 years of service and a factor of 1.25 percent is applied to years in excess of 35.

Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions, plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits - Defined contribution plan benefits are established in the plan documents, which may be amended by the board. The Member-Directed Plan and Combined Plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan was discussed above. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan, and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the member's contributions, vested employer contributions, and investment gains and losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20 percent each year.

At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts. Options include the purchase of a monthly annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance, net of taxes withheld, or a combination of these options. Additional information on other benefits available can be found in the OPERS CAFR.

Funding Policy

The OPERS funding policy provides for periodic employee and employer contributions to all three plans at rates established by the board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of OPERS' external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code. Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2017. Plan members were required to contribute 10 percent of covered payroll while the Authority's contribution rate was 14 percent of covered payroll.

The Authority's contractually required contributions to OPERS were $5,580,777 for the year ended December 31, 2017.

NOTE 14 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Net Pension Liability

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans, due to insignificance of the amounts that related to the Combined Plan.

The Authority reported a net pension liability of $72,022,324 as its proportionate share of the Traditional Plan and a net pension asset of $225,050 as its proportionate share for the Combined Plan. The Authority's proportion was 0.317163 percent for the Traditional Plan and 0.404353 percent for the Combined Plan.

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

For the year ended December 31, 2017, the Authority recognized pension expense of $16,881,947. At December 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows / (Inflows) of Resources
Difference between expected and actual experience	-	(435,197.00)	(435,197.00)
Net difference between projected and actual earnings on pension plan investments	10,470,839	-	10,470,839
Change in assumptions	11,478,459	-	11,478,459
Contributions subsequent to the measurement date	5,580,777	-	5,580,777
Change in Authority's proportionate share	-	(213,956)	(213,956)
Totals	$ 27,530,075	$ (649,153)	$ 26,880,922

The $5,580,777 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 14 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Years Ending December 31	Pension Expense
2018	$ 8,741,979
2019	9,196,391
2020	3,720,346
2021	(327,572)
2022	(11,121)
Thereafter	(19,878)
Total	$21,300,145

Actuarial Assumptions

Total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	December 31, 2016
Actuarial cost method:	Individual entry age
Cost-of-living adjustments:	3.00% through 2018, then 2.15%
Salary increases:	3.25% - 10.75% (including inflation)
Inflation:	3.25%
Investment rate of return:	7.50%
Experience study date:	Period of 5 years ended December 31, 2015
Mortality basis:	RP-2014 Healthy Annuitant Mortality Table

Discount Rate

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

Investment Rate of Return

The allocation of investment assets within the defined benefit portfolio is approved by the board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected 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 class.

NOTE 14 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return as of the December 31, 2016 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

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

<u>Sensitivity of the Authority's Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate</u>

The following table represents the Authority's proportionate share of net pension liability at the 7.5 percent discount rate as well as the sensitivity to a 1 percent increase and a 1 percent decrease in the current discount rate:

	1 Percent Decrease (6.50%)	Current Discount Rate (7.50%)	1 Percent Increase (8.50%)
Proportionate share of the net pension liability	$ 110,030,188	$ 72,022,324	$ 40,349,477
Proportionate share of the net pension asset	$ 16,174	$ (225,050)	$ (412,440)

<u>Assumption Changes</u>

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

NOTE 15 POST-EMPLOYMENT BENEFITS

Plan Description

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA). In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust), was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts (RMA) for participants of the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. The 115 Trust is now the funding vehicle for all health care plans.

The health care plans funded through the 115 Trust are reported as other postemployment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Upon termination or retirement, Member-Directed Plan participants can use vested RMA funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest over a five-year period at a rate of 20% per year. 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. Health care coverage is neither guaranteed nor statutorily required.

Participants in the Member-Directed Plan are not eligible for the health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a RMA, previously funded through the VEBA Trust established under IRC 501(c)(9). As previously noted, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Trust on July 1, 2016. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from their RMA funds, now funded through the 115 Trust.

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.

NOTE 15 POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

With the assistance of the System's actuary and Board approval, a portion of each employer's contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 2.0% for 2016. The employer contribution as a percent of covered payroll deposited for RMA participants in the Member-Directed Plan for 2016 was 4.0%.

The portion of actual Authority contributions for the years ended December 31, 2017, 2016, and 2015 which were used by OPERS to fund post-employment benefits were $898,560, $799,052, and $688,735, respectively.

NOTE 16 INSURANCE COVERAGE AND RISK RETENTION

The Authority adheres to a Risk Management Policy adopted by the Board of Commissioners that seeks to incorporate risk management principles into the management and operation of business activities and through purposefully making risk management a valued aspect of the organization. The Executive Team oversees the Authority's implementation of an effective system of risk management, compliance and control through purposefully integrating risk principles with business decisions. These principles include value creation, continuous improvement, transparency, inclusiveness, responsiveness to change, and explicit consideration of uncertainty. The Office of Legal Affairs/Risk Management is responsible for serving as the lead resource for the Authority's risk program and acting as a consultant to all constituent groups. This is accomplished by developing consensus with leadership to reduce exposures and losses, reviewing the effectiveness of existing risk management practices, controls, and compliance systems, and through crafting innovative approaches to manage the Authority's risks.

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The Authority is a member of HARRG, which is a risk retention group operated as a joint venture by its more than 1,000 public housing authority members. Through HARRG, the Authority carries $5,000,000 of general liability coverage, with a $25,000 deductible, and $2,000,000 of public officials' liability coverage, with a $25,000 deductible.

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its more than 1,000 public housing authority members. Through HAPI, the Authority carries coverage with a per occurrence loss limit of $100,000,000 and with a $10,000 deductible.

The Authority's commercial automobile coverage includes liability insurance with a combined single limit of $2,000,000 per accident with a $1,000 deductible. The Authority is self-insured for the following risks:

NOTE 16 INSURANCE COVERAGE AND RISK RETENTION (CONTINUED)

Workers' Compensation Benefits—The Authority is self-insured for workers' compensation benefits provided to its employees. An excess liability policy provides coverage for individual claims that are greater than $500,000 per individual occurrence with a $10,000,000 limit in the aggregate. The Authority has recorded a $1,949,300 liability for self-insured workers' compensation claims in its Conventional Program and is fully funded at December 31, 2017.

The changes in the Authority's self-insured funds' unpaid claims liability in fiscal years 2017, 2016 and 2015 are presented below:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payouts	End of Year	Expected Amount Due Within One Year
2017	$ 2,070,167	412,032	(532,899)	$ 1,949,300	$ 800,000
2016	2,463,458	147,143	(540,434)	2,070,167	800,000
2015	2,444,536	619,956	(601,034)	2,463,458	800,000

The liabilities above represent the Authority's best estimates based upon available information and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic factors.

The Authority strictly adheres to a Risk Control Work Plan policy that incorporates nine standards for risk management. The policy, passed by resolution of the Board of Commissioners and supported by HARRG, seeks to implement risk management activities that include the assignment of a full time risk control administrator, establishment of an active risk control committee, together with a formal self-inspection and preventive maintenance program. Other standards include conducting on-site risk control training and education, the development of emergency action plans and property conservation programs, and the establishment of an accident and incident investigation program. During 2017, there were no significant reductions in the Authority's insurance coverage.

Settled claims have not exceeded the Authority's insurance coverage in any of the past three years.

NOTE 17 CONTINGENCIES

The Authority is a defendant in several lawsuits, including construction claims. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. The ultimate outcome of these matters is not presently determinable.

NOTE 18 CONSTRUCTION COMMITMENTS - PRIMARY GOVERNMENT

As of December 31, 2017, the Authority had the following significant construction commitments:

Project Type		
Elevator	$	2,180,000
Fire Alarms		700,000
Roofing/Structural		710,000
Total Construction Commitments	$	3,590,000

NOTE 19 RESTRICTED NET POSITION - PRIMARY GOVERNMENT

Below is a summary of restricted net position at December 31, 2017:

HCV Program Unspent HAP Funding	$	904,196
Other		179,499
Investments and Bond funds		2,498,230
Restricted funds held by third party		3,132,426
Nonroutine maintenance and debt service reserves		3,776,230
Total Restricted Net Position at December 31, 2017	$	10,490,581

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 20 BLENDED COMBINING SCHEDULE

	Western Reserve Revitalization and Management Company, Inc.						
	Western Reserve Revitalization and Management Company, Inc.	Severance Redevelopment LLC	Ambleside Redevelopment LLC	Quarrytown Redevelopment LLC	Eliminations	Primary Government	Total
Balance Sheet							
Current Assets	$ 1,795,381	$ 1,882,968	$ 1,567,044	$ 901,518	$ (7,283,377)	$ 32,562,211	$ 31,425,745
Capital Assets	12,641,913	5,582,994	3,756,771	4,633,894	-	141,524,320	168,139,892
Other Assets	25,361,914	-	-	-	(12,749,190)	100,623,756	113,236,480
Deferred Outflow of Resources	-	-	-	-	-	27,530,075	27,530,075
Total Assets	$ 39,799,208	$ 7,465,962	$ 5,323,815	$ 5,535,412	$ (20,032,567)	$ 302,240,362	$ 340,332,192
Current Liabilities	(2,328,595)	(532,838)	(639,457)	(352,134)	508,630	(34,920,476)	(38,264,870)
Non-Current Liabilities	(10,511,690)	(5,438,408)	(6,083,329)	(3,679,630)	12,054,975	(122,583,061)	(136,241,143)
Net Position	(26,958,923)	(1,494,716)	1,398,971	(1,503,648)	-	(136,819,651)	(165,826,179)
Deferred Inflows of Resources	-	-	-	-	-	(649,153)	(649,153)
Total Liabilities & Net Position	$ (39,799,208)	$ (7,465,962)	$ (5,323,815)	$ (5,535,412)	$ 12,563,605	$ (5,073,740)	$ (340,332,192)
Revenue Expenses and Change in Equity							
Total Revenue	$ 6,348,400	$ 2,097,384	$ 2,286,274	$ 1,491,113	$ (22,437,916)	$ 225,978,782	$ 215,764,037
Total Expenses	982,573	1,531,364	1,915,497	1,358,164	(22,437,916)	237,358,972	220,708,654
Net Income (Loss)	5,365,827	566,020	370,777	132,949	-	34,051,688	(4,944,617)
Beginning Net Position	22,337,697	928,696	(1,769,748)	626,098	-	147,998,900	170,121,643
Prior Period Adjustment/Equity Transfer	(744,601)			744,601	(744,601)	-	-
Ending Net Position	$ 26,958,923	$ 1,494,716	$ (1,398,971)	$ 1,503,648	$ -	$ 182,050,588	$ 165,177,026
Cash Flows							
Net Cash Provided (Used) By							
Operating Activities	$ 723,696	$ 1,359,098	$ 819,919	$ 278,566	$ -	$ (4,165,084)	$ (983,805)
Investing Activities	(400,322)	(38,005)	(146,177)	(41,289)	-	(4,135,663)	(4,761,456)
Financing Activities	(766,929)	(78,711)	(89,827)	(53,618)	-	(1,984,931)	(2,974,016)
Net Increase (Decrease) in Cash	(443,555)	1,242,382	583,915	183,659	-	(10,285,678)	(8,719,277)
Cash and Cash Equivalents - Beginning of Year	2,237,666	5,014	77,074	200	-	31,351,095	33,671,049
Cash and Cash Equivalents - End of Year	$ 1,794,111	$ 1,247,396	$ 660,989	$ 183,859	$ -	$ 21,065,417	$ 24,951,772

NOTE 21 PENDING GASB PRONOUNCEMENTS

The following pending GASB Pronouncements are not expected to impact the financial statements of the Authority:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement is effective for fiscal years beginning after June 15, 2017.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS (1), (2)

	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability				
Traditional Plan	0.317163%	0.308500%	0.312972%	0.312972%
Combined Plan	0.404353%	0.427760%	0.377704%	0.377704%
Authority's Proportonate Share of the Net Pension Liability (Asset)	$ 71,797,274	$ 53,436,109	$ 37,602,496	$ 36,855,689
Authority's Covered Payroll (3)	$ 44,241,700	$ 40,192,267	$ 39,751,167	$ 40,473,923
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	162.28%	132.95%	94.59%	91.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
Traditional Plan	77.25%	81.08%	86.45%	86.36%
Combined Plan	116.55%	116.90%	114.83%	104.56%

Source: OPERS information with exception of covered payroll which was derived from the Authority's financial records.

(1) Information presented based on measurement periods ended December 31.

(2) Information prior to 2013 is not available.

(3) Covered payroll broken down by plan (Traditional vs. Combined) was not available.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS (1)

	2017	2016	2015	2014	2013
Contractually Required Contributions (2)	$ 5,580,777	$ 5,309,004	$ 4,823,072	$ 4,770,140	$ 5,261,610
Contributions in Relation to the Contractually Required Contributions	$ (5,580,777)	$ (5,309,004)	$ (4,823,072)	$ (4,770,140)	$ (5,261,610)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Authority Covered Payroll	$ 46,506,475	$ 44,241,700	$ 40,192,267	$ 39,751,167	$ 40,473,923
Contributions as a Percentage of Covered Payroll	12.00%	12.00%	12.00%	12.00%	13.00%

Source: Authority's financial records.

(1) Represents employer's calendar year. Information prior to 2013 was not practically available. The Authority will continue to present information for years available until a full ten-year trend is compiled.

(2) Information broken down by plan type (Traditional vs. Combined) was not available.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers	Blended Component Unit
	CURRENT ASSETS									
	Cash:									
111	Unrestricted	$ 4,282,662	$ 53,357	$ -	$ -	$ 20,603	$ 1,979,902	$ -	$ 50,633	$ 2,112,548
112	Restricted - modernization and development	3,132,426	-	-	-	-	-	-	-	-
113	Other restricted	66,467	-	-	-	-	1,317,349	-	-	3,776,230
114	Tenant security deposits	1,262,784	-	7,206	-	-	-	-	-	124,753
100	Total cash	8,744,339	53,357	7,206	-	20,603	3,297,251	-	50,633	6,013,531
	Accounts and notes receivable:									
122	HUD other projects	2,591,105	83,611	-	-	16,573	54,145	-	10,056	-
124	Other government	-	-	-	63,457	-	-	-	-	-
125	Miscellaneous	51,539	-	-	-	-	398,901	-	-	-
126	Tenants	555,166	-	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(209,151)	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	(124,983)	-	-	-
127	Notes, loans, & mortgages receivable - current	49,481	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	141,068	-	636	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	(105,414)	-	-	-
129	Accrued interest receivable	44,683	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	3,082,823	83,611	-	63,457	16,573	363,717	-	10,692	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	184,560	-	30	-	-	44,432	-	-	133,380
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	6,213,994	-	-	-	-	-	-	-	-
150	Total current assets	18,225,716	136,968	7,236	63,457	37,176	3,705,400	-	61,325	6,146,911
	NONCURRENT ASSETS									
	Fixed assets:									
161	Land	22,198,895	-	-	-	-	-	-	-	-
162	Buildings	635,664,742	-	628,787	-	-	-	-	-	39,534,570
163	Furniture, equipment & mach - dwellings	18,629,177	-	22,326	-	-	-	-	-	1,377,752
164	Furniture, equipment & mach - admin.	16,259	-	-	-	-	1,445,264	-	-	-
165	Leasehold Improvements	392,296	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(566,547,633)	-	(579,883)	-	-	(1,393,993)	-	-	(14,296,750)
167	Construction in progress	1,884,715	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	112,238,451	-	71,230	-	-	51,271	-	-	26,615,572
171	Notes, loans and mortgages receivable -noncurrent	67,604,804	-	1,400,000	-	-	-	-	-	-
174	Other assets	93,224	-	39	-	-	20,281	-	-	13,546,634
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	11,815,280
180	Total noncurrent assets	179,936,479	-	1,471,269	-	-	71,552	-	-	51,977,486
200	Deferred Outflow of Resources	11,743,471	-	5,579	-	-	2,463,773	-	-	-
290	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**	$ 209,905,666	$ 136,968	$ 1,484,084	$ 63,457	$ 37,176	$ 6,240,725	$ -	$ 61,325	$ 58,124,397

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	Elimination	Total Entity	Discretely Presented Component Unit
	CURRENT ASSETS									
	Cash:									
111	Unrestricted	$ 118,658	$ 38	$ 384,353	$ 3,228,400	$ 296,876	$ 64,448	$ -	$ 12,592,478	$ 2,948,532
112	Restricted - modernization and development	-	-	-	-	-	-	-	3,132,426	-
113	Other restricted	-	-	-	173,849	-	2,498,230	-	7,832,125	36,574,256
114	Tenant security deposits	-	-	-	-	-	-	-	1,394,743	177,178
100	Total cash	118,658	38	384,353	3,402,249	296,876	2,562,678	-	24,951,772	39,699,966
	Accounts and notes receivable:									
122	HUD other projects	-	-	-	-	-	-	-	2,755,490	1,270,070
124	Other government	-	-	109,949	-	-	-	-	173,406	-
125	Miscellaneous	-	-	-	556	-	846,330	-	1,297,326	674,037
126	Tenants	-	-	-	-	-	-	-	555,166	27,281
126.1	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	-	(209,151)	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	(124,983)	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	508,630	(508,630)	49,481	-
128	Fraud recovery	-	-	-	-	-	-	-	141,704	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	(105,414)	-
129	Accrued interest receivable	-	-	-	808,639	-	1,582	-	854,904	-
120	Total receivables, net of allowances for uncollectibles	-	-	109,949	809,195	-	1,356,542	(508,630)	5,387,929	1,971,388
132	Investments - restricted	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	566,464	-	928,866	352,889
143	Inventories	-	-	-	-	-	157,178	-	157,178	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	-	-	-	1,004	-	559,749	(6,774,747)	-	-
150	Total current assets	118,658	38	494,302	4,212,448	296,876	5,202,611	(7,283,377)	31,425,745	42,024,243
	NONCURRENT ASSETS									
	Fixed assets:									
161	Land	-	620,597	-	2,900,907	-	4,910,053	-	30,630,452	-
162	Buildings	-	-	-	20,400,093	-	3,227,423	-	699,455,615	142,076,889
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	20,029,255	2,308,397
164	Furniture, equipment & mach - admin.	-	-	-	300,544	-	7,296,413	-	9,058,480	-
165	Leasehold Improvement	-	-	-	-	-	-	-	392,296	16,133,450
166	Accumulated depreciation	-	-	-	(296,511)	-	(10,205,307)	-	(593,320,077)	(25,214,856)
167	Construction in progress	-	-	-	-	-	9,156	-	1,893,871	13,708,313
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	620,597	-	23,305,033	-	5,237,738	-	168,139,892	149,012,193
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	18,980,271	-	10,517,475	(10,511,690)	87,990,860	-
174	Other assets	-	-	-	103,436	-	1,904,226	(2,237,500)	13,430,340	25,227,995
176	Investments in Joint Ventures	-	-	-	-	-	-	-	11,815,280	-
180	Total noncurrent assets	-	620,597	-	42,388,740	-	17,659,439	(12,749,190)	281,376,372	174,240,188
200	Deferred Outflow of Resources	-	-	-	-	-	13,317,252	-	27,530,075	-
290	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**	$ 118,658	$ 620,635	$ 494,302	$ 46,601,188	$ 296,876	$ 36,179,302	$ (20,032,567)	$ 340,332,192	$ 216,264,431

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers	Blended Component Unit
	CURRENT LIABILITIES									
312	Accounts payable <= 90 days	$ 10,306,809	$ 103,336	$ 36,141	$ 426	$ 2,056	$ 362,613	$ -	$ -	$ 2,105,793
313	Accounts payable > 90 days	125,986	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	2,321,337	33,632	977	38,722	35,120	560,145	-	-	-
322	Accrued compensated absences - current	867,346	-	-	-	-	187,331	-	-	-
325	Accrued interest payable	462,205	-	-	-	-	-	-	-	89,017
331	Accounts payable - HUD	-	-	-	-	-	3,559	-	-	-
341	Tenant security deposits	1,259,876	-	7,206	-	-	-	-	-	121,804
342	Unearned revenues	1,150,769	-	-	-	-	-	-	-	3,217
343	Current portion of LT debt - capital projects	4,473,278	-	-	-	-	-	-	-	228,807
344	Current portion of LT debt- Operating	559,390	-	-	-	-	-	-	-	1,018,630
345	Other current liabilities	255,246	-	962	-	-	-	-	-	-
346	Other liabilities	1,987,072	-	1,042	-	-	362,520	-	-	285,756
347	Interprogram - due to	6,213,994	-	328,133	24,309	-	208,311	-	-	-
310	Total current liabilities	29,983,308	136,968	374,461	63,457	37,176	1,684,479	-	-	3,853,024
	NONCURRENT LIABILITIES									
351	Long-term debt, net of current - capital	18,712,879	-	-	-	-	-	-	-	15,201,367
352	Long-term debt, net of current - operating	9,159,900	-	-	-	-	-	-	-	10,511,690
353	Noncurrent liabilities - other	60,817	-	-	-	-	413,153	2,331	-	-
354	Accrued compensated absences - noncurrent	204,308	-	-	-	-	33,640	-	-	-
357	Accrued Pension and OPEB Liabilities	30,992,824	-	16,632	-	-	6,405,972	-	-	-
350	Total noncurrent liabilities	59,130,728	-	16,632	-	-	6,852,765	2,331	-	25,713,057
300	Total liabilities	89,114,036	136,968	391,093	63,457	37,176	8,537,244	2,331	-	29,566,081
400	Deferred Inflow of Resources	219,540	-	167	-	-	59,015	-	-	-
	Total Liabilities & Deferred Inflow of Resources	89,333,576	136,968	391,260	63,457	37,176	8,596,259	2,331	-	29,566,081
	NET POSITION									
508.4	Net investment in capital assets	89,052,294	-	71,230	-	-	51,271	-	-	11,185,398
511.4	Restricted net position	3,138,076	-	-	-	-	904,196	-	-	3,776,230
512.4	Unrestricted net position	28,381,720	-	1,021,594	-	-	(3,311,001)	(2,331)	61,325	13,596,688
513	Total net position	120,572,090	-	1,092,824	-	-	(2,355,534)	(2,331)	61,325	28,558,316
600	**TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION**	$ 209,905,666	$ 136,968	$ 1,484,084	$ 63,457	$ 37,176	$ 6,240,725	$ -	$ 61,325	$ 58,124,397

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	Elimination	Total Entity	Discretely Presented Component Unit
	CURRENT LIABILITIES									
312	Accounts payable <= 90 days	$ -	$ -	$ 32,009	$ 51,432	$ -	$ 1,010,020	$ -	$ 14,010,635	$ 10,259,497
313	Accounts payable > 90 days	-	-	-	-	-	-	-	125,986	-
321	Accrued wage/payroll taxes payable	-	-	21,608	-	-	2,605,246	-	5,616,787	-
322	Accrued compensated absences - current	-	-	-	-	-	1,303,024	-	2,357,701	-
325	Accrued interest payable	-	-	-	-	-	392,096	-	943,318	51,883
331	Accounts payable - HUD	-	-	-	-	191,041	-	-	194,600	-
341	Tenant security deposits	-	-	-	-	-	-	-	1,388,886	177,178
342	Unearned revenues	126,130	-	441,769	407,504	-	150,014	-	2,279,403	688,877
343	Current portion of LT debt - capital projects	-	-	-	-	-	672,714	-	5,374,799	311,131
344	Current portion of LT debt - operating	-	-	-	-	-	-	(508,630)	1,069,390	-
345	Other current liabilities	-	-	-	-	-	18,363	-	274,571	-
346	Other liabilities	-	-	-	-	-	1,992,404	-	4,628,794	311,983
347	Interprogram - due to	-	-	-	-	-	-	(6,774,747)	-	-
310	Total current liabilities	126,130	-	495,386	458,936	191,041	8,143,881	(7,283,377)	38,264,870	11,800,549
	NONCURRENT LIABILITIES									
351	Long-term debt, net of current - capital	-	-	-	-	-	-	-	33,914,246	147,077,989
352	Long-term debt, net of current - operating	-	-	-	-	-	18,995,143	(10,511,690)	28,155,043	-
353	Noncurrent liabilities - other	-	-	-	2,237,500	-	1,149,300	(2,237,500)	1,625,601	12,591,955
354	Accrued compensated absences - noncurrent	-	-	-	-	-	285,981	-	523,929	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	34,606,896	-	72,022,324	-
350	Total noncurrent liabilities	-	-	-	2,237,500	-	55,037,320	(12,749,190)	136,241,143	159,669,944
300	Total liabilities	126,130	-	495,386	2,696,436	191,041	63,181,201	(20,032,567)	174,506,013	171,470,493
400	Deferred Inflow of Resources	-	-	-	-	-	370,431	-	649,153	-
	Total Liabilities and Deferred Inflow of Resources	126,130	-	495,386	2,696,436	191,041	63,551,632	(20,032,567)	175,155,166	171,470,493
	NET POSITION									
508.4	Net investment in capital assets	-	620,597	-	23,305,033	-	4,565,024	-	128,850,847	1,623,073
511.4	Restricted net position	-	-	-	173,849	-	2,498,230	-	10,490,581	36,574,256
512.4	Unrestricted net position	(7,472)	38	(1,084)	20,425,870	105,835	(34,435,584)	-	25,835,598	6,596,609
513	Total net position	(7,472)	620,635	(1,084)	43,904,752	105,835	(27,372,330)	-	165,177,026	44,793,938
600	**TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION**	$ 118,658	$ 620,635	$ 494,302	$ 46,601,188	$ 296,876	$ 36,179,302	$ (20,032,567)	$ 340,332,192	$ 216,264,431

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers	Blended Component Unit
	REVENUE									
70300	Net tenant rental revenue	$ 14,044,201	$ -	$ 151,162	$ -	$ -	$ -	$ -	$ -	$ 1,700,818
70400	Tenant revenue - other	137,567	-	616	-	-	-	-	-	5,247
70500	Total tenant revenue	14,181,768	-	151,778	-	-	-	-	-	1,706,065
70600	HUD PHA operating grants	66,215,014	580,134	-	-	581,294	102,171,767	-	656,963	4,053,395
706.10	Capital grants	14,373,184	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	552,443	-	-	-	-	20,000
71100	Investment income - unrestricted	-	-	-	-	-	500	-	-	3,642
71400	Fraud recovery	63	-	-	-	-	90,721	-	-	-
71500	Other revenue	1,309,103	-	391	-	-	58,926	-	-	6,439,207
72000	Investment Income - Restricted	7,571	-	-	-	-	-	-	-	862
70000	Total revenue	96,086,703	580,134	152,169	552,443	581,294	102,321,914	-	656,963	12,223,171
	EXPENSES									
	Administrative:									
91100	Administrative salaries	7,121,632	-	1,217	-	238,735	3,084,158	-	-	350,944
91200	Auditing fees	181,475	-	814	-	-	134,561	-	-	55,734
91300	Management fee	7,321,241	-	-	-	-	1,829,173	-	-	345,982
913.10	Bookkeeping fee	746,928	-	-	-	-	351,987	-	-	36,000
91400	Advertising	-	-	-	-	-	-	-	-	237
91500	Employee benefit contributions - admin	7,364,122	-	2,437	-	-	2,355,248	-	-	121,328
91600	Office expense	1,770,485	55,205	1,112	-	71,807	756,063	-	-	44,361
91700	Legal expense	745,076	-	3,236	-	-	278,617	-	-	27,713
91800	Travel	13,115	9,216	-	-	621	5,625	-	-	-
91900	Other	2,642,579	-	-	-	-	1,124,265	-	-	241,488
	Total administrative	27,906,653	64,421	8,816	-	311,163	9,919,697	-	-	1,223,787
92000	Asset Management Fee	117,720	-	-	-	-	-	-	-	-
	Tenant services:									
92100	Salaries	400,628	251,710	24	-	265,674	-	-	-	2,585
92200	Relocation costs	41,906	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	232,652	-	8	-	-	-	-	-	905
92400	Other	893,251	264,003	9	-	4,457	1,924	-	-	19,877
	Total tenant services	1,568,437	515,713	41	-	270,131	1,924	-	-	23,367
	Utilities:									
93100	Water	3,423,004	-	13,434	-	-	3,651	-	-	156,786
93200	Electricity	5,659,826	-	33,728	-	-	78,990	-	-	444,887
93300	Gas	2,142,547	-	11,970	-	-	995	-	-	70,322
93400	Fuel	387,564	-	-	-	-	-	-	-	-
93600	Sewer	5,668,224	-	27,113	-	-	8,511	-	-	251,668
93800	Other utilities expense	3,490	-	-	-	-	-	-	-	-
	Total utilities	17,284,655	-	86,245	-	-	92,147	-	-	923,663
	Ordinary maintenance & operations:									
94100	Labor	6,590,531	-	8,071	-	-	80,043	-	-	321,354
94200	Materials and other	2,174,115	-	189	-	-	362	-	-	228,687
94300	Contracts	10,727,734	-	36,728	-	-	8,931	-	-	459,710
94500	Employee benefits contribution	2,780,653	-	2,724	-	-	36,032	-	-	100,945
	Total ordinary maintenance & operations	22,273,033	-	47,712	-	-	125,368	-	-	1,110,696

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	Elimination	Total Entity	Discretely Presented Component Unit
	REVENUE									
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,896,181	$ 1,506,133
70400	Tenant revenue - other	-	-	-	-	-	-	-	143,430	21,421
70500	Total tenant revenue	-	-	-	-	-	-	-	16,039,611	1,527,554
70600	HUD PHA operating grants	-	-	-	-	658,566	-	-	174,917,133	-
706.10	Capital grants	-	-	-	-	-	-	-	14,373,184	-
70710	Management fee	-	-	-	-	-	9,496,396	(9,496,396)	-	-
70720	Asset Management fee	-	-	-	-	-	117,720	(117,720)	-	-
70730	Bookkeeping fee	-	-	-	-	-	1,134,915	(1,134,915)	-	-
70740	Front Line Service fee	-	-	-	-	-	10,858,703	(10,858,703)	-	-
70750	Other Service Fees	-	-	-	-	-	511,504	-	511,504	-
70800	Other governmental grants	-	-	529,054	130,000	-	-	(348,234)	883,263	6,450,581
71100	Investment income - unrestricted	-	-	-	403,424	-	21,429	-	428,995	79,595
71400	Fraud recovery	-	-	-	-	-	-	-	90,784	-
71500	Other revenue	-	38	-	555,927	-	944,713	(830,182)	8,478,123	6,189,233
72000	Investment Income - Restricted	-	-	-	-	-	18,534	-	26,967	-
70000	Total revenue	-	38	529,054	1,089,351	658,566	23,103,914	(22,786,150)	215,749,564	14,246,963
	EXPENSES									
	Administrative:									
91100	Administrative salaries	-	-	156,417	-	-	7,785,548	-	18,738,651	991,398
91200	Auditing fees	-	-	-	-	-	20,441	-	393,025	-
91300	Management fee	-	-	-	-	-	-	(9,496,396)	-	-
913.10	Bookkeeping fee	-	-	-	-	-	-	(1,134,915)	-	-
91400	Advertising	-	-	-	-	-	-	-	237	-
91500	Employee benefit contributions - admin	-	-	-	-	-	8,120,997	-	17,964,132	-
91600	Office expense	-	-	145,336	273,220	4,387	2,426,567	(830,182)	4,718,361	-
91700	Legal expense	-	-	-	-	-	524,257	(576,538)	1,002,361	-
91800	Travel	-	-	-	203	-	114,207	-	142,987	-
91900	Other	-	-	1,000	-	-	2,220	(2,909,504)	1,102,048	1,288,039
	Total administrative	-	-	302,753	273,423	4,387	18,994,237	(14,947,535)	44,061,802	2,279,437
92000	Asset Management Fee	-	-	-	-	-	-	(117,720)	-	-
	Tenant services:									
92100	Salaries	-	-	119,974	-	-	1,129,904	-	2,170,499	-
92200	Relocation costs	-	-	-	-	-	-	-	41,906	-
92300	Employee benefit contributions	-	-	-	-	-	456,318	-	689,883	-
92400	Other	-	-	21,184	118,791	-	146,994	-	1,470,490	-
	Total tenant services	-	-	141,158	118,791	-	1,733,216	-	4,372,778	-
	Utilities:									
93100	Water	-	-	-	-	-	9,369	-	3,606,244	-
93200	Electricity	-	-	-	-	-	245,235	-	6,462,666	-
93300	Gas	-	-	-	-	-	9,341	-	2,235,175	-
93400	Fuel	-	-	-	-	-	-	-	387,564	-
93600	Sewer	-	-	-	-	-	16,877	-	5,972,393	-
93800	Other utilities expense	-	-	-	-	-	-	-	3,490	1,437,096
	Total utilities	-	-	-	-	-	280,822	-	18,667,532	1,437,096
	Ordinary maintenance & operations:									
94100	Labor	-	-	-	-	-	3,642,479	-	10,642,478	-
94200	Materials and other	-	-	-	-	-	135,733	-	2,539,086	1,321,983
94300	Contracts	-	-	-	-	-	610,338	(6,119,496)	5,723,945	-
94500	Employee benefits contribution	-	-	-	-	-	1,439,659	-	4,360,013	-
	Total ordinary maintenance & operations	-	-	-	-	-	5,828,209	(6,119,496)	23,265,522	1,321,983

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers	Blended Component Unit
	EXPENSES (Continued)									
	Protective services:									
95100	Labor	$ 2,036,663	$ -	$ -	$ 552,443	$ -	$ 141,233	$ -	$ -	$ 48,641
95200	Other contract costs	4,463,762	-	-	-	-	-	-	-	193,636
95300	Other	95,478	-	-	-	-	455	-	-	-
95500	Employee benefit contributions	844,219	-	-	-	-	67,190	-	-	-
95000	Total protective services	7,440,122	-	-	552,443	-	208,878	-	-	242,277
96110	Property insurance	1,295,458	-	14,332	-	-	106	-	-	134,818
96120	Liability insurance	630,918	-	2,984	-	-	50,316	-	-	-
96130	Workmen's Compensation	223,886	-	65	-	-	33,028	-	-	5,743
96140	All other insurance	111,275	-	268	-	-	46,577	-	-	-
96100	Total insurance premiums	2,261,537	-	17,649	-	-	130,027	-	-	140,561
	General expenses:									
96200	Other general expenses	3,275,332	-	-	-	-	60,287	-	-	5,488
96210	Compensated absences	972,545	-	-	-	-	220,971	-	-	33,302
96300	Payment in lieu of taxes	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	483,875	-	8,673	-	-	-	-	-	15,133
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-
96000	Total general expenses	4,731,752	-	8,673	-	-	281,258	-	-	53,923
96710	Interest of mortgage payable	1,478,060	-	-	-	-	-	-	-	769,621
96720	Interest on notes payable	404,573	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	1,882,633	-	-	-	-	-	-	-	769,621
96900	Total operating expenses	85,466,542	580,134	169,136	552,443	581,294	10,759,299	-	-	4,487,895
97000	Excess of operating revenue over operating expenses	10,620,161	-	(16,967)	-	-	91,562,615	-	656,963	7,735,276
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	243,569	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	92,536,787	-	595,638	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	13,930,522	-	16,774	-	-	63,954	-	-	1,299,703
90000	Total expenses	99,640,633	580,134	185,910	552,443	581,294	103,360,040	-	595,638	5,787,598
	Other financing sources (uses):									
10010	Operating transfer in	5,284,360	-	-	-	-	-	-	-	-
10020	Operating transfer out	(5,284,360)	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	5,285	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	279,092	-	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(279,092)	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	5,285	-	-	-	-	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES**	$ (3,548,645)	$ -	$ (33,741)	$ -	$ -	$ (1,038,126)	$ -	$ 61,325	$ 6,435,573

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers	Blended Component Unit
	Memo Account Information									
11020	Required annual debt principal payments	$ 4,784,175	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 202,949
11030	Beginning equity	127,320,601	-	1,126,565	-	-	(1,317,408)	(2,331)	-	22,122,743
11040	Prior period adjustments, equity transfers correction	(3,199,866)	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	(3,259,730)	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	904,196	-	-	-
11190	Unit months available	108,256	-	456	-	-	181,666	100	1,740	6,840
11210	Number of unit months leased	104,311	-	242	-	-	176,178	71	1,649	6,794
11270	Excess cash	(16,570,979)	-	-	-	-	-	-	-	-
11620	Building purchases	14,373,184	-	-	-	-	-	-	-	-
13510	CFFP debt services payments	3,085,064	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	Elimination	Total Entity	Discretely Presented Component Unit
	EXPENSES (Continued)									
	Protective services:									
95100	Labor	$ -	$ -	$ -	$ -	$ -	$ 341,775	$ -	$ 3,120,755	$ -
95200	Other contract costs	-	-	87,578	-	-	-	(1,253,165)	3,491,811	-
95300	Other	-	-	-	-	-	10,056	-	105,989	464,784
95500	Employee benefit contributions	-	-	-	-	-	149,157	-	1,060,566	-
95000	Total protective services	-	-	87,578	-	-	500,988	(1,253,165)	7,779,121	464,784
96110	Property insurance	-	-	-	-	-	25,537	-	1,470,251	-
96120	Liability insurance	-	-	-	-	-	10,330	-	694,548	-
96130	Workmen's Compensation	-	-	-	-	-	424,417	-	687,139	-
96140	All other insurance	-	-	-	-	-	244,157	-	402,277	342,880
96100	Total insurance premiums	-	-	-	-	-	704,441	-	3,254,215	342,880
	General expenses:									
96200	Other general expenses	-	-	-	-	-	10,525	-	3,351,632	-
96210	Compensated absences	-	-	-	-	-	1,423,447	-	2,650,265	-
96300	Payment in lieu of taxes	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-	-	-	-	507,681	-
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-
96000	Total general expenses	-	-	-	-	-	1,433,972	-	6,509,578	-
96710	Interest of mortgage payable	-	-	-	-	-	862,789	-	3,110,470	1,261,934
96720	Interest on notes payable	-	-	-	-	-	-	-	404,573	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	97,469
96700	Total interest expense and amortization	-	-	-	-	-	862,789	-	3,515,043	1,359,403
96900	Total operating expenses	-	-	531,489	392,214	4,387	30,338,674	(22,437,916)	111,425,591	7,205,583
97000	Excess of operating revenue over operating expenses	-	38	(2,435)	697,137	654,179	(7,234,760)	(348,234)	104,323,973	7,041,380
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	-	-	-	-	-	9,191	-	252,760	46,854
97300	Housing assistance payments	-	-	-	-	576,129	-	(348,234)	93,360,320	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	13,327	-	345,703	-	15,669,983	4,747,846
90000	Total expenses	-	-	531,489	405,541	580,516	30,693,568	(22,786,150)	220,708,654	12,000,283
	Other financing sources (uses):									
10010	Operating transfer in	-	-	-	-	-	-	(5,284,360)	-	-
10020	Operating transfer out	-	-	-	-	-	-	5,284,360	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	9,188	-	14,473	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	(279,092)	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	279,092	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	9,188	-	14,473	-
10000	**EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES**	$ -	$ 38	$ (2,435)	$ 683,810	$ 78,050	$ (7,580,466)	$ -	$ (4,944,617)	$ 2,246,680

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUES AND EXPENSES
YEAR ENDED DECEMBER 31, 2017

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	Elimination	Total Entity	Discretely Presented Component Unit
	Memo Account Information									
11020	Required annual debt principal payments	$ -	$ -	$ -	$ -	$ -	$ 117,026	$ -	$ 5,104,150	$ 749,837
11030	Beginning equity	(7,472)	620,597	1,351	40,021,076	27,785	(19,791,864)	-	170,121,643	41,797,421
11040	Prior period adjustments, equity transfers correction	-	-	-	3,199,866	-	-	-	-	749,837
11170	Administrative fee equity	-	-	-	-	-	-	-	(3,259,730)	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	904,196	-
11190	Unit months available	-	-	-	-	1,163	-	-	300,221	12,764
11210	Number of unit months leased	-	-	-	-	1,089	-	-	290,334	10,343
11270	Excess cash	-	-	-	-	-	-	-	(16,570,979)	-
11620	Building purchases	-	-	-	-	-	-	-	14,373,184	-
13510	CFFP debt services payments	-	-	-	-	-	-	-	3,085,064	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-

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INDEPENDENT AUDITORS' 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*

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Cuyahoga Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 28, 2018. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units and the Western Reserve Revitalization and Management Company, Inc., a blended component unit, as described in our report on the Authority's financial statements. The financial statements of the discretely presented component units and the Western Reserve Revitalization and Management Company, Inc., were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

A member of Nexia International

Members of the Board
Cuyahoga Metropolitan Housing Authority

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

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
June 28, 2018

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

We have audited Cuyahoga Metropolitan Housing Authority'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 each of the Authority's major federal programs for the year ended December 31, 2017. The Authority's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

A member of Nexia International

Members of the Board
Cuyahoga Metropolitan Housing Authority

Report on Internal Control Over Compliance

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

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
June 28, 2018

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development Direct Programs				
Public and Indian Housing	14.850		$ -	$ 58,541,337
Capital Fund Program	14.872		-	22,046,861
Jobs Plus Pilot Initiative	14.895		-	580,134
Resident Opportunity and Supportive Services	14.870		-	581,294
Section 8 Project-Based Cluster				
Moderate Rehabilitation	14.856		-	580,516
New Construction and Substantial Rehabilitation	14.182		-	4,053,395
Total Section 8 Project-Based Cluster			-	4,633,911
Housing Choice Voucher Cluster				
Mainstream Vouchers	14.879		-	595,638
Housing Choice Voucher Program	14.871		-	103,296,086
Total Housing Choice Voucher Cluster			-	103,891,724
Total Department of Housing and Urban Development Direct Programs			-	190,275,261
Department of Justice Direct Programs				
Public Safety Partnership and Community Policing Grants	16.710		-	552,443
Total Expenditures of Federal Awards			$ -	$ 190,827,704

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPEDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial assistance programs of the Cuyahoga Metropolitan Housing Authority (the Authority) for the year ended December 31, 2017. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 INDIRECT COST RATE

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

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2017

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported

3. Noncompliance material to financial statements noted? ______ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __x__ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.871/14.879	Housing Choice Voucher Cluster
14.182/14.856	Section 8 Project-Based Cluster

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

Auditee qualified as low-risk auditee? __x__ yes ______ no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV– Prior Year Findings

There were no findings in the prior year that were required to be reported.

CUYAHOGA COUNTY METROPOLITAN HOUSING AUTHORITY

CUYAHOGA 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
SEPTEMBER 4, 2018