Cincinnati Metropolitan Housing Authority

Financial Report
with Supplemental Information
June 30, 2018

OHIO AUDITOR OF STATE
KEITH FABER

January 24, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

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Dave Yost • Auditor of State

Board of Commissioners
Cincinnati Metropolitan Housing Authority
1635 Western Avenue
Cincinnati, OH 45214

We have reviewed the *Independent Auditor's Report* of the Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2017 through June 30, 2018. 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 Cincinnati Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

January 9, 2019

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Independent Auditor's Report

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Cincinnati Metropolitan Housing Authority (the "Authority") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise Cincinnati Metropolitan Housing Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Springdale Senior, LP; Reserve on South Martin, LP; and Carry Crossing, LLC which represent 81 percent, 86 percent, and 100 percent of the assets, net position, and revenue, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Springdale Senior, LP; Reserve on South Martin, LP; and Carry Crossing, LLC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Springdale Senior, LP; Reserve on South Martin, LP; and Carry Crossing, LLC were not audited under *Government Auditing Standards.*

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

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

Opinion

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 Cincinnati Metropolitan Housing Authority as of June 30, 2018 and the respective changes in its financial position and its business-type activities cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Emphasis of Matter

As discussed in Note 12 to the basic financial statements, during the year ended June 30, 2018, the Authority adopted the provisions of Governmental Accounting Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. In accordance with GASB Statement No. 75, the Authority is now recognizing its unfunded other postemployment benefit (OPEB) obligation as a liability on the statement of net position for the first time. Adopting this statement also resulted in changes to the OPEB note disclosures, as well as the required supplemental information schedules. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cincinnati Metropolitan Housing Authority's basic financial statements. The other supplemental information, as identified in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information 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 other supplemental information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 on our consideration of Cincinnati Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cincinnati Metropolitan Housing Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 18, 2018

This discussion and analysis provides the reader with a narrative overview and financial analysis of the Cincinnati Metropolitan Housing Authority's (the "Authority") financial activities and performance for the year ended June 30, 2018. This section should be read in conjunction with the audited financial statements and accompanying notes.

Financial Highlights

- The Authority's total assets and deferred outflows of resources were $309.3 million, and total liabilities and deferred inflows of resources were $66.9 million as of June 30, 2018. As a result, total net position was $242.4 million as of June 30, 2018.

- Total operating revenues and total operating expenses of the Authority were $127.6 million and $128.8 million, respectively. Nonoperating revenues net of nonoperating expenses totaled $4.2 million. Other changes in net position, including capital grants and distributions, totaled a net $8.8 million. As a result total net position decreased by $1.3 million for fiscal year 2018.

Overview of the Financial Statements

Management's Discussion and Analysis - The Management's Discussion and Analysis is intended to serve as an introduction to the Authority-wide financial statements. The Authority- wide financial statements and Notes to the Financial Statements included in the Audit Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types and in compliance with the regulations set forth in GASB Statement No. 34.

Authority-wide Financial Statements - The Authority-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private- sector business. The statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Notes to Financial Statements - The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

The Authority's Programs

The Authority has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

Conventional Public Housing - Under the Conventional or Low Rent Housing Program, the Authority rents units that it owns to low income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon approximately 30 percent of household income.

Capital Fund Program - The Conventional 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. The formula funding methodology used is based upon the number of units, including the bedroom sizes and the age of the buildings/units.

Choice Neighborhood Grant - In 2011, Cincinnati Metropolitan Housing Authority applied for a Choice Neighborhood Planning Grant for the Fairmount neighborhood, which included the former English Woods public housing site, as well as the Cincinnati neighborhoods of North and South Fairmount. The awarded grant of $201,844 supports the development of a comprehensive revitalization plan focused on the following three goals: Housing, People and Neighborhoods. As of the end of fiscal year 2016, the Authority and the Community Building Institute, its planning partner, significantly completed most of the activities associated with this plan.

Neighborhood Stabilization Program 2 (NSP2) - During fiscal year 2010, the Authority, as part of a consortium with Hamilton County, the City of Cincinnati, and the Local Initiative Support Corporation was awarded funds through the competitive NSP2. Of the $24 million award to the consortium, the Authority expended $11.2 million of which was for the primary use to purchase foreclosed and abandoned property and replace with a new development of senior housing in Mt Healthy along with program administrative costs. Activities under this grant were completed as of June 30, 2013.

Hope VI Grant - The Hope VI grants are programs funded by HUD for redevelopment of the Authority's properties. It is a mixed financing and mixed-use development with homeownership opportunities for public housing residents.

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

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 discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

The Authority has established five component unit entities as of June 30, 2018.

One is wholly-owned by the Authority and, as such, is considered a non-profit blended component unit. The other component units are mixed-finance. Two as limited partnerships and two are limited liability companies. The Authority has 0.1% or less ownership interest in these three organizations. Therefore, these organizations are considered discreet component units of the Authority. A description of each of the component units are included below.

Blended Component Unit

- Touchstone Property Services, an Ohio corporation for non-profit, was established by the Authority as a wholly-owned subsidiary. Touchstone Property Services, Inc. was established for public, charitable, and educational purposes to revitalize neighborhoods in Hamilton County, and, in particular, the City of Cincinnati, through planning and rebuilding, 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.

Discretely Presented Component Units

- Springdale Senior Limited Partnership (the "Partnership"), an Ohio Limited Partnership, was formed under the laws of the State of Ohio to construct, own, and operate Baldwin Grove, (the "Property"), a 100 unit apartment community located in Springdale, Ohio. The Property is intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Reserve on South Martin (the "Partnership"), an Ohio Limited partnership, was formed under the laws of the state of Ohio, to acquire, rehabilitate, and manage the Reserve on South Martin property, (the "Property"), which consists of 60 rental units in Mt. Healthy, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Cary Crossing, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Cary Crossing, (the "Property"), which consists of 36 rental units in Mt. Healthy, Ohio. The Property is intended to serve the disabled with low and moderate income located in Hamilton County, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- West Union Square, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate West Union Square, (the "Property"), which will consist of a 70 unit apartment community located in Colerain Township, Ohio. The Property will be intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The property is being developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

For purposes of this report, mixed-finance organizations report financials at calendar year end December 31, 2017, rather than fiscal year ending June 30, 2018.

Overview of the Authority's Financial Position and Operations

Statement of Net Position

The Authority's total assets and deferred outflows decreased by $8.8 million during fiscal year 2018 mainly due to the decreases in net capital assets of $3.1 million, accounts receivable of $1.8 million, and restricted cash of $2.4 million.

Total liabilities and deferred inflows of resources decreased in fiscal year 2018 by $8.4 million. This was primarily attributed to the decrease of the net pension and OPEB liability by $5.9 million.

During 2018, the Authority adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB). This pronouncement establishes standards for measuring and recognizing other postemployment benefit liabilities, and related deferred outflows and deferred inflows of resources. Prior period net position was restated by $7.3 million relating to the implementation of this change in accounting principle. Additionally, the net pension and OPEB liability was restated by $7.3 million. See note 12 to the financial statements for additional information related to the change in accounting principle. The Statement of Net Position below has been restated to reflect these changes.

In accordance with GASB 75, the Authority's statements prepared on an accrual basis of accounting include an OPEB expense for their proportionate share of each plan's change in net OPEB liability not accounted for as deferred inflows/outflows. See note 9 to the financial statements for additional information the OPEB Plan.

Statement of Net Position (in Millions)
(Condensed)

	2018	2017	Change
Assets and Deferred Outflows of Resources			
Current Assets	$ 24.1	$ 29.6	$ (5.5)
Other Assets	38.2	34.9	3.3
Capital Assets - Net	244.5	247.6	(3.1)
Deferred Outflows of Resources	2.5	6.0	(3.5)
Total Assets and Deferred Outflows of Resources	**309.3**	**318.1**	**(8.8)**
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities	$ 9.8	$ 12.3	$ (2.5)
Long-term Liabilities	34.7	38.2	(3.5)
Net Pension and OPEB Liability	18.4	24.3	(5.9)
Deferred Inflows of Resources	4.0	0.5	3.5
Total Liabilities and Deferred Inflows of Resources	**66.9**	**75.3**	**(8.4)**
Net Investment in Capital Assets	$ 229.8	$ 231.0	$ (1.2)
Restricted Net Position	2.8	5.1	(2.3)
Unrestricted Net Position	9.8	6.7	3.1
Total Net Position	**242.4**	**242.8**	**(0.4)**
Total Assets and Deferred Outflows of Resources	**309.3**	**318.1**	**(8.8)**

Revenues, Expenses and Changes in Net Position

The Authority's operating revenues for fiscal year 2018 decreased by $0.4 million. Operating expenses are down $35.9 million. The decrease in operating expenses from the prior year is primarily a result of a $40.8 million expense associated with establishing a notes receivable allowance. The changes in operating revenues and expenses resulted in a positive change in net position of $35.0 million on a consolidated basis.

Nonoperating expenses are up by $0.7 million and capital grants are up $1.1 million from prior year.

Statement of Revenues, Expenses and Change in Net Position (Millions)
(Condensed)

	2018	2017	Change
Operating Revenues			
Rental Revenue	$ 10.3	$ 11.8	$ (1.5)
Governmental Revenue	101.4	101.5	(0.1)
Other Revenue	2.9	1.7	1.2
Total Operating Revenue	**114.6**	**115.0**	**(0.4)**
Operating Expenses			
Administrative	$ 23.7	$ 62.3	$ (38.6)
Utilities	9.4	8.8	0.6
Operating and Maintenance	13.5	11.1	2.4
Insurance and Taxes	1.4	2.3	(0.9)
Housing Assistance Payments	71.8	71.6	0.2
Depreciation Expense	8.2	7.8	0.4
Total Operating Expenses	**128.0**	**163.9**	**(35.9)**
Net Operating Income	**(13.4)**	**(48.9)**	**35.5**
Nonoperating Revenue (Expenses)	4.2	3.5	0.7
Capital Grants	8.9	10.0	(1.1)
Distributions	(0.1)	-	(0.1)
Total Change in Net Position	**(0.4)**	**(35.4)**	**35.0**
Net Position, Beginning of Year	$ 242.8	$ 285.5	$ (42.7)
Restatement - Change in Accounting Principle	-	(7.3)	7.3
Net Position, Beginning of Year As Restated	**242.8**	**278.2**	**(35.4)**
Net Position, End of Year	**$ 242.4**	**$ 242.8**	**$ (0.4)**

Capital Assets and Debt Administration

As of June 30, 2018 the Authority's investment in capital assets balance for its Proprietary Fund was $229.8 million (net of accumulated depreciation and related debt). This represents a decrease of $1.2 million over fiscal year 2017.

The Authority's long-term portion of debt as of June 30, 2018 was $32.2 million. The long-term debt decreased by $3.9 million over fiscal year 2017. This decrease was due to payments made on existing debt.

See note 7 to the financial statements for more information regarding outstanding debt.

Authority Budget Information

Annual budgets for individual programs including grants are prepared by the Authority management and approved by the Board of Commissioners. The budgets are primarily used as a management tool and have no legal stature. The budgets are prepared in accordance with the fiscal and programmatic goals established by the Authority.

Budgetary Considerations for FY 2018

The greatest budgetary challenges faced by the Authority involve the ongoing reduction of operating funds due to the pro-ration factors used in the funding calculations by HUD. The following economic factors were considered in preparing the Authority's budget for FY 2018:

- Maintaining occupancy and utilization in the Housing Choice Voucher Program, after the forced reduction of utilized vouchers due to sequestration, many housing authorities are struggling to maintain 98% utilization

- Change in funding methods, levels, and pro-ration factors for Housing Choice Voucher, Low Income Public Housing, Capital Fund, and Replacement Housing Factor programs

- Rental Assistance Demonstration - The Authority was awarded six Commitments to enter into a Housing Assistance Payments Contract (CHAPS) and will undergo the conversions in FY 2019

- Aging properties

Contacting the Authority

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Gregory Johnson, Chief Executive Officer, Cincinnati Metropolitan Housing Authority, 1627 Western Avenue, Cincinnati, Ohio 45214.

Statement of Net Position

June 30, 2018

	Primary Government (CMHA)	Discretely Presented Component Units
Assets		
Current assets:		
Cash and cash equivalents	$ 20,280,123	$ 976,013
Accounts receivables - Tenant, grant, and other	1,695,888	91,276
Accounts receivable - Related party	185,292	-
Prepaid expenses and other assets	654,074	9,756
Cash and cash equivalents - Restricted	1,238,014	1,527,588
Total current assets	24,053,391	2,604,633
Noncurrent assets:		
Capital assets:		
Assets not subject to depreciation (Note 5)	40,061,014	9,347,327
Assets subject to depreciation - Net (Note 5)	204,458,539	23,516,005
Other	198,108	390,551
Notes receivable - Net of allowance	35,461,184	-
Cash and cash equivalents - Restricted	2,551,338	-
Total noncurrent assets	282,730,183	33,253,883
Total assets	306,783,574	35,858,516
Deferred Outflows of Resources - Pension and OPEB (Note 8)	2,527,433	-
Liabilities		
Current liabilities:		
Accounts payable	1,255,261	2,079,285
Accounts payable - Related party	-	3,376,818
Accrued liabilities and other	3,125,573	376,345
Unearned revenue	319,226	15,159
Tenant security deposits	1,023,795	62,795
Accrued compensated absences	208,382	-
Current portion of long-term debt (Note 7)	3,885,092	711,287
Total current liabilities	9,817,329	6,621,689
Noncurrent liabilities:		
Accrued compensated absences	833,524	-
Net pension and OPEB liability (Note 8)	18,389,688	-
Long-term debt - Net of current portion (Note 7)	32,176,195	27,568,268
Other noncurrent liabilities	1,690,853	118,440
Total noncurrent liabilities	53,090,260	27,686,708
Deferred Inflows of Resources - Pension and OPEB (Note 8)	3,980,380	-
Net Position		
Net investment in capital assets	229,812,731	4,652,363
Restricted for required reserves	2,765,557	1,464,793
Unrestricted	9,844,750	(4,567,037)
Total net position	**$ 242,423,038**	**$ 1,550,119**

See notes to financial statements.

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2018

	Primary Government (CMHA)	Discretely Presented Component Units
Operating Revenue		
Rental revenue	$ 10,302,958	$ 682,603
Grant and subsidy revenue	101,389,065	540,863
Other revenue	2,893,334	13,588
Total operating revenue	114,585,357	1,237,054
Operating Expenses		
Administrative expenses	23,681,232	265,033
Utility expenses	9,351,873	141,088
Operating and maintenance	13,499,984	368,944
Insurance and taxes	1,402,377	305,680
HUD subsidy payments	71,759,445	-
Depreciation and amortization (Note 5)	8,217,513	1,136,454
Total operating expenses	127,912,424	2,217,199
Operating Loss	(13,327,067)	(980,145)
Nonoperating Revenue (Expense)		
Interest income	3,736,546	4,255
Net gain on sale of assets (Note 5)	1,137,322	-
Interest expense	(554,477)	(416,336)
Net loss on involuntary conversion	(121,414)	-
Total nonoperating revenue (expense)	4,197,977	(412,081)
Loss - Before capital grants and (distributions) contributions	(9,129,090)	(1,392,226)
Capital Grants	8,906,378	-
(Distributions) Contributions	(129,848)	3,850,337
Total	8,776,530	3,850,337
Change in Net Position	(352,560)	2,458,111
Net Position - Beginning of year, as restated (Note 12)	242,775,598	(907,992)
Net Position - End of year	**$ 242,423,038**	**$ 1,550,119**

See notes to financial statements.

Statement of Cash Flows

Year Ended June 30, 2018

	Primary Government (CMHA)
Cash Flows from Operating Activities	
Receipts from tenants	$ 10,724,852
Receipts from grants and subsidy payments	101,835,673
Other receipts	3,357,304
Cash payments for administrative expenses	(18,951,186)
Payments for housing assistance	(71,759,445)
Payments for other operating expenses	(24,341,949)
Net cash and cash equivalents provided by operating activities	865,249
Cash Flows from Capital and Related Financing Activities	
Capital grants	8,906,378
Proceeds from sale of capital assets	1,157,865
Purchase of capital assets	(4,936,432)
Principal and interest paid on capital debt	(4,418,838)
Net cash and cash equivalents provided by capital and related financing activities	708,973
Cash Flows from Investing Activities	
Distributions to discretely presented component units	(129,848)
Net advances of notes receivable	(2,754,150)
Net cash and cash equivalents used in investing activities	(2,883,998)
Net Decrease in Cash and Cash Equivalents	(1,309,776)
Cash and Cash Equivalents - Beginning of year	25,379,251
Cash and Cash Equivalents - End of year	**$ 24,069,475**
Classification of Cash and Cash Equivalents	
Cash and cash equivalents - Unrestricted	$ 20,280,123
Cash and cash equivalents - Restricted (Current)	1,238,014
Cash and cash equivalents - Restricted (Noncurrent)	2,551,338
Total cash and cash equivalents	**$ 24,069,475**

Statement of Cash Flows (Continued)

Year Ended June 30, 2018

	Primary Government (CMHA)
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	$ (13,327,067)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	8,217,513
Allowance of notes and interest receivable	4,895,731
Changes in assets and liabilities:	
Receivables	1,305,515
Prepaid expenses and other assets	2,188
Unearned revenue	(3,619)
Net pension and OPEB liability and deferrals related to pension and OPEB	1,383,610
Accounts payable	(1,137,350)
Security deposits	(87,715)
Accrued and other liabilities	(383,557)
Total adjustments	14,192,316
Net cash and cash equivalents provided by operating activities	**$ 865,249**

See notes to financial statements.

Combining Statement of Net Position for Discrete Presented Component Units

December 31, 2017

	Springdale Senior, LP	Reserve on South Martin, LP	Cary Crossing, LLC	West Union Square, LLC	Total
Assets					
Cash and investments	$ 244,522	$ 494,093	$ 28,563	$ 208,835	$ 976,013
Receivables	46,747	29,225	15,304	-	91,276
Prepaid expenses and other assets	4,106	5,650	-	-	9,756
Cash and cash equivalents - Restricted	976,116	497,130	54,342	-	1,527,588
Capital assets - Net (Note 5)	9,490,455	9,964,193	6,775,255	6,633,429	32,863,332
Other	174,530	82,442	133,579	-	390,551
Total assets	10,936,476	11,072,733	7,007,043	6,842,264	35,858,516
Liabilities					
Accounts payable	137,410	83,104	21,559	1,837,212	2,079,285
Accounts payable - Related party	2,700,968	285,783	390,067	-	3,376,818
Accrued liabilities and other	142,145	182,779	51,421	-	376,345
Unearned revenue	11,253	1,813	2,093	-	15,159
Tenant security deposits	28,533	27,073	7,189	-	62,795
Noncurrent liabilities:					
Due within one year (Note 7)	283,533	-	427,754	-	711,287
Due in more than one year (Note 7)	7,750,918	10,870,943	4,274,246	4,790,601	27,686,708
Total liabilities	11,054,760	11,451,495	5,174,329	6,627,813	34,308,397
Net Position					
Net investment in capital assets	1,613,922	(877,642)	2,073,255	1,842,828	4,652,363
Restricted for required reserves	947,583	470,057	47,153	-	1,464,793
Unrestricted	(2,679,789)	28,823	(287,694)	(1,628,377)	(4,567,037)
Total net position	**$ (118,284)**	**$ (378,762)**	**$ 1,832,714**	**$ 214,451**	**$ 1,550,119**

Combining Statement of Activities for Discrete Presented Component Units

Year Ended December 31, 2017

	Springdale Senior, LP	Reserve on South Martin, LP	Cary Crossing, LLC	West Union Square, LLC	Total
Operating Revenue					
Rental revenue	$ 254,757	$ 340,743	$ 87,103	$ -	$ 682,603
Grant and subsidy revenue	378,888	-	161,975	-	540,863
Other revenue	9,165	1,841	2,582	-	13,588
Total operating revenue	642,810	342,584	251,660	-	1,237,054
Operating Expenses					
Administrative expenses	73,100	110,403	81,530	-	265,033
Utility expenses	35,409	42,877	62,802	-	141,088
Operating and maintenance	222,239	95,916	50,789	-	368,944
Insurance and taxes	155,622	133,198	16,860	-	305,680
Depreciation and amortization	487,093	324,789	324,572	-	1,136,454
Total operating expenses	973,463	707,183	536,553	-	2,217,199
Operating Loss	(330,653)	(364,599)	(284,893)	-	(980,145)
Nonoperating Revenue (Expense)					
Interest income	3,375	592	288	-	4,255
Interest expense	(340,116)	(12,996)	(63,224)	-	(416,336)
Total nonoperating expense	(336,741)	(12,404)	(62,936)	-	(412,081)
Loss - Before contributions	(667,394)	(377,003)	(347,829)	-	(1,392,226)
Contributions	1,426,055	-	2,209,831	214,451	3,850,337
Change in Net Position	758,661	(377,003)	1,862,002	214,451	2,458,111
Net Position - Beginning of year	(876,945)	(1,759)	(29,288)	-	(907,992)
Net Position - End of year	**$ (118,284)**	**$ (378,762)**	**$ 1,832,714**	**$ 214,451**	**$ 1,550,119**

See notes to financial statements.

Note 1 - Nature of Business

Organization and Reporting Entity

Cincinnati Metropolitan Housing Authority (the "Authority") is organized under the laws of the State of Ohio for the purpose of acquiring, developing, leasing, operating, and administering low-rent and other housing-related programs for qualified individuals.

The governing body of the Authority is a board of commissioners, which is composed of seven members. The members are appointed as follows: two by the city manager of Cincinnati, Ohio; one by the Hamilton County Commissioners; one by the Court of Common Pleas; one by the Probate Court; one by the Township Association of Hamilton County; and one by the Municipal League of Hamilton County. The board appoints a chief executive officer to administer the business of the Authority. The Authority is not considered a component unit of the City of Cincinnati, Ohio, as the board independently oversees the Authority's operations and the City of Cincinnati, Ohio is not financially accountable for the Authority.

The nucleus of the financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, is the primary government. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluation of how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the appointment of a voting majority plus the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. In accordance with GASB Statement No. 14, as amended (which defines a primary government and those organizations that should be reported as component units), the Authority has included Springdale Senior, LP; Reserve on South Martin, LP; Cary Crossing, LLC; and West Union Square, LLC as discretely presented component units and Touchstone Property Services, Inc. as a blended component unit in the accompanying financial statements.

Blended Component Unit

Some component units, despite being legally separate, are so integrated with the primary government that they are in substance part of the primary government. The Authority's basic financial statements includes the following entity as a blended component unit in accordance with GASB Statement No. 14, as amended:

- Touchstone Property Services, Inc., an Ohio nonprofit corporation, was established by the Authority as a wholly owned subsidiary. Touchstone Property Services, Inc. was established for public, charitable, and educational purposes to revitalize neighborhoods in Hamilton County, and, in particular, the City of Cincinnati, Ohio, through planning and rebuilding; 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.

The above entity is included in the accompanying basic financial statements as a blended component units based on the following factors:

(1) The entity is fiscally dependent upon the Authority because the Authority approves its annual budget.

(2) The Authority is able to impose its will on the entity because the Authority can significantly influence its programs, projects, and activities.

(3) The governing body is substantively the same as the governing body of the Authority.

Note 1 - Nature of Business (Continued)

Discretely Presented Component Units

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

All of the discrete component units have a calendar year end of December 31, which differs from the Authority's year end of June 30, 2018. For reporting purposes, the information reported in the basic financial statements is presented for the 12-month period ended and as of December 31, 2017 for these discrete component units.

Due to fiscal year-end differences between the Authority and the discrete component units, certain related receivables of the Authority do not have offsetting equal liabilities reflected in the discrete component units. Each of the discrete component units is independent of the Authority; however, the Authority has an economic interest in each of the respective properties.

- Springdale Senior, LP, an Ohio limited partnership, was formed under the laws of the State of Ohio to construct, own, and operate Baldwin Grove, a 100-unit apartment community located in Springdale, Ohio. The property is intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.
- Reserve on South Martin, LP, an Ohio limited partnership, was formed under the laws of the State of Ohio to acquire, rehabilitate, and manage the Reserve on South Martin property, which consists of 60 rental units in Mt. Healthy, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.
- Cary Crossing, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to construct, own, and operate Cary Crossing, which consists of 36 rental units in Mt. Healthy, Ohio. The property is intended to serve the disabled with low and moderate income located in Hamilton County, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.
- West Union Square, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, construct, own and operate West Union Square, which consists of rental units in Colerain Township, Ohio. The property is intended to serve the disabled with low and moderate income located in Hamilton County, Ohio. the property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

Note 2 - Significant Accounting Policies

Basis of Accounting and Presentation

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

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

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

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

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

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

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

Note 2 - Significant Accounting Policies (Continued)

Restricted Cash

Restricted cash represents amounts held in escrow, Section 8 funds, tenants' escrows, other escrows, and replacement reserves. Restrictions for use in operations and approval are governed by HUD, lender requirements, or other outside parties. In accordance with GASB Statement No. 62, cash that is restricted as to withdrawal or use in the acquisition or construction of noncurrent assets or that is segregated for the liquidation of long-term debts has been presented as noncurrent.

Accounts Receivable

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

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

Notes Receivable

Notes receivable are stated at net of allowance. Collectibility is evaluated annually based on payments received and cash flow of each individual entity. If amounts are deemed to be uncollectible, the Authority establishes an allowance for doubtful accounts. The allowance totaled $45,735,715 at June 30, 2018 and related to the notes receivable and accrued interest. The bad debt expense is recorded in administrative expenses in the statement of revenue, expenses, and changes in net position and totaled $4,985,371 for the year ended June 30, 2018.

Capital Assets

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

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

	Depreciable Life - Years
Buildings	40
Buildings and site improvements	20
Equipment and vehicles	5

When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss recognized in the statement of revenue, expenses, and changes in net position. If an indicator of impairment is identified and the decline in service utility was unexpected and significant, an impairment loss is calculated in consideration of whether the capital asset will continue to be used by the Authority. An impairment loss is generally measured by identifying the historical cost of the service utility of the capital asset that cannot be used due to the impairment event or circumstance. Impaired capital assets that will no longer be used by the Authority are reported at the lower of carrying value or fair value, or written off entirely. During the year ended June 30, 2018, no impairments were recorded.

Note 2 - Significant Accounting Policies (Continued)

Interest costs incurred during the period in which capital assets are being prepared for their intended use are capitalized. The Authority had no capitalized construction interest for the year ended June 30, 2018.

Construction in Progress

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pension and other postemployment benefits, as further explained in Notes 8 and 9.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows are reported for pension and other postemployment benefits, as further explained in Notes 8 and 9.

Unearned Revenue

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

Compensated Absences

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

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

Pensions and Other Postemployment Benefits

For the purpose of measuring the net pension and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from their fiduciary net position has been determined on the same basis as they are reported by the pension and OPEB 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 and OPEB systems report investments at fair value.

Net Position

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

Note 2 - Significant Accounting Policies (Continued)

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

Revenue Recognition

The Authority routinely receives funds from HUD and other grantors. Funds are recognized as revenue in accordance with GASB 33 when all eligibility requirements have been met. Receivables are recorded based upon amounts expensed for a program for which no funds have been received. Tenant rental revenue is recognized during the period of corresponding occupancy. Other receipts are recognized when the related expenses are incurred.

Capital Grants

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

Nonoperating Revenue and Expenses

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

Upcoming Accounting Pronouncements

In November 2016, the Governmental Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*, which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ended June 30, 2019.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2021.

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* This statement establishes criteria to improve the information that is disclosed in the notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2019.

Note 2 - Significant Accounting Policies (Continued)

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Authority's financial statements for the June 30, 2021 fiscal year.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 18, 2018, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

Deposits

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

- Active deposits - These are public deposits necessary to meet current demands for the Authority. Such monies must be maintained either as cash in the Authority's commercial checking accounts or withdrawal-on-demand accounts, including negotiable order-of-withdrawal accounts, or in money market deposit accounts.
- Interim deposits - These are deposits of interim monies. Interim monies are those that are not needed for immediate use, but that will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit (CDs) maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation and by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. The general depository agreement required by HUD has additional collateral requirements.

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

- U.S. Treasury notes, bills, bonds, or other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal or interest by the United States
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association; all federal agency securities shall be direct issuances of the federal government agencies or instrumentalities.
- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days

Note 3 - Cash and Cash Equivalents (Continued)

- Bonds and other obligations of the State of Ohio
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions
- The State of Ohio treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio), and STARPLUS

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

Deposits - Primary Government

The Authority's total cash and cash equivalents held with financial institutions was $23,510,568 as of June 30, 2018. Of this balance, $500,000 is covered by federal depository insurance, and the remaining $23,010,365 is uncollateralized, as defined by the GASB (covered by collateral pools held by third-party trustees pursuant to Section 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions, but not in the Authority's name).

Custodial credit risk is the risk that, in the event of the bank failure, the Authority's deposits may not be returned to it. The Authority does not have a custodial credit risk policy that extends beyond what HUD regulations require. HUD regulations require that all deposits exceeding FDIC insurance be fully and continuously collateralized by the financial institution.

Deposits - Discretely Presented Component Units

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

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

	Tenant Security Deposits	Operating Reserve	Replacement Reserve	ACC Reserve	Total
Springdale Senior, LP	$ 28,567	$ 261,299	$ 577,548	$ 108,702	$ 976,116
Reserve on South Martin, LP	27,073	356,241	113,816	-	497,130
Carry Crossing, LLC	7,190	44,002	3,150	-	54,342
Total	$ 62,830	$ 661,542	$ 694,514	$ 108,702	$ 1,527,588

Investments - Primary Government

The Authority's investments at June 30, 2018 are summarized below:

Investment	Maturity	Balance June 30, 2018	Credit Rating: S&P
Fifth Third Inst. Gov't MMkt.	0-1 year	$ 1,042,016	AAAm

Note 3 - Cash and Cash Equivalents (Continued)

Custodial Credit Risk

Custodial credit risk of investments is the risk that, in the event of a failure of a counterparty, the Authority will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Authority employs the use of "safekeeping" accounts to hold and maintain custody of its investments as identified within this policy and as a means of mitigating this risk.

Interest Rate Risk

Interest rate risk is defined as the risk that the Authority will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy, which limits investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, investments are to have a maximum maturity of three years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the "prudent investor" rule to attempt to limit such risk.

Note 4 - Notes Receivable

At June 30, 2018 the Authority's related notes receivable consisted of the following:

	Balance July 1, 2017	Additions	Reductions	Allowance June 30, 2018	Net Balance June 30, 2018
Lincoln Court Partnerships Phases I - IV: Principal	$ 10,364,918	$ -	$ (5,000)	$ (6,281,712)	$ 4,078,206
Lincoln Court Partnerships Phases I - IV: Accrued interest	15,063,916	1,671,848	-	(16,735,764)	-
Laurel Home Partnerships, Phases I, II, IV, and V: Principal	13,759,827	-	(5,414)	(7,871,459)	5,882,954
Laurel Home Partnerships, Phases I, II, IV, and V: Accrued interest	13,343,474	1,485,701	-	(14,829,175)	-
Reserve on South Martin: Principal	10,446,418	-	-	-	10,446,418
Reserve on South Martin: Accrued interest	46,471	10,355	-	-	56,826
Springdale Senior: Principal	7,010,273	-	-	-	7,010,273
Springdale Senior: Accrued interest	1,963,744	592,343	-	-	2,556,087
Cary Crossing	1,467,534	-	-	-	1,467,534
Central YMCA	1,865,859	-	-	-	1,865,859
West Union Square: Principal	-	2,097,027	-	-	2,097,027
West Union Square: Accrued interest	-	17,605	-	(17,605)	-
Total	$ 75,332,434	$ 5,874,879	$ (10,414)	$ (45,735,715)	$ 35,461,184

Note receivable from Lincoln Court Partnerships Phases I - IV from the periods from 2001 through 2003. Payments are due based on available cash flow with the unpaid balance due on maturity. Maturity dates range from 2041 through 2043. Interest rates range between 0 percent and 6.09 percent, accruing monthly. The note is collateralized by the related building and land.

Note receivable from Laurel Home Partnerships, Phases I, II, IV, and V from the periods from 2002 through 2006. Payments are due based on available cash flow with the unpaid balance due on maturity. Maturity dates range from 2042 through 2046. Interest rates range between 0 percent and 5.7 percent, accruing monthly. The note is collateralized by the related building and land.

Note receivable from Reserve on South Martin, LP, due based on available cash flow with the unpaid balance due on maturity, which is in October 2056. Interest accrues monthly at 0.1 percent. The note is collateralized by the related building and land.

Note 4 - Notes Receivable (Continued)

Note receivable from Springdale Senior, LP, due based on available cash flow with the unpaid balance due on maturity, which ranges from 2057 to 2081. Interest accrues monthly at rates ranging from 0 percent to 0.1 percent. The note is collateralized by the related building and land.

Note receivable from Cary Crossing, LLC, due based on available cash flow with the unpaid balance due on maturity, which ranges from 2026 to 2051. The note is noninterest bearing and collateralized by the related building and land.

Note receivable from Central YMCA, due based on available cash flow with the unpaid balance due on maturity, which is in July 2038. The note is noninterest bearing and collateralized by the related building and land.

Note receivable from West Union Square, due based on available cash flow with the unpaid balance due on maturity, which is in April 2057. Interest accrues per annum at 1.0 percent. The note is collateralized by the related building and land.

Note 5 - Capital Assets

Capital asset activity of the Authority's governmental activities was as follows:

Primary Government

	Balance July 1, 2017	Additions and Transfers In	Disposals and Transfers Out	Balance June 30, 2018
Capital assets not being depreciated:				
Land	$ 31,237,827	$ -	$ (195,656)	$ 31,042,171
Construction in progress	14,441,610	3,904,194	(9,326,961)	9,018,843
Subtotal	45,679,437	3,904,194	(9,522,617)	40,061,014
Capital assets being depreciated:				
Buildings and improvements	390,836,528	10,142,641	(41,500)	400,937,669
Furniture and equipment	6,780,572	66,499	(155,284)	6,691,787
Infrastructure	30,536,093	555,257	-	31,091,350
Leasehold improvements	650,580	16,970	-	667,550
Subtotal	428,803,773	10,781,367	(196,784)	439,388,356
Accumulated depreciation	226,883,674	8,216,040	(169,897)	234,929,817
Net capital assets being depreciated	201,920,099	2,565,327	(26,887)	204,458,539
Net governmental activities capital assets	$ 247,599,536	$ 6,469,521	$ (9,549,504)	$ 244,519,553

Depreciation expense for the year ended June 30, 2018 was $8,216,040 and is included in depreciation and amortization on the statement of revenue, expenses, and changes in net position. During the year ended June 30, 2018, the Authority sold capital assets, resulting in a net gain of $1,137,322.

Note 5 - Capital Assets (Continued)

Discretely Presented Component Units

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

	Springdale Senior, LP	Reserve on South Martin, LP	Cary Crossing, LLC	West Union Square, LLC	Total
Land	$ 888,411	$ 2,784,413	$ 279,606	$ -	$ 3,952,430
Construction in progress	-	-	-	6,633,429	6,633,429
Buildings and improvements	13,085,873	8,399,488	6,750,463	-	28,235,824
Office furnishings	1,151,014	404,232	190,914	-	1,746,160
Accumulated depreciation	(5,634,843)	(1,623,940)	(445,728)	-	(7,704,511)
Total	$ 9,490,455	$ 9,964,193	$ 6,775,255	$ 6,633,429	$ 32,863,332

	Beginning Balance	Additions and Transfers In	Disposals and Transfers Out	End of Year Balance
Capital assets not being depreciated:				
Land	$ 2,713,898	$ -	$ -	$ 2,713,898
Construction in progress	-	6,633,429	-	6,633,429
Subtotal	2,713,898	6,633,429	-	9,347,327
Capital assets being depreciated:				
Buildings and improvements	27,142,442	962,420	-	28,104,862
Furniture and equipment	1,716,710	29,450	-	1,746,160
Land improvements	1,238,532	130,962	-	1,369,494
Subtotal	30,097,684	1,122,832	-	31,220,516
Accumulated depreciation	6,568,059	1,136,452	-	7,704,511
Net capital assets being depreciated	23,529,625	(13,620)	-	23,516,005
Net capital assets	$ 26,243,523	$ 6,619,809	$ -	$ 32,863,332

Note 6 - Accrued Compensated Absences

The Authority follows GASB Statement No.16, Accounting for Compensated Absences, to account for compensated absences. Accrued vacation is paid to all employees upon termination.

Exempt employees shall receive, at resignation from employment for any reason except for termination, 5 percent of their accumulated sick leave balance per full completed year of service, up to a maximum of 50 percent.

For members of the AFSCME union, unused sick leave shall be forfeited upon the employee’s separation for any reason except retirement, in which case the payout will be 50 percent of a maximum base of 1,600 hours with a maximum of 800 hours paid.

Note 6 - Accrued Compensated Absences (Continued)

For members of the IUOE union hired before July 1, 2003, sick leave shall be paid upon the employee's separation for any reason except termination, in which case the level of payout will be a maximum of 50 percent of the first 1,600 hours with 30 or more years of continuous service, with a maximum of 800 hours paid. Members with over 1,600 hours of accrued sick leave will receive 5 percent per year of service of those additional hours, with a maximum of 40 percent. Those members hired after July 1, 2003 and with a minimum of five years of service will receive a payout of 5 percent of their sick leave per five-year increments of service, with a maximum of 40 percent.

For members of the Building Trades union, sick leave shall be paid upon the employee's separation for any reason except for termination, in which case the level of payout will be a percentage of unused leave based on years of service with a maximum of 40 percent with 30 or more years of continuous service. Members must be employed for a minimum of five years to receive any payout.

At June 30, 2018, total compensated absences liability is $1,041,906, of which $208,382 is current and $833,524 is long term.

Note 7 - Long-term Debt

A summary of the Authority's long-term debt at June 30, 2018 is as follows:

Business-type Activities

	Interest Rate	Principal Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Hamilton County, Ohio	2.00%	11/1/2021	$ 400,000	$ -	$ (100,000)	$ 300,000	$ 100,000
Hamilton County, Ohio	2.00%	9/1/2023	611,204	-	(101,868)	509,336	101,868
Hamilton County, Ohio	2.00%	8/1/2024	840,000	-	(120,000)	720,000	120,000
Hamilton County, Ohio	2.00%	9/1/2025	720,000	-	(90,000)	630,000	90,000
Hamilton County, Ohio	2.00%	3/1/2027	1,150,000	-	(115,000)	1,035,000	115,000
Bank loans	5.25%	12/17/2018	159,463	-	(90,571)	68,892	68,892
Bank loans	5.10%	12/1/2033	940,000	-	(50,000)	890,000	40,000
Capital Fund Financing	4.55%	9/1/2026	11,584,517	-	(1,030,924)	10,553,593	1,078,824
HUD EPC Repayment	0.00%	11/30/2028	20,331,429	-	(1,714,285)	18,617,144	1,714,286
HOPE VI Repayment	0.00%	1/2/2024	3,193,542	-	(456,220)	2,737,322	456,222
Total long-term debt			$ 39,930,155	$ -	$ (3,868,868)	$ 36,061,287	$ 3,885,092

Hamilton County, Ohio (HOME and CDBG) Loans

Hamilton County, Ohio provided HOME and CDBG funds for the development of low-rent housing units in Hamilton County. These loans (and interest of 2 percent per annum) will be forgiven at the rate of 10 percent annually commencing in the 16th year, provided the units are preserved as low-income housing and there are no plans to convert the units to market rate.

Bank Loans

These loans were acquired to expand affordable housing program using locally available funds.

Capital Fund Financing

This loan was acquired as part of a Capital Fund Financing Program to be used to fund capital improvements to existing public housing. This loan is repaid through the use of Capital Fund grants.

HUD EPC Repayment

The Authority entered into the repayment agreement as a result of overpayment of operating subsidy through an energy performance contract with the Low Income Public Housing Program.

Note 7 - Long-term Debt (Continued)

HOPE VI Repayment

The Authority entered into the repayment agreement as result of an overpayment of the operating subsidy through an energy performance contract with Low Income Public Housing Program.

The following is a summary of the Authority's future annual debt service requirements for the notes payable listed above:

Years Ending	Principal Amount	Interest Amount	Total
2019	$ 3,885,092	$ 507,703	$ 4,392,795
2020	3,866,322	454,252	4,320,574
2021	3,918,774	400,000	4,318,774
2022	3,878,663	343,311	4,221,974
2023	3,941,098	283,735	4,224,833
2024-2028	14,697,056	522,863	15,219,919
2029-2033	1,834,282	73,025	1,907,307
2034-2038	40,000	1,294	41,294
Total	$ 36,061,287	$ 2,586,183	$ 38,647,470

Discretely Presented Units

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Springdale Senior, LP:					
Mortgage note - Fifth Third Bank	$ 1,171,740	$ -	$ (65,164)	$ 1,106,576	$ 283,533
Mortgage note - CMHA	5,985,273	-	-	5,985,273	-
Ground lease	510,000	-	-	510,000	-
Bridge loan	642,565	-	(209,963)	432,602	-
Reserve on South Martin, LP - Mortgage - CMHA	10,870,943	-	-	10,870,943	-
Cary Crossing, LLC:					
Bridge loan - CMHA	1,202,000	-	-	1,202,000	-
Key Bank	1,573,699	-	(1,573,699)	-	-
OHFA note	3,500,000	-	-	3,500,000	427,754
West Union Square, LLC:					
Construction loan	-	1,551,337	-	1,551,337	-
County HOME and NSP Loans	-	360,000	-	360,000	-
RHF/CFP and AHP Loans	-	1,466,996	-	1,466,996	-
OHFA loan	-	1,293,828	-	1,293,828	-
Total principal outstanding	$ 25,456,220	$ 4,672,161	$ (1,848,826)	$ 28,279,555	$ 711,287

Springdale Senior, LP Mortgage Note - Fifth Third Bank

Springdale Senior, LP held two notes payable (Note A and B) to Fifth Third Bank in the amount of $1,557,000 and $5,943,000, respectively. Monthly interest accrues and is added to the principal balance. Interest is adjustable at LIBOR plus 2.15 percent (2.32 percent at December 31, 2017) through 2024. The loan is secured by the rental property. Accrued interest totaled $6,019 at December 31, 2017.

Note 7 - Long-term Debt (Continued)

Springdale Senior, LP Mortgage Note - CMHA

Mortgage note payable to the Authority, the first ($3,035,000) bearing interest at 3.5 percent, the second ($1,260,987) bearing interest at the AFR (3.32 percent at December 31, 2017), the third ($885,000) bearing 0 percent interest, the fourth ($358,481) bearing interest at 3.5 percent, and the fifth ($445,805) bearing interest at the AFR, secured by the rental property. The loans are due during 2057 and are payable as income and cash flow permit, as defined in the partnership agreement. Interest is compounded annually. Accrued but unpaid interest was $1,763,421 at December 31, 2017.

Springdale Senior, LP Ground Lease and Bridge Loan

Ground lease payable to the Authority, bearing interest at 4.79 percent, payable at final closing of permanent financing. The ground lease is for a period of 75 years. Accrued interest was $375,037 at December 31, 2017.

Bridge loan payable to OHFA. This loan bears interest at 2 percent, payable annually. Accrued interest amounted to $6,484 at December 31, 2017.

Reserve on South Martin, LP Mortgage and Note - CMHA

Reserve on South Martin, LP has a commitment to enter into a mortgage payable with the Authority totaling $10,308,550 and bearing interest at 0.10 percent per annum. The entire unpaid principal balance and all accrued interest are due and payable 45 years after the commencement of the permanent loan. The mortgage is collateralized by the real estate and assignment of rents and security. As of December 31, 2017, accrued interest for the mortgage payable amounted to $51,646.

Reserve on South Martin, LP entered into a note payable with the Authority totaling $797,524 bearing interest at 0.0 percent per annum. As of December 31, 2017, the outstanding balance was $562,393. The entire unpaid principal balance and all accrued interest are due and payable in October 2056.

Cary Crossing, LLC - Bridge loan

Cary Crossing, LLC entered into a bridge loan agreement with the Authority. This amount is due at the completion of construction of the project. The bridge loan will convert the Authority loan with an interest rate of 0.25 percent per annum compounding, which will be due on July 9, 2050.

Cary Crossing, LLC - Key Bank

The construction loan payable to Key Bank National Association was guaranteed by the Authority. Interest-only payments at a rate of the greater of 3.25 percent or the lender's prime rate, as defined, are required until maturity. The lender's prime rate at December 31, 2017 was 3.75 percent. The construction loan was paid in full on April 7, 2017.

Cary Crossing, LLC - OHFA Note

Cary Crossing, LLC entered into a promissory note with the Ohio Housing Finance Agency (OHFA) in the amount of $3,500,000. The note is unsecured and is noninterest bearing for the first two years (the initial period). The interest rate will be 2 percent after the initial period. Eight annual principal and interest payments of $474,932 are due commencing on April 15, 2018. Note payment dates correspond to the collection dates for the remaining member capital contributions. No payments on this note have been made.

Note 7 - Long-term Debt (Continued)

West Union Square, LLC - Deferred Developer Fee

During April 2018, the Authority entered into a development agreement with West Union Square, LLC with a total development fee in the amount of $639,863. The deferred portion of the developer fee, currently projected as $182,061, shall be paid from capital contributions received by West Union Square and designated for this purpose and available cash flow. The remaining unpaid development fee will be due on the 10th anniversary of the date that the project was placed in service, which is projected to be 2029. As of December 31, 2017, the amount of deferred developer fee is $107,132.

West Union Square, LLC - Construction Loan

During April 2108, West Union Square, LLC entered into a construction loan with The Huntington National Bank with a total loan amount up to the lesser of (i) 80 percent of the appraised value of the project, (ii) 80 percent of the cost of the project, or (iii) $9,280,000. The loan carried an interest rate of 3.995 percent at December 31, 2017. The construction loan will mature on April 24, 2019; however West Union Square has applied for a permanent loan from Huntington for a maximum amount of $1,392,000, which will be due 17 years following the conversion date and will carry an interest rate of 5.90 percent. As of December 31, 2017, the amount outstanding totaled $1,551,337.

West Union Square - County HOME and NSP Loans

West Union Square, LLC entered into two county loans, which consist of HOME and Neighborhood Stabilization Program (NSP) funds received through the Authority in the amount of $440,000 and $60,000, respectively. The funds were awarded to the Authority by the Hamilton County Planning and Development Department. The interest rate for both loans is 1 percent compounded annually, and is only paid if cash flow is sufficient. Principal and interest shall be due at maturity, which is 40 years from project completion. The loan is secured by a shared co-second mortgage on the property. As of December 31, 2017, the amount outstanding for both loans totaled $360,000.

West Union Square, LLC - RHF/CFP and AHP Loans

The Authority has committed to loaning Replacement Housing Factor/Capital Fund Program (RHF/CFP) monies in the amount of $1,670,417 to West Union Square, LLC, of which $370,782 was paid on April 20, 2017 at construction close for predevelopment costs. The loan carries interest at a rate of 1 percent compounded annually. The loan matures 40 years after the conversion to perm, and payments of principal and interest on the loan are contingent upon cash flow of the project. In addition, West Union Square, LLC entered into an Affordable Housing Program (AHP) loan in the amount of $962,500. The loan carries interest at a rate of 1 percent compounded annually. The loan matures 35 years after the conversion to perm, and payments of principal and interest on the loan are contingent upon cash flow of the project. The loans are secured by a shared second mortgage on the property. As of December 31, 2017, the amount outstanding for both loans totaled $1,466,996.

West Union Square, LLC - OHFA Loan

West Union Square, LLC entered into a loan with OHFA in the amount of $1,500,000. The loan does not carry interest for the first two years, and carries interest at a rate of 2.5 percent per annum for the remaining term of eight years. As of December 31, 2017, the amount outstanding totaled $1,293,828.

Note 7 - Long-term Debt (Continued)

Note that all maturities for West Union Square, LLC in the schedule below are included in thereafter due to the property being under construction and not yet converting to permanent debt.

Years Ending	Principal	Interest	Total
2018	$ 711,287	$ 354,669	$ 1,065,956
2019	705,361	364,016	1,069,377
2020	496,986	376,574	873,560
2021	513,528	389,667	903,195
2022	527,567	403,189	930,756
Thereafter	25,324,826	14,529,361	39,854,187
Total	$ 28,279,555	$ 16,417,476	$ 44,697,031

Note 8 - Pension Plan

Plan Description

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

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

OPERS issues a publicly available stand-alone financial report that includes financial statements, required supplemental information, and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml; by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642; or by calling 800-222-7377.

Benefits Provided

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

Group A Eligible to Retire Prior to January 7, 2013 or Five Years After January 7, 2013	Group B 20 Years of Service Credit Prior to January 7, 2013 or Eligible to Retire 10 Years After January 7, 2013	Group C Members not in Other Groups and Members Hired on or After January 7, 2013
Age and service requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and service requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and service requirements: Age 57 with 25 years of service credit or age 62 with five years of service credit
Formula: 2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	Formula: 2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	Formula: 2.2 percent of FAS multiplied by years of service for the first 35 years and 2.5 percent for service years in excess of 35

Note 8 - Pension Plan (Continued)

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

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

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

Funding Policy

The ORC provides statutory authority for member and employer contributions. For both plan years ended December 31, 2018 and 2017, member contribution rates were 10.0 percent of salary and employer contribution rates were 14.0 percent. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0.0 percent and 1.0 percent during plan years ended December 31, 2018 and 2017, respectively. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions to OPERS totaled $1,434,626 for the year ended June 30, 2018, of which $1,383,082 was allocated to pension.

Net Pension Liability

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

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

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

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

Note 8 - Pension Plan (Continued)

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

The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans, due to the insignificance of the amounts that related to the Combined Plan. The Authority reported a net pension liability of $10,501,520 as its proportionate share. The Authority proportion of the Traditional Plan was 0.068166 percent.

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

For the year ended June 30, 2018, the Authority recognized pension expense of $389,162.

At June 30, 2018, 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 (Inflows) Outflows of Resources
Differences between expected and actual experience	$ 19,659	$ (266,723)	$ (247,064)
Changes in assumptions	1,294,950	-	1,294,950
Net difference between projected and actual investment earnings	-	(2,326,758)	(2,326,758)
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	6,575	(799,282)	(792,707)
Employer contributions subsequent to measurement date	625,764	-	625,764
Total	$ 1,946,948	$ (3,392,763)	$ (1,445,815)

The amount of $625,764 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 June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2019	$ 521,421
2020	(595,934)
2021	(1,026,834)
2022	(958,531)
2023	(4,336)
Thereafter	(7,365)
Total	$ (2,071,579)

Note 8 - Pension Plan (Continued)

Actuarial Assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Actuarial Assumptions
Valuation date	December 31, 2017
Actuarial cost method	Individual entry age
Cost of living adjustments	Pre-January 7, 2013 Retirees: 3 percent; Post-January 7, 2013 Retirees: 3 percent simple through 2018, then 2.15 percent simple
Salary increases, including inflation	3.25% - 8.25%
Inflation	3.25%
Investment rate of return	7.50%
Experience study date	Period of five years ended December 31, 2015
Mortality basis	RP-2014 Healthy Annuitant Mortality Table

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

Discount Rate

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

Investment Rate of Return

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

Note 8 - Pension Plan (Continued)

During plan year ended December 31, 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82 percent for 2017.

The allocation of investment assets with the Defined Benefit portfolio is approved by the board of trustees, as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26

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

The following table represents the Authority's proportionate share of net pension liability at the 7.50 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	$ 18,884,963	$ 10,501,520	$ 3,524,240

Note 9 - Other Postemployment Benefit Plan

Plan Description and Benefits Provided

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

Prior to January 1, 2015, 10 or more years of service were required to qualify for healthcare coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for healthcare coverage or 30 years of qualifying service at any age.

Note 9 - Other Postemployment Benefit Plan (Continued)

Contributions

OPERS' Postemployment Healthcare Plan was established under, and is administered in accordance with, Internal Revenue Code (IRC) Section 401(h). Each year, the OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for the funding of postemployment healthcare coverage. Health care funding is discretionary and dependent on both the pension funding and future projections. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0 percent in 2017. The 2018 allocation is expected to be 0.0 percent for health care funding and expected to continue at that rate thereafter. Contributions to the plan from the Authority were $51,544 for the year ended June 30, 2018.

Net OPEB Liability

At June 30, 2018, the Authority reported a liability of $7,888,168 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended December 31, 2017 relative to all other contributing employers. At December 31, 2017, the Authority's proportion was 0.07264 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Authority recognized OPEB expense of $609,283.

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,145	$ -
Changes in assumptions	574,340	-
Net difference between projected and actual earnings on OPEB plan investments	-	(587,617)
Total	$ 580,485	$ (587,617)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2019	$ 130,629
2020	130,629
2021	(121,482)
2022	(146,908)
Total	$ (7,132)

Note 9 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

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

Projections of healthcare costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the system and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

	Actuarial Assumptions
Actuarial valuation date	December 31, 2016
Rolled-forward measurement date	December 31, 2017
Experience study	Five-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Single discount rate	3.85%
Investment rate of return	6.50%
Municipal bond rate	3.31%
Wage inflation	3.25%
Projected salary increases, including inflation	3.25% - 10.75%
Healthcare cost trend rate	7.5 percent initial, 3.25 percent ultimate in 2028

Preretirement mortality rates are based on the RP-2014 employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 healthy annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Discount Rate

A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the healthcare investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the healthcare fiduciary net position and future contributions were sufficient to finance healthcare costs through 2034. As a result, the long-term expected rate of return on healthcare investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all healthcare costs after that date.

Note 9 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The allocation of investment assets within the healthcare portfolio is approved by the board, as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable healthcare program for current and future retirees. OPERs' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	21.00 %	6.37 %
International equity	22.00	7.88
Fixed income	34.00	1.88
REITs	6.00	5.91
Other investments	17.00	5.39

During 2017, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the healthcare portfolio, and the defined contribution portfolio. The healthcare portfolio includes the assets for healthcare expenses for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan eligible members. Within the healthcare portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and healthcare-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the healthcare portfolio is 15.2 percent for 2017.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 6.50 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.85%)	Current Discount Rate (3.85%)	1 Percent Increase (4.85%)
Net OPEB liability of the Ohio Public Employees Retirement System (OPERS)	$ 10,479,773	$ 7,888,168	$ 5,791,587

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Authority, calculated using the healthcare cost trend rate of 7.50 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1 Percent Increase (8.50%)
Net OPEB liability of the Ohio Public Employees Retirement System (OPERS)	$ 7,547,296	$ 7,888,168	$ 8,240,282

Note 10 - Risk Management - Primary Government

The Authority maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The Authority also maintains employee major medical, vision, and dental coverage with private carriers.

The Authority is a member in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk-sharing and purchasing pool composed of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to mid-size public entities, including pools (of which OHAPCI is a member).

OHAPCI is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member housing authorities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. There were no changes to the policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage. The following is a summary of insurance coverage at year end:

Primary property	$500 million/occurrence
Automobile liability	$6 million/occurrence
Casualty/General liability	$6 million/occurrence
Crime	$250,000/occurrence
Pollution	$1 million/$2 million (aggregate)

Note 11 - Commitments and Contingencies

The Authority is a defendant in several lawsuits arising from its normal course of business. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority's attorney that resolution of these matters will not have a materially adverse effect on the financial condition of the Authority.

The Authority received financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at June 30, 2018.

Note 12 - Change in Accounting Principle

During the year ended June 30, 2018, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* which established standards for measuring and recognizing other postemployment benefit liabilities, as well as related deferred outflows of resources, deferred inflows of resources, and expense. The implementation of this pronouncement had the following effect on net position as reported at June 30, 2017:

	As Computed Under Old Method	As Reported Under New Method	Effect of Change
Deferred outflows of resources - Pension and OPEB	$ 5,977,857	$ 6,028,729	$ 50,872
Net pension and OPEB liability	$ 17,018,192	$ 24,355,079	$ 7,336,887
Net position - Beginning of year	250,061,613	242,775,598	(7,286,015)
Total liabilities and net position	$ 267,079,805	$ 267,130,677	$ 50,872

Note 13 - Blended Component Unit

A condensed statement of net position for the Authority's blended component unit as of June 30, 2018 is presented as follows:

	Touchstone Property Services
Assets	
Current assets	$ 276,500
Noncurrent assets	3,821
Total assets	280,321
Liabilities	
Current liabilities	618,590
Noncurrent liabilities	233,877
Total liabilities	852,467
Net Position	$ (572,146)

A condensed statement of activities for the Authority's blended component unit as of June 30, 2018 is presented as follows:

	Touchstone Property Services
Operating Revenue	$ 187,481
Operating Expense	430,235
Change in Net Position	(242,754)
Net Position - Beginning of year	(329,392)
Net Position - End of year	$ (572,146)

Note 13 - Blended Component Unit (Continued)

A condensed statement of cash flows for the Authority's blended component unit as of June 30, 2018 is presented as follows:

	Touchstone Property Services
Cash Flows Used in Operating Activities - Receipts from customers	$ (368,038)
Cash Flows Provided by Financing Activities	265,746
Cash Flows Used in Investing Activities	(20,912)
Net Decrease in Cash	(123,204)
Cash and Cash Equivalents - Beginning of year	164,640
Cash and Cash Equivalents - End of year	$ 41,436
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	$ (242,754)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	3,593
Changes in assets and liabilities	(128,877)
Net cash used in operating activities	$ (368,038)

Required Supplemental Information

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

Last Four Plan Years

Plan Years Ended December 31

	2017	2016	2015	2014
The Authority's proportion of the net pension liability	0.06817 %	0.07526 %	0.07649 %	0.08286 %
The Authority's proportionate share of the net pension liability, net	$ 10,501,520	$ 17,018,192	$ 13,186,934	$ 9,753,026
The Authority's covered payroll	$ 10,237,829	$ 11,395,353	$ 11,736,175	$ 11,963,253
The Authority's proportionate share of the net pension liability as a percentage of its covered payroll	102.58 %	149.34 %	112.36 %	81.52 %
Plan fiduciary net position as a percentage of total pension liability	84.66 %	77.39 %	81.20 %	86.36 %

Amounts presented for each year were determined as of the Authority's measurement date (December 31). Information prior to 2014 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

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

Last Four Fiscal Years

Years Ended June 30

	2018	2017	2016	2015
Contractually required contribution	$ 1,440,532	$ 1,567,893	$ 1,548,032	$ 1,600,214
Contributions in relation to the contractually required contribution	1,440,532	1,567,893	1,548,032	1,600,214
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**
The Authority's Covered Payroll	$ 10,247,325	$ 11,199,235	$ 11,057,371	$ 11,430,100
Contributions as a Percentage of Covered Payroll	14.00 %	14.00 %	14.00 %	14.00 %

Years listed represent the Authority's fiscal year (June 30). Information prior to 2015 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

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

Last Plan Year

Plan Year Ended December 31

	2017
The Authority's proportion of the net OPEB liability	0.07264 %
The Authority's proportionate share of the net OPEB liability	$ 7,888,168
The Authority's covered payroll	$ 10,237,829
The Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	77.05 %
Plan fiduciary net position as a percentage of total OPEB liability	54.14 %

Amounts presented for each year were determined as of the Authority's measurement date (December 31). Information prior to 2017 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

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

Last Fiscal Year

Year Ended June 30

	2018
Statutorily required contribution	$ 51,544
Contributions in relation to the statutorily required contribution	51,544
Contribution Deficiency	**$ -**
The Authority's Covered Payroll	$ 10,247,325
Contributions as a Percentage of Covered Payroll	0.50 %

Years listed represent the Authority's fiscal year (June 30). Information prior to 2018 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

Other Supplemental Information

CINCINNATI METROPOLITAN HOUSING AUTHORITY (OH004)

Cincinnati, OH

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/Single Audit

Fiscal Year End: 06/30/2018

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	6.1 Component Unit - Discretely Presented	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	14.239 HOME Investment Partnerships Program	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.866 Revitalization of Severely Distressed Public Housing	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$10,383,445	$41,436	$0	$1,782,444	$913,218	$295,278	$0	$38,961	$0	$749,779	$1,677,340	$197,743	$4,176,217	$20,255,861		$20,255,861
112 Cash - Restricted - Modernization and Development	$98,165	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$98,165		$98,165
113 Cash - Other Restricted	$1,537,643	$0	$0	$0	$1,527,588	$0	$0	$54,622	$0	$0	$1,012,610	$0	$0	$4,132,463		$4,132,463
114 Cash - Tenant Security Deposits	$908,958	$0	$0	$11,419	$62,795	$0	$0	$61,399	$0	$0	$0	$0	$0	$1,044,571		$1,044,571
115 Cash - Restricted for Payment of Current Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
100 Total Cash	$12,928,211	$41,436	$0	$1,793,863	$2,503,601	$295,278	$0	$154,982	$0	$749,779	$2,689,950	$197,743	$4,176,217	$25,531,060	$0	$25,531,060
121 Accounts Receivable - PHA Projects	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
122 Accounts Receivable - HUD Other Projects	$241,334	$0	$0	$0	$0	$0	$0	$0	$0	$4,223	$87,922	$0	$0	$333,479		$333,479
124 Accounts Receivable - Other Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
125 Accounts Receivable - Miscellaneous	$1,390,264	$5,818	$0	$1,360,570	$84,684	$0	$0	$1,176	$0	$141,455	$0	$0	$1,137,290	$4,121,257	-$1,873,364	$2,247,893
126 Accounts Receivable - Tenants	$222,060	$229,245	$0	$77,662	$6,592	$0	$0	$22,337	$0	$0	$0	$0	$0	$557,896		$557,896
126.1 Allowance for Doubtful Accounts -Tenants	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0	-$8,317	$0	$0	$0	$0	$0	-$8,317		-$8,317
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
128 Fraud Recovery	$78,797	$0	$0	$0	$0	$0	$0	$0	$0	$0	$854,324	$0	$0	$933,121		$933,121
128.1 Allowance for Doubtful Accounts - Fraud	-$19,369	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$854,324	$0	$0	-$873,693		-$873,693
129 Accrued Interest Receivable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	$1,913,086	$235,063	$0	$1,438,232	$91,276	$0	$0	$15,196	$0	$145,678	$87,922	$0	$1,137,290	$5,063,743	-$1,873,364	$3,190,379
131 Investments - Unrestricted	$1,042,016	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,042,016		$1,042,016
132 Investments - Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
135 Investments - Restricted for Payment of Current Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
142 Prepaid Expenses and Other Assets	$222,785	$0	$0	$0	$9,756	$0	$0	$471	$0	$0	$41,941	$0	$282,819	$557,772		$557,772
143 Inventories	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$104,343	$104,343		$104,343
143.1 Allowance for Obsolete Inventories	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
144 Inter Program Due From	$2,425,961	$0	$0	$0	$0	$0	$0		$0	$1,932	$0	$0	$51,107	$2,479,000	-$2,479,000	$0
145 Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
150 Total Current Assets	$18,532,059	$276,499	$0	$3,232,095	$2,604,633	$295,278	$0	$170,649	$0	$897,389	$2,819,813	$197,743	$5,751,776	$34,777,934	-$4,352,364	$30,425,570
161 Land	$28,295,280	$0	$0	$248,050	$3,952,430	$0	$0	$1,578,043	$559,523	$0	$0	$0	$361,275	$34,994,601		$34,994,601
162 Buildings	$365,455,739	$0	$0	$408,736	$28,235,824	$0	$0	$6,396,100	$0	$0	$360,668	$0	$28,316,425	$429,173,492		$429,173,492
163 Furniture, Equipment & Machinery - Dwellings	$0	$16,748	$0	$0	$1,746,160	$0	$0	$1,422	$0	$0	$0	$0	$0	$1,764,330		$1,764,330
164 Furniture, Equipment & Machinery - Administration	$3,839,152	$0	$0	$36,425	$0	$0	$0	$0	$0	$0	$497,018	$0	$2,301,014	$6,673,609		$6,673,609
165 Leasehold Improvements	$0	$0	$0	$555,257	$0	$0	$0	$0	$0	$0	$0	$0	$667,551	$1,222,808		$1,222,808
166 Accumulated Depreciation	-$203,690,136	-$12,927	$0	-$263,363	-$7,704,511	$0	$0	-$2,890,798	$0	-$4,272,673	-$609,239	$0	-$23,190,668	-$242,634,315		-$242,634,315
167 Construction in Progress	$9,016,909	$0	$0	$1,930	$6,633,428	$0	$0	$0	$0	$0	$0	$0	$0	$15,652,267		$15,652,267
168 Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$30,536,093	$0	$0	$0	$30,536,093		$30,536,093
160 Total Capital Assets, Net of Accumulated Depreciation	$202,916,944	$3,821	$0	$987,035	$32,863,331	$0	$0	$5,084,767	$559,523	$26,263,420	$248,447	$0	$8,455,597	$277,382,885	$0	$277,382,885
171 Notes, Loans and Mortgages Receivable - Non-Current	$9,176,704	$0	$0	$2,622,680	$0	$0	$0		$10,365,376	$9,961,161	$885,000	$0	$2,777,974	$35,788,895	-$233,877	$35,555,018
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	$0	$0	$0	$0	$0	$0	$0		$0		$0	$0	$0	$0		$0
173 Grants Receivable - Non Current	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0		$0
174 Other Assets	$0	$0	$0	$0	$232,633	$0	$0	$22,885	$0		$0	$0	$175,223	$430,741		$430,741
176 Investments in Joint Ventures	$0	$0	$0	$0	$0	$0	$0		$0		$0	$0	$0	$0		$0
180 Total Non-Current Assets	$212,093,648	$3,821	$0	$3,609,715	$33,095,964	$0	$0	$5,107,652	$10,924,899	$36,224,581	$1,133,447	$0	$11,408,794	$313,602,521	-$233,877	$313,368,644
200 Deferred Outflow of Resources	$1,535,324	$0	$0	$0	$0	$0	$0	$0	$0	$0	$670,176	$0	$326,007	$2,531,507	$0	$2,531,507
290 Total Assets and Deferred Outflow of Resources	$232,161,031	$280,320	$0	$6,841,810	$35,700,597	$295,278	$0	$5,278,301	$10,924,899	$37,121,970	$4,623,436	$197,743	$17,486,577	$350,911,962	-$4,586,241	$346,325,721
311 Bank Overdraft	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
312 Accounts Payable <= 90 Days	$861,660	$602,760	$0	$41,719	$1,649,718	$0	$0	$321,862	$0	$0	$43,168	$0	$910,291	$4,431,178	-$1,873,364	$2,557,814
313 Accounts Payable >90 Days Past Due	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
321 Accrued Wage/Payroll Taxes Payable	$97,550	$0	$0	$0	$0	$334	$0	$0	$0	$0	$46,749	$224	$172,544	$317,401		$317,401
322 Accrued Compensated Absences - Current Portion	$63,028	$0	$0	$0	$0	$205	$0	$0	$0	$0	$32,235	$137	$112,776	$208,381		$208,381
324 Accrued Contingency Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
325 Accrued Interest Payable	$0	$0	$0	$0	$2,237,953	$0	$0	$0	$0	$0	$0	$0	$0	$2,237,953		$2,237,953
331 Accounts Payable - HUD PHA Programs	$0	$0	$0	$0	$0	$24,550	$0	$0	$0	$0	$0	$16,440	$0	$40,990		$40,990
332 Account Payable - PHA Projects	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
333 Accounts Payable - Other Government	$599,139	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$599,139		$599,139
341 Tenant Security Deposits	$908,958	$0	$0	$11,419	$62,795	$0	$0	$61,399	$0	$0	$0	$0	$42,013	$1,086,584		$1,086,584
342 Unearned Revenue	$33,917	$0	$0	$0	$15,159	$0	$0	$8,502	$0	$0	$0	$0	$276,808	$334,386		$334,386

343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$1,078,825	$0	$0	$0	$0	$0	$0	$757,665	$0	$0	$0	$0	$456,221	$2,292,711		$2,292,711
344 Current Portion of Long-term Debt - Operating Borrowings	$1,831,557	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,831,557		$1,831,557
345 Other Current Liabilities	$198,866	$141	$0	$0	$645,253	$0	$0	$384,158	$0	$0	$0	$0	$0	$1,228,418	$0	$1,228,418
346 Accrued Liabilities - Other	$757,805	$0	$0	$9,252	$253,465	$0	$0	$0	$0		$0	$0	$1,034,974	$2,055,496		$2,055,496
347 Inter Program - Due To	$2,440,301	$0	$0	$38,699	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,479,000	-$2,479,000	$0
348 Loan Liability - Current	$0	$0	$0	$0	$0	$0	$0		$0		$0	$0	$0	$0		$0
310 Total Current Liabilities	$8,871,606	$602,901	$0	$101,089	$4,864,343	$25,089	$0	$1,533,586	$0	$0	$122,152	$16,801	$3,005,627	$19,143,194	-$4,352,364	$14,790,830
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$9,474,768	$0	$0	$0	$28,446,248	$0	$0	$4,534,849	$0	$0	$0	$0	$2,281,101	$44,736,966		$44,736,966
352 Long-term Debt, Net of Current - Operating Borrowings	$18,059,151	$249,564	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$18,308,715	-$233,877	$18,074,838
353 Non-current Liabilities - Other	$0	$0	$0	$0	$839,887	$0	$0	$0	$0	$0	$713,474	$0	$0	$1,553,361		$1,553,361
354 Accrued Compensated Absences - Non Current	$252,102	$0	$0	$0	$0	$820	$0	$0	$0	$0	$128,941	$549	$451,104	$833,516		$833,516
355 Loan Liability - Non Current	$0	$0	$0	$0	$29,368	$0	$0		$0		$0	$0	$0	$29,368		$29,368
356 FASB 5 Liabilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
357 Accrued Pension and OPEB Liabilities	$9,090,584	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,166,821	$0	$5,132,284	$18,389,689		$18,389,689
350 Total Non-Current Liabilities	$36,876,605	$249,564	$0	$0	$29,315,503	$820	$0	$4,534,849	$0	$0	$5,009,236	$549	$7,864,489	$83,851,615	-$233,877	$83,617,738
300 Total Liabilities	$45,748,211	$852,465	$0	$101,089	$34,179,846	$25,909	$0	$6,068,435	$0	$0	$5,131,388	$17,350	$10,870,116	$102,994,809	-$4,586,241	$98,408,568
400 Deferred Inflow of Resources	$1,752,168	$0	$0	$0	$0	$0	$0	$0	$0	$0	$830,090	$0	$1,402,197	$3,984,455	$0	$3,984,455
508.3 Nonspendable Fund Balance												$0				
508.4 Net Investment in Capital Assets	$192,363,351	$3,821	$0	$987,035	$4,417,083	$0	$0	$5,084,767	$559,523	$26,263,420	$248,447	$0	$5,718,275	$235,645,722		$235,645,722
509.3 Restricted Fund Balance												$0				
510.3 Committed Fund Balance												$0				
511.3 Assigned Fund Balance												$0				
511.4 Restricted Net Position	$1,537,643	$0	$0	$0	$1,274,123	$0	$0	$117,856	$0	$0	$250,328	$0	$0	$3,179,950		$3,179,950
512.3 Unassigned Fund Balance												$0				
512.4 Unrestricted Net Position	-$9,240,342	-$575,966	$0	$5,753,686	-$4,170,455	$269,369	$0	-$5,992,757	$10,365,376	$10,858,550	-$1,836,817	$180,393	-$504,011	$5,107,026		$5,107,026
513 Total Equity - Net Assets / Position	$184,660,652	-$572,145	$0	$6,740,721	$1,520,751	$269,369	$0	-$790,134	$10,924,899	$37,121,970	-$1,338,042	$180,393	$5,214,264	$243,932,698	$0	$243,932,698
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$232,161,031	$280,320	$0	$6,841,810	$35,700,597	$295,278	$0	$5,278,301	$10,924,899	$37,121,970	$4,623,436	$197,743	$17,486,577	$350,911,962	-$4,586,241	$346,325,721

CINCINNATI METROPOLITAN HOUSING AUTHORITY (OH004)

Cincinnati, OH

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/Single Audit | Fiscal Year End: 06/30/2018

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	6.1 Component Unit - Discretely Presented	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	14.239 HOME Investment Partnerships Program	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.866 Revitalization of Severely Distressed Public Housing	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$9,420,653	$0	$0	$0	$655,298	$0	$0	$882,308	$0	$0	$0	$0	$0	$10,958,259		$10,958,259
70400 Tenant Revenue - Other	$318,411	$0	$0	$216,712	$0	$0	$0	$7,352	$0	$0	$0	$0	$0	$542,475		$542,475
70500 Total Tenant Revenue	$9,739,064	$0	$0	$216,712	$655,298	$0	$0	$889,660	$0	$0	$0	$0	$0	$11,500,734	$0	$11,500,734
70600 HUD PHA Operating Grants	$24,738,076	$0	$285,202	$0	$568,168	$101,513	$0	$0	$0		$77,430,743	$67,981	$0	$103,191,683		$103,191,683
70610 Capital Grants	$7,650,124										$0	$0	$0	$7,650,124		$7,650,124
70710 Management Fee												$0	$5,360,013	$5,360,013	-$5,360,013	$0
70720 Asset Management Fee												$0	$638,760	$638,760	-$638,760	$0
70730 Book Keeping Fee												$0	$1,416,209	$1,416,209	-$1,416,209	$0
70740 Front Line Service Fee												$0	$876,102	$876,102	-$876,102	$0
70750 Other Fees				$0								$0	$0	$0		$0
70700 Total Fee Revenue												$0	$8,291,084	$8,291,084	-$8,291,084	$0
70800 Other Government Grants	$0	$0	$0	$0	$0	$0	$0	$456,000	$0	$0	$0	$0	$0	$456,000		$456,000
71100 Investment Income - Unrestricted	$371,761	$0	$0	$88,365	$0	$0	$0	$0	$10,355	$3,088,540	$588	$0	$175,053	$3,734,662		$3,734,662
71200 Mortgage Interest Income	$0	$0	$0	$0	$4,267	$0	$0	$0	$0	$0	$0	$0	$0	$4,267		$4,267
71300 Proceeds from Disposition of Assets Held for Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
71310 Cost of Sale of Assets	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
71400 Fraud Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$56,026	$0	$0	$56,026		$56,026
71500 Other Revenue	$387,743	$187,481	$0	$27,540	$86,575	$0	$0	$687,988	$0	$0	$130,119	$0	$540,282	$2,047,728	-$119,238	$1,928,490
71600 Gain or Loss on Sale of Capital Assets	$384,976	$0	$0	$0	$0	$0	$0	$0	$0	$749,779	$0	$0	$2,566	$1,137,321		$1,137,321
72000 Investment Income - Restricted	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$588	$0	$0	$588		$588
70000 Total Revenue	$43,271,744	$187,481	$285,202	$332,617	$1,314,308	$101,513	$0	$2,033,648	$10,355	$3,838,319	$77,618,064	$67,981	$9,008,985	$138,070,217	-$8,410,322	$129,659,895
91100 Administrative Salaries	$1,365,632	$370,089	$163,388	$105,317	$282,868	$13,965	$0	$161,320	$0	$0	$1,743,644	$9,350	$3,324,563	$7,540,136		$7,540,136
91200 Auditing Fees	$68,660	$0	$0		$23,400	$0	$0	$0	$0	$0	$14,702	$0	$12,117	$118,879		$118,879
91300 Management Fee	$2,947,257	$0	$0	$21,075	$95,702	$0	$0	$0	$0	$0	$1,492,600	$0		$4,556,634	-$4,556,634	$0
91310 Book-keeping Fee	$430,894	$0	$0	$1,152	$0	$0	$0	$0	$0	$0	$985,319	$0		$1,417,365	-$1,416,209	$1,156
91400 Advertising and Marketing	$0	$0	$0	$0	$1,103	$0	$0	$0	$0	$0	$0	$0	$0	$1,103		$1,103
91500 Employee Benefit contributions - Administrative	$2,084,987	$28,865	$22,249	$0	$0	$6,043	$0	$0	$0	$0	$960,382	$4,046	$1,627,123	$4,733,695		$4,733,695
91600 Office Expenses	$631,194	$6,244	$0	$1,240	$43,982	$0	$0	$34,616	$0	$0	$346,605	$0	$765,752	$1,829,633	-$66,510	$1,763,123
91700 Legal Expense	$156,034	$0	$0	$0	$644	$0	$0	$1,400	$0	$0	$18,286	$0	$392,325	$568,689		$568,689
91800 Travel	$2,641	$0	$0	$0	$0	$0	$0	$1,984	$0	$0	$1,906	$0	$17,674	$24,205		$24,205
91810 Allocated Overhead	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0		$0
91900 Other	$723,000	$0	$87,260	$6,029	$26,595	$0	$0	$49,038	$0	$2,385	$279,881	$0	$1,740,274	$2,914,462	-$482,329	$2,432,133
91000 Total Operating - Administrative	$8,410,299	$405,198	$272,897	$134,813	$474,294	$20,008	$0	$248,358	$0	$2,385	$5,843,325	$13,396	$7,879,828	$23,704,801	-$6,521,682	$17,183,119
92000 Asset Management Fee	$638,760	$0	$0	$0	$16,366	$0	$0	$0	$0	$0	$0	$0		$655,126	-$638,760	$16,366
92100 Tenant Services - Salaries	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$114,539	$114,539		$114,539
92200 Relocation Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
92300 Employee Benefit Contributions - Tenant Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
92400 Tenant Services - Other	$324,932	$0	$0	$0	$258	$0	$0		$0	$0	$0	$0	$0	$325,190	-$266,330	$58,860
92500 Total Tenant Services	$324,932	$0	$0	$0	$258	$0	$0	$0	$0	$0	$0	$0	$114,539	$439,729	-$266,330	$173,399
93100 Water	$1,653,958	$11	$0	$0	$58,733	$0	$0	$47,049	$0	$0	$0	$0	$20,990	$1,780,741		$1,780,741
93200 Electricity	$2,060,088	$43	$0	$0	$82,355	$0	$0	$8,639	$0	$0	$0	$0	$92,808	$2,243,933		$2,243,933
93300 Gas	$1,381,994	$0	$0	$0	$0	$0	$0	$26,017	$0	$0	$0	$0	$21,120	$1,429,131		$1,429,131
93400 Fuel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
93500 Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
93600 Sewer	$3,988,356	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$47,355	$4,035,711		$4,035,711
93700 Employee Benefit Contributions - Utilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
93800 Other Utilities Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
93000 Total Utilities	$9,084,396	$54	$0	$0	$141,088	$0	$0	$81,705	$0	$0	$0	$0	$182,273	$9,489,516	$0	$9,489,516
94100 Ordinary Maintenance and Operations - Labor	$2,461,536	$0	$0	$21,688	$0	$0	$0	-$32,183	$0	$0	$0	$0	$90,043	$2,541,084		$2,541,084
94200 Ordinary Maintenance and Operations - Materials and Other	$1,923,323	$0	$0	$9,252	$28,734	$0	$0	$89,042	$0	$0	$11,401	$0	$113,336	$2,175,088		$2,175,088
94300 Ordinary Maintenance and Operations Contracts	$7,170,899	$9,004	$0	$0	$340,210	$0	$0	$337,090	$0	$0	$131,461	$0	$214,654	$8,203,318	$0	$8,203,318
94500 Employee Benefit Contributions - Ordinary Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
94000 Total Maintenance	$11,555,758	$9,004	$0	$30,940	$368,944	$0	$0	$393,949	$0	$0	$142,862	$0	$418,033	$12,919,490	$0	$12,919,490
95100 Protective Services - Labor	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
95200 Protective Services - Other Contract Costs	$863,296	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,260	$874,556		$874,556
95300 Protective Services - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0

95500 Employee Benefit Contributions - Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
95000 Total Protective Services	$863,296	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,260	$874,556	$0	$874,556
96110 Property Insurance	$0	$4,603	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$4,603		$4,603
96120 Liability Insurance	$737,986	$0	$0	$0	$14,801	$0	$0	$47,120	$0	$0	$29,872	$0	$31,408	$861,187		$861,187
96130 Workmen's Compensation	$19,732	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$2,012	$0	-$4,833	$12,887		$12,887
96140 All Other Insurance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
96100 Total insurance Premiums	$757,718	$4,603	$0	$0	$14,801	$0	$0	$47,120	$0	$0	$27,860	$0	$26,575	$878,677	$0	$878,677
96200 Other General Expenses	$1,634,139	$1,273	$0	$17,604	$0	$0	$0	$6,628	$0	$0	$83,940	$0	$18,362	$1,761,946		$1,761,946
96210 Compensated Absences	$400,745	$0	$12,305	$0	$0	$848	$0	$0	$0	$0	$184,703	$568	$292,728	$891,897		$891,897
96300 Payments in Lieu of Taxes	$536,119	$0	$0	$0	$59,545	$0	$0	$0	$0	$0	$0	$0	$0	$595,664		$595,664
96400 Bad debt - Tenant Rents	$306,682	$0	$0	$0	$10,885	$0	$0	$20,080	$0	$0	$0	$0	$0	$337,647		$337,647
96500 Bad debt - Mortgages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,088,540	$0	$0	$0	$3,088,540		$3,088,540
96600 Bad debt - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
96800 Severance Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
96000 Total Other General Expenses	$2,877,685	$1,273	$12,305	$17,604	$70,430	$848	$0	$26,708	$0	$3,088,540	$268,643	$568	$311,090	$6,675,694	$0	$6,675,694
96710 Interest of Mortgage (or Bonds) Payable	$0	$0	$0	$0	$400,146	$0	$0	$0	$0	$0	$0	$0	$0	$400,146		$400,146
96720 Interest on Notes Payable (Short and Long Term)	$505,773	$6,510	$0	$0	$0	$0	$0	$48,707	$0	$0	$0	$0	$0	$560,990		$560,990
96730 Amortization of Bond Issue Costs	$0	$0	$0	$0	$10,754	$0	$0	$0	$0	$0	$0	$0	$0	$10,754		$10,754
96700 Total Interest Expense and Amortization Cost	$505,773	$6,510	$0	$0	$410,900	$0	$0	$48,707	$0	$0	$0	$0	$0	$971,890	$0	$971,890
96900 Total Operating Expenses	$35,018,617	$426,642	$285,202	$183,357	$1,497,081	$20,856	$0	$846,547	$0	$3,090,925	$6,282,690	$13,964	$8,943,598	$56,609,479	-$7,426,772	$49,182,707
97000 Excess of Operating Revenue over Operating Expenses	$8,253,127	-$239,161	$0	$149,260	-$182,773	$80,657	$0	$1,187,101	$10,355	$747,394	$71,335,374	$54,017	$65,387	$81,460,738	-$983,550	$80,477,188
97100 Extraordinary Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
97200 Casualty Losses - Non-capitalized	$121,414	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$121,414		$121,414
97300 Housing Assistance Payments	$0	$0	$0	$0	$0	$76,889	$0	$0	$0	$0	$71,345,321	$51,492	$0	$71,473,702		$71,473,702
97350 HAP Portability-In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
97400 Depreciation Expense	$6,569,560	$3,593	$0	$205,245	$1,136,454	$0	$0	$178,176	$0	$610,382	$32,124	$0	$618,417	$9,353,951		$9,353,951
97500 Fraud Losses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
97600 Capital Outlays - Governmental Funds												$0				
97700 Debt Principal Payment - Governmental Funds												$0				
97800 Dwelling Units Rent Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
90000 Total Expenses	$41,709,591	$430,235	$285,202	$388,602	$2,633,535	$97,745	$0	$1,024,723	$0	$3,701,307	$77,660,135	$65,456	$9,562,015	$137,558,546	-$7,426,772	$130,131,774
10010 Operating Transfer In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10020 Operating transfer Out	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
10030 Operating Transfers from/to Primary Government	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
10040 Operating Transfers from/to Component Unit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
10050 Proceeds from Notes, Loans and Bonds												$0				
10060 Proceeds from Property Sales												$0				
10070 Extraordinary Items, Net Gain/Loss	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
10080 Special Items (Net Gain/Loss)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
10091 Inter Project Excess Cash Transfer In	$0											$0		$0	$0	$0
10092 Inter Project Excess Cash Transfer Out	$97,786											$0		$97,786	$0	$97,786
10093 Transfers between Program and Project - In	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
10094 Transfers between Project and Program - Out	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
10100 Total Other financing Sources (Uses)	$97,786	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$97,786	$0	$97,786
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$1,659,939	-$242,754	$0	-$55,985	-$1,319,227	$3,768	$0	$1,008,925	$10,355	$137,012	-$42,071	$2,525	-$553,030	$609,457	-$983,550	-$374,093
11020 Required Annual Debt Principal Payments	$2,498,714	$0	$0	$0	$262,530	$0	$0	$530,497	$0	$0	$0	$0	$456,221	$3,747,962		$3,747,962
11030 Beginning Equity	$185,932,043	-$329,391	$0	$6,340,706	$46,654	$216,444	$42,786	-$1,343,059	$10,914,544	$36,984,958	$118,446	$227,025	$8,521,406	$247,672,562		$247,672,562
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$2,931,330	$0	$0	$456,000	$2,793,324	$49,157	-$42,786	-$456,000	$0	$0	-$1,414,417	-$49,157	-$2,754,112	-$4,349,321		-$4,349,321
11050 Changes in Compensated Absence Balance												$0				
11060 Changes in Contingent Liability Balance												$0				
11070 Changes in Unrecognized Pension Transition Liability												$0				
11080 Changes in Special Term/Severance Benefits Liability												$0				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												$0				
11100 Changes in Allowance for Doubtful Accounts - Other												$0				
11170 Administrative Fee Equity											-$173,953	$0		-$173,953		-$173,953
11180 Housing Assistance Payments Equity											$250,328	$0		$250,328		$250,328
11190 Unit Months Available	63601	0	0	0	2352	240	0	1359	0	0	140258	336	0	208146		208146
11210 Number of Unit Months Leased	61725	0	0	0	2317	221	0	1289	0	0	131668	148	0	197368		197368
11270 Excess Cash	$5,088,113											$0		$5,088,113		$5,088,113
11610 Land Purchases	$0											$0	$0	$0		$0
11620 Building Purchases	$5,328,080											$0	$0	$5,328,080		$5,328,080
11630 Furniture & Equipment - Dwelling Purchases	$0											$0	$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0											$0	$0	$0		$0

11650 Leasehold Improvements Purchases	$0											$0	$0	$0		$0
11660 Infrastructure Purchases	$0											$0	$0	$0		$0
13510 CFFP Debt Service Payments	$0											$0	$0	$0		$0
13901 Replacement Housing Factor Funds	$0											$0	$0	$0		$0

REAC Supplemental Information Requirement

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

In addition, the financial data schedules prepared by the Authority include minor differences from the statement of net position and the statement of revenue, expenses, and changes in net position that management has determined to be immaterial.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners
Cincinnati Metropolitan Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Cincinnati Metropolitan Housing Authority (the "Authority") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2018. Our report includes a reference to other auditors who audited the financial statements of Cary Crossing, LLC; Reserve on South Martin, LP; and Springdale Senior, LP, which represent 81 percent of the assets and 100 percent of revenue of the aggregate discretely presented component units, as described in our report on Cincinnati Metropolitan Housing Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Cary Crossing, LLC; Reserve on South Martin, LP; and Springdale Senior, LP were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

To Management and the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Purpose of this Report

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

Plante & Moran, PLLC

December 18, 2018

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

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

Independent Auditor's Report

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

We have audited Cincinnati Metropolitan Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Authority's basic financial statements include the operations of Cary Crossing, LLC; Reserve on South Martin, LP; and Springdale Senior LP. Our audit, described below, did not include the operations of Cary Crossing, LLC; Reserve on South Martin, LP; and Springdale Senior LP because these discretely presented component units engaged the use of other auditors to perform separate audits.

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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Report on Internal Control Over Compliance

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

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

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

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

Plante & Moran, PLLC

December 18, 2018

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Federal Agency/Program Title	CFDA Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Section 8 project-based cluster:			
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	$ -	$ 105,500
Single Room Occupancy Program - Section 8 Moderate Rehabilitation	14.249	-	63,994
Section 8 Project-based Cluster Total		-	169,494
Housing Voucher Cluster - Section 8 Housing Choice Vouchers	14.871	-	77,430,743
Public Housing Capital Fund Program	14.872	-	8,906,378
Public and Indian Housing - Low-income Public Housing	14.850	-	23,503,617
Family Self Sufficiency Program	14.896	-	285,202
Total federal awards		**$ -**	**$ 110,295,434**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Cincinnati Metropolitan Housing Authority (the "Authority") under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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

Schedule of Findings and Questioned Costs

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Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness(es) identified?	____	Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____	Yes	X	None reported
Noncompliance material to financial statements noted?	____	Yes	X	None reported

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?	____	Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	____	Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	____	Yes	X	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
14.871	Housing Voucher Cluster - Section 8 Housing Choice Vouchers	Unmodified

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

Auditee qualified as low-risk auditee?	____	Yes	X	No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

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OHIO AUDITOR OF STATE
KEITH FABER

CINCINNATI METROPOLITAN HOUSING AUTHORITY

HAMILTON 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
JANUARY 24, 2019