

**CINCINNATI METROPOLITAN  
HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

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





# Dave Yost • Auditor of State

Board of Commissioners  
Cincinnati Metropolitan Housing Authority  
1627 Western Avenue  
Cincinnati, OH 45214

We have reviewed the *Independent Auditor's Report* of the Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2013 through June 30, 2014. 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.

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

Dave Yost  
Auditor of State

April 2, 2015

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**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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**JAMES G. ZUPKA, C.P.A., INC.**  
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*Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Cincinnati Metropolitan Housing Authority  
Cincinnati, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Cincinnati Metropolitan Housing Authority, Hamilton County, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cincinnati Metropolitan Housing Authority, Ohio, as of June 30, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 20 the financial statements, the Cincinnati Metropolitan Housing Authority, Ohio restated its June 30, 2013 net position due to a HUD recapture of Public Housing subsidy. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cincinnati Metropolitan Housing Authority, Ohio's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of the Cincinnati Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cincinnati Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

**James G. Zupka,**  
**CPA, President**

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

Digitally signed by James G. Zupka, CPA,  
President  
DN: cn=James G. Zupka, CPA, President,  
o=James G. Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
Date: 2015.01.29 16:44:04 -05'00'

January 22, 2015



**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Unaudited)**

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This discussion and analysis provides the reader with a narrative overview and financial analysis of the Cincinnati Metropolitan Housing Authority's (CMHA) financial activities and performance for the year ended June 30, 2014. This section should be read in conjunction with the audited financial statements and accompanying notes.

**Financial Highlights**

- CMHA's total assets and liabilities were \$352.3 million and \$58.3 million, respectively; therefore, net position was \$294.0 million as of June 30, 2014.
- Total revenues, including capital contributions and total expenses, were \$119.1 million and \$115.5 million, respectively, resulting in a \$3.6 million change in net position for fiscal year 2014.

**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 as 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 CMHA'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.

**Overview of the Financial Statements**

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

*Conventional Public Housing* - Under the Conventional or Low Rent Housing Program, CMHA 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 CMHA to provide the housing at a rent that is based upon approximately 30 percent of household income.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Unaudited)**

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*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 CMHA'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, CMHA 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 2014, CMHA 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, CMHA, 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, CMHA 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. Funding under this grant was completed as of June 30, 2013.

*HOPE VI Grant* - The HOPE VI grants are programs funded by HUD for redevelopment of CMHA'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, CMHA administers contracts with independent landlords who own the properties. CMHA subsidizes a participant's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable CMHA to structure a lease that sets a participants' rent at approximately 30 percent of household income.

## **Overview of CMHA's Financial Position and Operations**

### **Statement of Net Position**

CMHA's total net position increased by \$1.5 million during fiscal year 2014. The combination of cash, cash equivalents, and investments decreased by \$6.3 million from fiscal year 2013. The decrease in cash and cash equivalents resulted primarily from the payout of early retirement offered to CMHA staff.

Total liabilities increased in fiscal year 2014 by \$27.4 million. This was attributed to recapture of Public Housing subsidy by HUD to be paid over 15 years as discussed in Note 20 the financial statements.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Unaudited)**

<b>Statement of Net Position (in Millions)</b>			
<b>(Condensed)</b>			
	2014	2013	Change
<b><u>ASSETS</u></b>			
Current Assets	\$ 44.6	\$ 50.1	\$ (5.5)
Other Assets	66.2	59.7	6.5
Capital Assets	241.5	241.0	0.5
<b>TOTAL ASSETS</b>	<b>352.3</b>	<b>350.8</b>	<b>1.5</b>
<b><u>LIABILITIES AND NET POSITION</u></b>			
<b><u>Liabilities</u></b>			
Current Liabilities	13.2	8.1	5.1
Long-Term Liabilities	45.1	22.8	22.3
<b>Total Liabilities</b>	<b>58.3</b>	<b>30.9</b>	<b>27.4</b>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	220.7	219.0	1.7
Restricted Net Position	8.9	5.8	3.1
Unrestricted Net Position	64.4	95.1	(30.7)
<b>Total Net Position</b>	<b>294.0</b>	<b>319.9</b>	<b>(25.9)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 352.3</b>	<b>\$ 350.8</b>	<b>\$ 1.5</b>

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

CMHA's operating revenue for fiscal year 2014 decreased by \$7.8 million due primarily to reduced subsidy for the Low Income Public Housing Program and the Capital Grant programs. Operating expenses were \$5.5 million less than last year primarily due to decreases in Housing Assistance payments. The changes in operating revenues and expenses resulted in a positive net change in net position of \$3.6 million on a consolidated basis.

<b>Statement of Revenues, Expenses, and Change in Net Position (Millions)</b>			
<b>(Condensed)</b>			
	2014	2013	Change
<b><u>Operating Revenues</u></b>			
Operating/Other Revenues	\$ 12.9	\$ 11.5	\$ 1.4
Governmental Revenues	103.5	112.7	(9.2)
<b>Total Operating Revenues</b>	<b>116.4</b>	<b>124.2</b>	<b>(7.8)</b>
<b><u>Operating Expenses</u></b>			
Operating Expenses	107.9	113.5	(5.6)
Depreciation Expense	6.8	6.7	0.1
<b>Total Operating Expenses</b>	<b>114.7</b>	<b>120.2</b>	<b>(5.5)</b>
Net Operating Income	1.7	4.0	(2.3)
Total Non-Operating Revenue/Expenses	1.9	1.5	0.4
<b>Change in Net Position</b>	<b>3.6</b>	<b>5.5</b>	<b>(1.9)</b>
Net Position, Beginning of Year	319.9	314.4	5.5
HUD Recapture of Overfunding of Subsidy	(29.5)	0.0	(29.5)
<b>Net Position, Beginning of Year, Restated</b>	<b>290.4</b>	<b>314.4</b>	<b>(24.0)</b>
<b>Net Position, End of Year</b>	<b>\$ 294.0</b>	<b>\$ 319.9</b>	<b>\$ (25.9)</b>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Unaudited)**

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**Capital Assets and Debt Administration**

As of June 30, 2014, CMHA's investment in capital assets balance for its Proprietary Fund was \$241.5 million (net of accumulated depreciation). This represents an increase of \$0.5 million over fiscal year 2013.

Major capital assets increased \$7.0 million during the fiscal year. The increase pertained to new construction and construction-in-progress as it relates to CMHA's Capital Fund and Replacement Housing Factor funds. See Note 7 for more information regarding capital assets.

CMHA's long-term portion of debt as of June 30, 2014, was \$43.5 million. The long-term debt increased \$22.3 million over fiscal year 2013. This increase in long-term debt was due to a repayment agreement entered into with HUD related to the overfunding of subsidy in the Low Income public Housing Fund.

See Note 11 for more information regarding outstanding debt.

**Authority Budget Information**

Annual budgets for individual programs, including grants, are prepared by CMHA 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 CMHA.

**Budgetary Considerations for Fiscal Year 2015**

The greatest budgetary challenges faced by CMHA 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 CMHA's budget for fiscal year 2015:

- Higher occupancy and utilization in the Housing Choice Voucher Program after the forced reduction of utilized vouchers due to sequestration.
- Continued reduction in overall funding resulting from the sequestration.
- Change in funding methods, levels, and pro-ration factors for Housing Choice Voucher, Low Income Public Housing, Capital Fund, and Replacement Housing Factor programs.
- Aging properties.
- Rising cost of fringe benefits.
- Reduction of future operating subsidy due to HUD over-subsidizing in prior years.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Unaudited)**

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**Contacting CMHA**

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.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
STATEMENT OF NET POSITION  
JUNE 30, 2014**

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**ASSETS**

**Current Assets**

Cash and Cash Equivalents - Unrestricted	\$ 28,008,284
Cash and Cash Equivalents - Restricted	10,847,787
Investments at Fair Value - Unrestricted	1,025,765
Accounts Receivable, Net of Allowance for Doubtful Accounts	1,482,021
Due from Other Governments	2,416,288
Inventory, Net of Allowance of Obsolescence	162,871
Prepaid Expenses	627,958
<b>Total Current Assets</b>	<b><u>44,570,974</u></b>

**Capital Assets**

Non-Depreciable Capital Assets	43,123,045
Depreciable Capital Assets, Net	198,341,016
<b>Total Capital Assets</b>	<b><u>241,464,061</u></b>

**Other Assets**

Notes and Mortgages Receivable	44,156,992
Interest Receivable	21,900,337
Insurance Deposits	175,223
<b>Total Other Assets</b>	<b><u>66,232,552</u></b>

<b>TOTAL ASSETS</b>	<b><u>\$ 352,267,587</u></b>
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See accompanying notes to the financial statements.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
STATEMENT OF NET POSITION  
JUNE 30, 2014  
(CONTINUED)**

**LIABILITIES AND NET POSITION**

**Current Liabilities**

Accounts Payable	\$ 1,895,214
Accrued Wages and Taxes Payable	754,370
Accrued Compensated Absences	174,744
Other Accrued Liabilities	1,568,198
Due to Other Governments	844,543
Notes and Bonds Payable - Current Portion	6,909,056
Prepaid Rents	21,879
Payable from Restricted Assets:	
Resident Security Deposits	1,031,352

<b>Total Current Liabilities</b>	<b>13,199,356</b>
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**Noncurrent Liabilities**

Notes Payable, Net of Current Portion	43,476,068
Workers' Compensation Contingency	69,795
Accrued Compensated Absences	692,542
Payable from Restricted Assets:	
Family Self-Sufficiency Escrows	875,747

<b>Total Noncurrent Liabilities</b>	<b>45,114,152</b>
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<b>Total Liabilities</b>	<b>58,313,508</b>
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**Net Position**

Net Investment in Capital Assets	220,644,748
Restricted Net Position	8,940,508
Unrestricted Net Position	64,368,823

<b>Total Net Position</b>	<b>293,954,079</b>
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<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 352,267,587</b>
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See accompanying notes to the financial statements.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b><u>Operating Revenues</u></b>	
Rental Revenue	\$ 10,467,672
Governmental Revenue	95,113,074
Other Revenue	2,479,956
<b>Total Operating Revenues</b>	<u>108,060,702</u>
<b><u>Operating Expenses</u></b>	
Administrative	16,570,032
Tenant Services	314,366
Utilities	8,614,389
Ordinary Maintenance and Operations	9,811,155
Protective Services	654,531
General Expenses	9,658,064
Housing Assistance Payments	62,282,118
Depreciation	6,779,356
<b>Total Operating Expenses</b>	<u>114,684,011</u>
Operating Loss	<u>(6,623,309)</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Gain on Disposal of Capital Assets	47,930
Interest Revenue - Unrestricted	2,641,708
Interest Expense	(814,651)
<b>Total Nonoperating Revenues</b>	<u>1,874,987</u>
Change in Net Position Before Capital Grants Revenue	<u>(4,748,322)</u>
Capital Grants Revenue	8,339,780
<b>Net Change in Net Position</b>	<u>3,591,458</u>
<b>Net Position - Beginning of Year, as Reported</b>	319,928,432
HUD Recapture of Overfunding of Subsidy for Low Income Public Housing Program	(29,565,811)
<b>Net Position - Beginning of Year, Restated</b>	<u>290,362,621</u>
<b>Net Position - End of Year</b>	<u>\$ 293,954,079</u>

See accompanying notes to the financial statements.



**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b><u>Cash Flows from Operating Activities</u></b>	
Receipts from Residents and Other Deposits	\$ 10,412,116
Governmental Operating Revenues	94,656,818
Other Receipts	2,429,227
Administrative Expenses	(17,050,788)
Other Operating Expenses	(30,025,727)
Housing Assistance Payments	(62,282,118)
<b>Net Cash Used by Operating Activities</b>	<b><u>(1,860,472)</u></b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Purchase of Capital Assets	(9,017,617)
Principal Paid on Debt	(1,200,873)
Cash from Disposal of Assets	794,385
Interest Paid on Debt	(813,971)
Capital Grants	7,904,126
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b><u>(2,333,950)</u></b>
<b><u>Cash Flows from Investing Activities</u></b>	
Investment Proceeds	(102)
Investment Income	524
Increase in Notes Receivable	(2,099,716)
<b>Net Cash Used in Investing Activities</b>	<b><u>(2,099,294)</u></b>
Net Decrease in Cash and Cash Equivalents	(6,293,716)
Cash and Cash Equivalents - Beginning of Year	45,149,787
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 38,856,071</u></b>
<b><u>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</u></b>	
Operating Loss	\$ (6,623,309)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	6,779,356
Increase in Tenant Receivables	(29,640)
Increase in Due To/From Other Governments	(211,815)
Increase in Other Assets/Receivables	(774,653)
Decrease in Inventory	124,635
Increase in Prepaid Expenses	(206,420)
Decrease in Intergovernmental Payable	(244,441)
Increase in Security Deposits	8,298
Increase in Accounts Payable	201,570
Decrease in Compensated Absences	(488,402)
Decrease in Accrued Liabilities	(378,230)
Increase in Prepaid Rents	3,793
Decrease in Other Liabilities	(21,214)
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ (1,860,472)</u></b>

A non-cash transaction was made for \$1,010,087 representing an increase in notes receivable and a decrease in capital assets.

See accompanying notes to the financial statements.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**A. Organization**

The Cincinnati Metropolitan Housing Authority (CMHA) is a public body corporate and politic created under the laws of the State of Ohio and was organized for the purposes of acquiring, developing, leasing, operating, and administering low-rent housing programs for qualified individuals.

**B. Reporting Entity**

The governing body of CMHA is a Board of Commissioners, which is comprised of seven members. The members are appointed as follows: Two (2) by the City Manager of Cincinnati, one (1) by the Hamilton County Commissioners, one (1) by the Court of Common Pleas, one (1) by the Probate Court, one (1) by the Township Association of Hamilton County, and one (1) by the Municipal League of Hamilton County. The Board appoints a Chief Executive Officer to administer the business of CMHA. CMHA is not considered a component unit of the City of Cincinnati, as the Board independently oversees CMHA's operations.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, in that financial statements include all organizations, activities, and functions for which CMHA is financially accountable. Financial accountability is defined by the component unit being fiscally dependent on CMHA. Based upon the application of these criteria, the reporting entity had no component units.

The financial statements of CMHA include Low-Rent Public Housing under Annual Contributions Contract C-984, Section 8 Housing Assistance Program under Annual Contributions Contract C-5034, Local Initiatives Programs, and the Hamilton County Affordable Housing Program.

**C. Summary of HUD Programs**

The accompanying financial statements include the activities of the housing programs subsidized by HUD. A summary of the most significant of these programs and the related contracts with HUD is provided below.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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

**C. Summary of HUD Programs** (Continued)

1. **Annual Contributions Contract – Low Rent Public Housing**

a. **Low Rent Public Housing**

This type of housing consists of apartments and single-family dwellings owned and operated by CMHA. Funding is provided by tenant rent payments and subsidies provided by HUD.

b. **Modernization and Development**

Substantially all additions to land, buildings, and equipment are accomplished through the Replacement Housing Program and Capital Fund Program. These programs add to, replace, or materially upgrade deteriorated portions of CMHA's housing units. Funding is provided through programs established by HUD.

2. **Annual Contributions Contract – Housing Assistance Payments Program**

**Housing Choice Vouchers and Moderate Rehabilitation**

These are housing programs wherein low-income tenants lease housing units directly from private landlords rather than through CMHA. HUD contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by low-income tenants.

**D. Basis of Presentation of Accounting**

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP).

CMHA uses the proprietary fund type to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities reported in other funds. Funds are classified into three categories: governmental, proprietary, and fiduciary. CMHA uses the proprietary category for its programs.

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(CONTINUED)**

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

D. **Basis of Presentation of Accounting** (Continued)

CMHA reports under the proprietary fund type (enterprise fund), which uses the accrual basis of accounting. Proprietary funds are used to account for CMHA's ongoing activities, which are similar to those found in the private sector. The proprietary fund type used by CMHA is the Enterprise Fund.

The Enterprise Fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Pursuant to GASB Statement No. 62, CMHA follows GASB guidance as applicable to Enterprise funds.

E. **Budgets**

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The modernization and development budgets are adopted on a "project length" basis. Budgets are approved by the Board of Commissioners and submitted to HUD for approval, when applicable. Budgets are not, however, legally adopted nor required for financial statement presentation.

F. **Revenue Recognition**

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which they relate and all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which CMHA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to CMHA on a reimbursement basis. Tenant rental revenues are recognized during the period of occupancy. Other receipts are recognized when the related expenses are incurred. Expenses are recognized as incurred.

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

**G. Cash Equivalents**

For the purposes of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**H. Restricted Cash and Cash Equivalents**

Cash and cash equivalents have been classified as restricted on the Statement of Net Position for Family Self-Sufficiency escrows, unused HAP income, residents' security deposits, funds escrowed within the Capital Fund Financing Program, and other HUD restricted funds that are to be used for HUD projects and development.

**I. Receivables /Bad Debts**

Bad debts are provided on the allowance method and are based on management's evaluation of the collectability of outstanding tenant receivable balances at year end.

**J. Interprogram Receivables and Payables**

During the course of normal operations, CMHA has numerous transactions between programs. Interprogram receivables/payables are all current and are the result of the use of the Central Office Cost Center bank account as the common paymaster for shared costs of CMHA. Cash settlements are made periodically and all interprogram balances net zero. Interprogram balances are eliminated for financial statement presentation.

**K. Investments**

Investments are recorded at fair value. Fair value generally represents quoted market prices for investments traded in the public marketplace. Investment income, including changes in the fair value of investments, is recorded as non-operating revenue in the operating statements. Investment income is recognized and recorded when earned and is allocated to programs based on monthly investment balances. Investment instruments pertaining to HUD programs consist only of items specifically approved by both HUD requirements and the requirements of the State of Ohio.

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(CONTINUED)**

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

**L. Inventories**

Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. CMHA establishes an allowance for obsolete inventory, to account for adjustments to cost due to damage, deterioration, or obsolescence. CMHA relies upon its periodic (annual) inventory for financial reporting purposes. In accordance with the consumption method, inventory is expensed when items are actually placed in service.

**M. Prepaid Items**

Payments made to vendors for goods or services that will benefit future periods are recorded as prepaid items.

**N. Restricted Assets**

Certain assets may be classified as restricted assets on the Statement of Net Position, because their use is restricted by contracts or agreements with outside third parties and lending institutions, or laws and regulations of other governments.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

It is CMHA's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**O. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**P. Fair Value of Financial Instrument**

CMHA's financial instruments at June 30, 2014, including cash, investments, accounts receivable, and accounts payable, closely approximate fair value.

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(CONTINUED)**

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

**Q. Capital Assets**

Book Value

All purchased capital assets are valued at cost when historical records are available. When no historical records are available, capital assets are valued at estimated historical cost.

Land values were derived from development closeout documents.

Donated capital assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

Depreciation

Pursuant to the enterprise GAAP method, cost of the buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion of the work item.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building Modernization	40 years
Infrastructure	50 years
Site Improvements	20 years
Office and Other Equipment	5 years

Maintenance and Repairs Expenditures

Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations.

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

**R. Compensated Absences**

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and sick leave are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because the employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of year end. This is computed based on various percentages of sick time accumulated, as defined by their respective bargaining unit contracts, for employees who have completed ample service time with CMHA. These employees are expected to become eligible in the future to receive such payments.

**S. Equity Transfers**

Transfers presented (when applicable) on the Financial Data Schedules represent the transfer of equity between programs for approved uses, such as the transfer of unrestricted funds, or the transfer of equity for closed programs/grants to their respective program, as required by HUD reporting guidelines.

NOTE 2: **DEPOSITS AND INVESTMENTS**

The provisions of the Ohio Revised Code, CMHA's written investment policy, and HUD regulations govern the investment and deposit of CMHA monies. Only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. HUD requires authorities to invest excess HUD program funds in obligations of the United States or certificates of deposit of any other federally-insured instruments. CMHA is also generally permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), and obligations of certain political subdivisions of Ohio and the United States government and its agencies. These investments must mature within three years of their purchase. CMHA may also enter into repurchase agreements with any eligible depository of any eligible dealer for a period not exceeding thirty days.



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

Public depositories must give security for all public funds on deposit. HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The State of Ohio requires that any public depository in which CMHA places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105 percent of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation, or other authority. Obligations furnished as security must be held by CMHA or with an unaffiliated bank or trust company for the account of CMHA.

Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in CMHA's name.

A. **Deposits**

At year end, the carrying amount of CMHA's deposits was \$38,856,071 (including \$10,847,787 of restricted funds and \$580 of petty cash) and the bank balance was \$40,893,470. Of the bank balance, \$629,354 was covered by federal depository insurance and \$40,264,326 was covered by collateral held by Fifth Third Bank party trustees, pursuant to Section 135.181 of the Ohio Revised Code, in collateral pools serving all public funds on deposit with specific depository institutions.

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

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

**B. Investments**

CMHA's investments at June 30, 2014 are summarized below:

<u>Investment</u>	<u>Maturity Year</u>	<u>Amount</u>	<u>Credit Rating Moody's/S&amp;P</u>
Fifth Third Inst. Gov't MMkt.		\$ 1,025,765	AAA
<b>Total</b>		<b>\$ 1,025,765</b>	

**Custodial Credit Risk**

Custodial credit risk of investments is the risk that, in the event of a failure of a counter-party, CMHA will not be able to recover the value of its investments or collateral securities in the possession of an outside party. CMHA 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 CMHA 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.

The three credit risk categories for investments are defined as follows:

1. Insured or registered, or securities held by the government or its agent in the government's name.
2. Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the government's name.
3. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the government's name.

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

**C. Restricted Cash and Investments**

Restricted Equity - Section 8 Programs	\$ 7,288,042
Security Deposit Cash Held in Escrow	1,031,532
Cash of the CFFP Program	1,652,466
Family Self-Sufficiency Program Escrows	875,747
<b>Total Restricted Cash and Investments at June 30, 2014</b>	<b><u><u>\$ 10,847,787</u></u></b>

NOTE 3: **ACCOUNTS RECEIVABLE**

Tenants Accounts Receivable, Net	\$ 242,814
The Affiliates/Project Monitoring; Other Receivables, Net	1,239,207
<b>Total Accounts Receivable, Net</b>	<b><u><u>\$ 1,482,021</u></u></b>

NOTE 4: **INTERPROGRAM TRANSFERS**

CMHA will make cash transfers between its various programs as outlined in the federal regulations and authorized and approved by CMHA's Board of Commissioners. Interprogram balances are eliminated for financial statement presentation.

NOTE 5: **DUE FROM OTHER GOVERNMENTS**

U.S. Department of Housing and Urban Development	<u><u>\$2,416,288</u></u>
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NOTE 6: **NOTES/OTHER RECEIVABLES**

Notes Receivable

The financing of the revitalization projects under the Hope VI Lincoln and Laurel Partnerships encompass 60 percent of the notes receivable. These represent soft HOPE VI notes with a balloon payment due in 40 years from note date. The construction of the Mt. Healthy Senior Housing Development under the NSP2 Program is financed through a soft note with the Reserve on South Martin Limited Partnership with a balloon payment due 45 years from note date. The notes with the Springdale Senior Ltd. Partnership are associated with the construction of Baldwin Grove. No portion of the notes receivable are to be paid within the next year. The following schedule summarizes the details pertaining to the notes receivable. The note with Touchstone Property Services, Inc., is associated with the acquisition of/and for a mixed finance development.

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NOTE 6: **NOTES/OTHER RECEIVABLES** (Continued)

Amount	Maker	Date of Note	Interest	Maturity Date
\$ 10,390,518	Lincoln Court Partnerships	LCI - 3/20/01 LCII - 3/20/01 LCIII - 2/28/02 LCIV - 08/26/03	AFR	40 Years
13,936,763	Laurel Home Partnerships	LHI - 10/24/02 LHII - 12/15/03 LHIV - 01/22/02 LHIV - 11/01/04 LHV - 9/30/06	AFR	40 Years
10,308,550	Reserve on South Martin Ltd. Partnership	10/1/2011	AFR	45 Years
3,035,000	Springdale Senior Ltd. Partnership RHF/Capital Funds	3/27/2007	3.50%	50 Years
2,000,272	Springdale Senior Ltd. Partnership Project Based Section 8 Reserve	3/27/2007	AFR	50 Years
885,000	Springdale Senior Ltd. Partnership	3/27/2007	0.00%	50 years
580,000	Springdale Senior Ltd. Partnership Developer Fee	3/27/2007	0/0%	50 years
1,240,780	Touchstone Properties, Inc.	2014	LIBOR	2 Years
804,284	Reserve on South Martin, Ltd. Partnership	10/27/2011	3.00%	45 Years
510,000	Springdale Senior Ltd. Partnership Ground Lease	5/10/2006	4.79%	75 years
<u>\$ 43,691,167</u>				
465,825	Other Receivables			
<u>\$ 44,156,992</u>	Total Notes/Other Receivables			

**Ground Lease**

Regarding the above notes receivable, the Springdale Senior Limited Partnership entered into a 75-year ground lease in the total amount of \$510,000.

**Other Receivables**

There is \$465,825 in other receivables that are associated with the construction of Lincoln Court and Laurel Homes.

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**NOTE 7: CAPITAL ASSETS**

	Balance June 30, 2013	Additions	Reclass	Deletions	Balance June 30, 2014
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 30,061,730	\$ 0	\$ 269,100	\$ (1,010,087)	\$ 29,320,743
Construction in Progress	25,369,470	8,386,849	(19,326,005)	(628,012)	13,802,302
<i>Total Capital Assets Not Being Depreciated</i>	<u>55,431,200</u>	<u>8,386,849</u>	<u>(19,056,905)</u>	<u>(1,638,099)</u>	<u>43,123,045</u>
<u>Capital Assets Being Depreciated</u>					
Buildings and Improvements	354,410,413	1,144	18,767,050	(118,443)	373,060,164
Furniture, Equipment, and Machinery	6,048,056	587,439	289,855	(260,171)	6,665,179
Leasehold Improvements	126,376	42,185	0	0	168,561
Infrastructure	30,519,094	0	0	0	30,519,094
<i>Subtotal Capital Assets Being Depreciated</i>	<u>391,103,939</u>	<u>630,768</u>	<u>19,056,905</u>	<u>(378,614)</u>	<u>410,412,998</u>
Accumulated Depreciation -					
Buildings and Improvements	(200,262,482)	(5,613,394)	0	0	(205,875,876)
Furniture and Equipment	(4,044,276)	(530,305)	0	260,171	(4,314,410)
Leasehold Improvements	(25,275)	(25,275)	0	0	(50,550)
Infrastructure	(1,220,764)	(610,382)	0	0	(1,831,146)
<i>Subtotal Accumulated Depreciation</i>	<u>(205,552,797)</u>	<u>(6,779,356)</u>	<u>0</u>	<u>260,171</u>	<u>(212,071,982)</u>
Depreciable Assets, Net	185,551,142	(6,148,588)	19,056,905	(118,443)	198,341,016
<b>Total Capital Assets, Net</b>	<u>\$ 240,982,342</u>	<u>\$ 2,238,261</u>	<u>\$ 0</u>	<u>\$ (1,756,542)</u>	<u>\$ 241,464,061</u>

**NOTE 8: COMPENSATED ABSENCES PAYABLE**

CMHA 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.

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**NOTE 8: COMPENSATED ABSENCES PAYABLE** (Continued)

For members of the IUOE union hired before July 1, 2003, sick leave shall be forfeited upon the employee's separation for any reason except retirement, 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 5 years of service will receive a payout of 5 percent of their sick leave per 5 year increments of service, with a maximum of 40 percent.

For members of the Building Trades union, sick leave shall be forfeited upon the employee's separation for any reason except for retirement, 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 5 years to receive any payout.

At June 30, 2014, total compensated absences liability is \$867,286, of which \$174,744 is current and \$692,542 is long-term.

Schedule of Change in Compensated Absences

June 30, 2013							
Current Portion	Long-Term Portion	Total	Additions	Reductions	June 30, 2014	Current Portion	
\$ 226,314	\$ 1,129,374	\$ 1,355,688	\$ 1,611,579	\$ 2,099,981	\$ 867,286	\$ 174,744	

**NOTE 9: OTHER ACCRUED LIABILITIES**

Accrued Workers' Compensation - Current Portion	\$ 106,745
Contract Retainage	220,318
Accrued Liabilities	975,450
Other	265,685
<b>Total Other Accrued Liabilities</b>	<b>\$ 1,568,198</b>

**NOTE 10: DUE TO OTHER GOVERNMENTS**

U.S. Department of Housing and Urban Development	\$ 92,754
Payment in Lieu of Taxes (PILOT)	751,789
<b>Total Due to Other Governments</b>	<b>\$ 844,543</b>

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**NOTE 11: NOTES PAYABLE**

Authority Program	Principal Balance	Current Portion	Long-Term Portion	Payee	Interest Rate	Note Date
Hamilton County	\$ 700,000	\$ 100,000	\$ 600,000	HOME	2.00%	01/1996
Hamilton County	916,808	101,868	814,940	CDBG	2.00%	03/1998
Hamilton County	1,200,000	120,000	1,080,000	HOME	2.00%	11/1998
Hamilton County	900,000	0	900,000	HOME	2.00%	10/1999
Hamilton County	1,150,000	0	1,150,000	HOME	2.00%	06/2002
Hamilton County	1,026,140	46,482	979,658	Fifth Third Bank	4.95%	12/2001
Hamilton County	515,656	75,276	440,380	US Bank Deutsche Bank	5.25%	12/1998
Capital Fund Financing	14,410,709	899,619	13,511,090	National Trust Co.	4.55%	11/2006
HUD EPC Repayment	29,565,811	5,565,811	24,000,000	HUD	0.00%	08/2014
<b>Total All Programs</b>	<b>\$ 50,385,124</b>	<b>\$ 6,909,056</b>	<b>\$ 43,476,068</b>			

**Hamilton County (HOME & CDBG) Loans (Items 1-5)**

Hamilton County 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 sixteenth year, provided the units are preserved as low-income housing and there are no plans to convert the units to market rate.

**Bank Loans (Items 6-7)**

These loans were acquired to expand the affordable housing program using locally available funds. There is no capitalized interest.

**Capital Fund Financing (Item 8)**

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 (Item 9)**

This repayment agreement was entered into as a result of overpayment of operating subsidy through an energy performance contract with the Low Income Public Housing Program. This agreement will be repaid beginning in fiscal year 2015.

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

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**NOTE 11: NOTES PAYABLE** (Continued)

Maturity Date	Principal Amount	Interest Amount	Total
2015	\$ 6,909,056	\$ 698,373	\$ 7,607,429
2016	3,185,613	660,290	3,845,903
2017	3,235,577	610,326	3,845,903
2018	3,402,991	557,913	3,960,904
2019	3,554,011	503,063	4,057,074
2020-2024	17,258,851	1,657,432	18,916,283
2025-2029	12,620,812	272,077	12,892,889
2030-2032	218,213	3,380	221,593
<b>Total</b>	<b>\$ 50,385,124</b>	<b>\$ 4,962,854</b>	<b>\$ 55,347,978</b>

**NOTE 12: CHANGES IN LONG-TERM LIABILITIES**

	Balance June 30, 2013			Payments	Additions	Balance June 30, 2014		
	Current	Noncurrent	Total			Total	Current	Noncurrent
Notes Payable	\$ 1,295,530	\$ 20,724,656	\$ 22,020,186	\$ (1,200,873)	\$ 29,565,811	\$ 50,385,124	\$ 6,909,056	\$ 43,476,068
Workers' Comp Contingency	145,917	85,173	231,090	(613,880)	559,330	176,540	106,745	69,795
Compensated Absences	226,314	1,129,374	1,355,688	(2,099,981)	1,611,579	867,286	174,744	692,542
Family Self-Sufficiency Funds	0	881,583	881,583	(662,059)	656,223	875,747	0	875,747
<b>Total</b>	<b>\$ 1,667,761</b>	<b>\$ 22,820,786</b>	<b>\$ 24,488,547</b>	<b>\$ (4,576,793)</b>	<b>\$ 32,392,943</b>	<b>\$ 52,304,697</b>	<b>\$ 7,190,545</b>	<b>\$ 45,114,152</b>

**NOTE 13: DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

All full-time CMHA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a defined benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
- The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.



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FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(CONTINUED)**

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NOTE 13: **DEFINED BENEFIT PENSION PLAN** (Continued)

**Ohio Public Employees Retirement System** (Continued)

OPERS provides retirement, disability, survivor, death benefits, and annual cost of living adjustments to members of the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10 percent of their annual covered salaries to fund pension obligations. The employer pension contribution rate for CMHA was 14 percent of covered payroll. CMHA's required contributions to OPERS for the years ended June 30, 2014, 2013, and 2012, were \$1,561,547, \$1,828,746, and \$1,967,444, respectively. Of CMHA's required contributions for the years ended June 30, 2014, 2013, and 2012, contributions of \$63,264, \$83,550, and \$75,303, respectively, were made to the Combined Plan and contributions of \$82,970, \$80,606, and \$93,588, were made to the Member-Directed Plan. One hundred percent of CMHA's required contributions were made for the years ended 2014, 2013, and 2012.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

A. **Plan Description**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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NOTES TO THE FINANCIAL STATEMENTS  
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(CONTINUED)**

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NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

A. **Plan Description** (Continued)

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

B. **Funding Policy**

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In the fiscal year ending June 30, 2014, CMHA contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For the fiscal year ending June 30, 2014, the employer contribution allocated to health care for members in the Traditional Plan was 1.0 percent from July 1, 2013 through December 31, 2013, and 2.0 percent from January 1, 2014 through June 30, 2014. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefit provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual CMHA contributions for the years ended June 30, 2014, 2013, and 2012, which were used to fund post-employment benefits were \$167,309, \$326,562, and \$562,127, respectively.

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NOTES TO THE FINANCIAL STATEMENTS  
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(CONTINUED)**

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NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Funding Policy** (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

NOTE 15: **RISK MANAGEMENT**

CMHA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. CMHA 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. CMHA also maintains employee major medical, vision, and dental coverage with private carriers.

CMHA is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership 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 comprised 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. The Board is responsible for its own financial matters and the corporation maintains its own book of account. Budgeting and financing of OHAPCI is subject to the approval of the Board. Currently, participating housing authorities are Cincinnati, Dayton, and Youngstown. The following is a summary of insurance coverage at year-end:

Primary Property	\$250 million/ occurrence
Automobile Liability	\$2 million
Earthquake	\$5 million
Flood	\$5 million
Casualty/General Liability	\$2 million/occurrence
Crime	\$500,000/occurrence
Excess Crime	\$500,000/occurrence
Excess Liability	\$6 million
Boiler/Machinery	\$100 million
Pollution	\$1 million/\$2 million (aggregate)

During the fiscal year, settled claims for CMHA did not exceed the coverage provided by OHAPCI.

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**NOTE 16: COMMITMENTS**

CMHA is engaged in modernization programs funded by HUD. CMHA has entered into construction-type contracts with approximately \$11,787,694 remaining until completion.

**NOTE 17: CONTINGENCIES**

CMHA 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 CMHA’s attorney that resolution of these matters will not have a materially adverse effect on the financial condition of CMHA.

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although CMHA expects such amounts, if any, to be immaterial.

**NOTE 18: RESTRICTED NET POSITION**

Section 8 Housing Programs	\$ 7,288,042
CFFP Equity	1,652,466
<b>Total Restricted Net Position</b>	<b><u><u>\$ 8,940,508</u></u></b>

**NOTE 19: LEASING ACTIVITIES (AS LESSOR)**

CMHA is the lessor of dwelling units mainly to low-income residents. The rents under the resident’s income is adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. CMHA may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as “rental revenue.” Rental revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions, which impact personal income and local job availability.

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(CONTINUED)**

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NOTE 20: **HUD RECAPTURE OF SUBSIDY**

On August 8, 2014, a repayment agreement was entered into between CMHA and HUD for subsidy overpaid in the Public Housing Program for the period 2008 through 2012. The amount to be repaid to HUD is \$29,565,811, which is being paid over a 15-year period, starting with the first payment in October 2014.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE BALANCE SHEET SUMMARY  
JUNE 30, 2014**

	Project Total	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing	14.239 HOME Investment Partnerships Program	97.109 Disaster Housing Assistance Grant	Business Activities
111 Cash - Unrestricted	22,081,506	568,560	151,181	462,679	56,043		2,507,676
113 Cash - Other Restricted	1,652,466	8,121,003				42,786	
114 Cash - Tenant Security Deposits	942,818				48,363		40,351
<b>100 Total Cash</b>	<b>24,676,790</b>	<b>8,689,563</b>	<b>151,181</b>	<b>462,679</b>	<b>104,406</b>	<b>42,786</b>	<b>2,548,027</b>
122 Accounts Receivable - HUD Other Projects	2,220,621		49,148	4,224			
125 Accounts Receivable - Miscellaneous	337,321	1,700		141,455	297,658		79,874
126 Accounts Receivable - Tenants	207,558						35,256
128 Fraud Recovery	43,698	642,027					
128.1 Allowance for Doubtful Accounts - Fraud		-642,027					
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>2,809,198</b>	<b>1,700</b>	<b>49,148</b>	<b>145,679</b>	<b>297,658</b>	<b>-</b>	<b>115,130</b>
131 Investments - Unrestricted	1,025,765						
142 Prepaid Expenses and Other Assets	238,376	22,103	168		733		3,839
143 Inventories	1,922						
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From	59,037		8,180	8,563			491,723
<b>150 Total Current Assets</b>	<b>28,811,088</b>	<b>8,713,366</b>	<b>208,677</b>	<b>616,921</b>	<b>402,797</b>	<b>42,786</b>	<b>3,158,719</b>
161 Land	27,096,901				1,578,043		
162 Buildings	333,396,632	360,668			6,341,978		50,568
163 Furniture, Equipment & Machinery - Dwellings		-			1,775		
164 Furniture, Equipment & Machinery - Administration	3,847,009	531,056					36,425
165 Leasehold Improvements							
166 Accumulated Depreciation	-178,529,868	-651,625		-1,831,146	-2,158,501		-47,355
167 Construction in Progress	11,916,643			30,519,094			1,196,353
168 Infrastructure							
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	<b>197,727,317</b>	<b>240,099</b>	<b>-</b>	<b>28,687,948</b>	<b>5,763,295</b>	<b>-</b>	<b>1,235,991</b>
171 Notes, Loans and Mortgages Receivable - Non-Current	3,763,000	885,000		44,906,837			2,814,125
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
174 Other Assets							
<b>180 Total Non-Current Assets</b>	<b>201,490,317</b>	<b>1,125,099</b>	<b>-</b>	<b>73,594,785</b>	<b>5,763,295</b>	<b>-</b>	<b>4,050,116</b>
<b>190 Total Assets</b>	<b>230,301,405</b>	<b>9,838,465</b>	<b>208,677</b>	<b>74,211,706</b>	<b>6,166,092</b>	<b>42,786</b>	<b>7,208,835</b>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE BALANCE SHEET SUMMARY  
JUNE 30, 2014**

	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.889 Choice Neighborhoods Implementation Grants	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted			197,898	1,982,741	28,008,284		28,008,284
113 Cash - Other Restricted					9,816,255		9,816,255
114 Cash - Tenant Security Deposits					1,031,532		1,031,532
<b>100 Total Cash</b>	-	-	197,898	1,982,741	38,856,071	-	38,856,071
122 Accounts Receivable - HUD Other Projects		77,960	64,335		2,416,288		2,416,288
125 Accounts Receivable - Miscellaneous				450,708	1,308,716	-113,207	1,195,509
126 Accounts Receivable - Tenants					242,814		242,814
128 Fraud Recovery					685,725		685,725
128.1 Allowance for Doubtful Accounts - Fraud					-642,027		-642,027
<b>120 Total Receivables, Net of Allowances for Doubtful Accounts</b>	-	77,960	64,335	450,708	4,011,516	-113,207	3,898,309
131 Investments - Unrestricted					1,025,765		1,025,765
142 Prepaid Expenses and Other Assets			220	362,519	627,958		627,958
143 Inventories				177,513	179,435		179,435
143.1 Allowance for Obsolete Inventories	3,064			-16,564	-16,564		-16,564
144 Inter Program Due From	3,064	77,960	10,708	1,054,171	1,635,446	-1,635,446	-
<b>150 Total Current Assets</b>	3,064	77,960	273,161	4,011,088	46,319,627	-1,748,653	44,570,974
161 Land					29,320,743		29,320,743
162 Buildings	559,524			86,275	373,060,164		373,060,164
163 Furniture, Equipment & Machinery - Dwellings				32,910,318	1,775		1,775
164 Furniture, Equipment & Machinery - Administration				2,248,914	6,663,404		6,663,404
165 Leasehold Improvements				168,561	168,561		168,561
166 Accumulated Depreciation				-28,853,487	-212,071,982		-212,071,982
167 Construction in Progress				689,306	13,802,302		13,802,302
168 Infrastructure					30,519,094		30,519,094
<b>160 Total Capital Assets, Net of Accumulated Depreciation</b>	559,524	-	-	7,249,887	241,464,061	-	241,464,061
171 Notes, Loans and Mortgages Receivable - Non-Current	10,324,017				66,057,329		66,057,329
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					-		-
174 Other Assets				175,223	175,223		175,223
<b>180 Total Non-Current Assets</b>	10,883,541	-	-	10,789,460	307,696,613	-	307,696,613
<b>190 Total Assets</b>	10,886,605	77,960	273,161	14,800,548	354,016,240	-1,748,653	352,267,587

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
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	Project Total	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing	14.239 HOME Investment Partnerships Program	97.109 Disaster Housing Assistance Grant	Business Activities
200 Deferred Outflow of Resources							
<b>290 Total Assets and Deferred Outflow of Resources</b>	230,301,405	9,838,465	208,677	74,211,706	6,166,092	42,786	7,208,835
312 Accounts Payable <= 90 Days	1,286,185	68,595	9		284,551		1,815
321 Accrued Wage/Payroll Taxes Payable	354,869	156,482	1,104				
322 Accrued Compensated Absences - Current Portion	55,284	22,304	291				
325 Accrued Interest Payable					8,431		
331 Accounts Payable - HUD PHA Programs	54,560	973	16,120				
333 Accounts Payable - Other Government	640,423						
341 Tenant Security Deposits	942,818				48,363		40,171
342 Unearned Revenue	10,390				421		
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	6,465,430				443,626		
345 Other Current Liabilities	616,915				189,795		
346 Accrued Liabilities - Other	696,404	23,182	97	5,118			2,062
347 Inter Program - Due To	1,515,293	42,193					
<b>310 Total Current Liabilities</b>	12,638,571	313,729	17,621	5,118	975,187	-	44,048
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	37,511,090				5,964,978		
353 Non-current Liabilities - Other	31,000	893,742	79				7
354 Accrued Compensated Absences - Non Current	221,137	89,217	1,166				
<b>350 Total Non-Current Liabilities</b>	37,763,227	982,959	1,245	-	5,964,978	-	7
<b>300 Total Liabilities</b>	50,401,798	1,296,688	18,866	5,118	6,940,165	-	44,055
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	183,316,608	240,099		28,687,948	-645,309		1,235,991
511.4 Restricted Net Position	1,652,466	7,245,256				42,786	
512.4 Unrestricted Net Position	-5,069,467	1,056,422	189,811	45,518,640	-128,764		5,928,789
<b>513 Total Equity - Net Assets / Position</b>	179,899,607	8,541,777	189,811	74,206,588	-774,073	42,786	7,164,780
<b>600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position</b>	230,301,405	9,838,465	208,677	74,211,706	6,166,092	42,786	7,208,835



**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
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	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.889 Choice Neighborhoods Implementation Grants	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
200 Deferred Outflow of Resources					-		-
<b>290 Total Assets and Deferred Outflow of Resources</b>	10,886,605	77,960	273,161	14,800,548	354,016,240	-1,748,653	352,267,587
312 Accounts Payable ≤ 90 Days			12	254,047	1,895,214		1,895,214
321 Accrued Wage/Payroll Taxes Payable			1,444	240,471	754,370		754,370
322 Accrued Compensated Absences - Current Portion			381	96,484	174,744		174,744
325 Accrued Interest Payable					8,431		8,431
331 Accounts Payable - HUD PHA Programs			21,101	111,366	92,754		92,754
333 Accounts Payable - Other Government				11,366	751,789		751,789
341 Tenant Security Deposits				11,068	1,031,352		1,031,352
342 Unearned Revenue					21,879		21,879
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds					6,909,056		6,909,056
345 Other Current Liabilities				1,644	808,354	-113,207	695,147
346 Accrued Liabilities - Other			127	137,630	864,620		864,620
347 Inter Program - Due To		77,960			1,635,446	-1,635,446	-
<b>310 Total Current Liabilities</b>	-	77,960	23,065	852,710	14,948,009	-1,748,653	13,199,356
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					43,476,068		43,476,068
353 Non-current Liabilities - Other			103	20,611	945,542		945,542
354 Accrued Compensated Absences - Non Current			1,526	379,496	692,542		692,542
<b>350 Total Non-Current Liabilities</b>	-	-	1,629	400,107	45,114,152	-	45,114,152
<b>300 Total Liabilities</b>	-	77,960	24,694	1,252,817	60,062,161	-1,748,653	58,313,508
400 Deferred Inflow of Resources					-		-
508.4 Net Investment in Capital Assets	559,524			7,249,887	220,644,748		220,644,748
511.4 Restricted Net Position					8,940,508		8,940,508
512.4 Unrestricted Net Position	10,327,081		248,467	6,297,844	64,368,823		64,368,823
<b>513 Total Equity - Net Assets / Position</b>	10,886,605	-	248,467	13,547,731	293,954,079	-	293,954,079
<b>600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position</b>	10,886,605	77,960	273,161	14,800,548	354,016,240	-1,748,653	352,267,587

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
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	Project Total	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing	14.239 HOME Investment Partnerships Program	97.109 Disaster Housing Assistance Grant	Business Activities
70300 Net Tenant Rental Revenue	9,680,677				699,215		100,858
70400 Tenant Revenue - Other	-21,026				7,512		436
<b>70500 Total Tenant Revenue</b>	<b>9,659,651</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>706,727</b>	<b>-</b>	<b>101,294</b>
70600 HUD PHA Operating Grants	24,106,790	70,634,634	106,795				
70610 Capital Grants	8,339,780						
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
<b>70700 Total Fee Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
71100 Investment Income - Unrestricted	413			2,423,397			207,474
71400 Fraud Recovery		284,578					
71500 Other Revenue	514,789	190,967		44,375	192,014		15,379
71600 Gain or Loss on Sale of Capital Assets	22,407	2,867					
<b>70000 Total Revenue</b>	<b>42,643,830</b>	<b>71,113,046</b>	<b>106,795</b>	<b>2,467,772</b>	<b>898,741</b>	<b>-</b>	<b>324,147</b>
91100 Administrative Salaries	1,734,937	1,763,752	9,810				
91200 Auditing Fees	47,481	13,965					
91300 Management Fee	3,755,117	917,751					
91310 Book-keeping Fee	426,668	851,899					
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative	1,932,486	825,635	4,619				
91600 Office Expenses	486,117	337,384			15,555		
91700 Legal Expense	103,296	27,883			5,495		
91800 Travel	631	127			6,837		
91900 Other	2,741,742	332,859			138,718		72,288
<b>91000 Total Operating - Administrative</b>	<b>11,228,475</b>	<b>5,071,255</b>	<b>14,429</b>	<b>-</b>	<b>166,605</b>	<b>-</b>	<b>72,288</b>
92000 Asset Management Fee	633,520						
92100 Tenant Services - Salaries							
92200 Relocation Costs	10,648						
92400 Tenant Services - Other	325,704				733		2,806
<b>92500 Total Tenant Services</b>	<b>336,352</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>733</b>	<b>-</b>	<b>2,806</b>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
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	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.889 Choice Neighborhoods Implementation Grants	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue					10,480,750		10,480,750
70400 Tenant Revenue - Other					-13,078		-13,078
<b>70500 Total Tenant Revenue</b>					10,467,672		10,467,672
70600 HUD PHA Operating Grants		125,059	139,796		95,113,074		95,113,074
70610 Capital Grants					8,339,780		8,339,780
70710 Management Fee				4,727,211	4,727,211	-4,672,868	54,343
70720 Asset Management Fee				633,520	633,520	-633,520	-
70730 Book Keeping Fee				1,290,763	1,290,763	-1,278,567	12,196
70740 Front Line Service Fee				1,607,390	1,607,390	-1,599,676	7,714
<b>70700 Total Fee Revenue</b>				8,258,884	8,258,884	-8,184,631	74,253
71100 Investment Income - Unrestricted	10,313			111	2,641,708		2,641,708
71400 Fraud Recovery					284,578		284,578
71500 Other Revenue	84,942			1,246,819	2,289,285	-168,160	2,121,125
71600 Gain or Loss on Sale of Capital Assets				22,656	47,930		47,930
<b>70000 Total Revenue</b>	95,255	125,059	139,796	9,528,470	127,442,911	-8,352,791	119,090,120
91100 Administrative Salaries			12,842	3,395,796	6,917,137		6,917,137
91200 Auditing Fees				8,646	70,092		70,092
91300 Management Fee					4,672,868	-4,672,868	-
91310 Book-keeping Fee					1,278,567	-1,278,567	-
91400 Advertising and Marketing				51,161	51,161		51,161
91500 Employee Benefit contributions - Administrative	2		6,047	1,571,647	4,340,436		4,340,436
91600 Office Expenses				545,599	1,384,655	-84,160	1,300,495
91700 Legal Expense				100,146	236,820		236,820
91800 Travel				22,986	30,581		30,581
91900 Other		125,059		676,049	4,086,715	-463,405	3,623,310
<b>91000 Total Operating - Administrative</b>	2	125,059	18,889	6,372,030	23,069,032	-6,499,000	16,570,032
92000 Asset Management Fee					633,520	-633,520	-
92100 Tenant Services - Salaries				179,919	179,919		179,919
92200 Relocation Costs				80,520	93,974		93,974
92400 Tenant Services - Other					326,437	-285,964	40,473
<b>92500 Total Tenant Services</b>				260,439	600,330	-285,964	314,366

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Project Total	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing	14.239 HOME Investment Partnerships Program	97.109 Disaster Housing Assistance Grant	Business Activities
93100 Water	1,050,498				66,608		8,246
93200 Electricity	2,204,268				29,954		32,436
93300 Gas	1,634,945				9,340		52,177
93500 Labor	107,538						
93600 Sewer	3,084,559						29,400
<b>93000 Total Utilities</b>	<b>8,081,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,902</b>	<b>-</b>	<b>122,259</b>
94100 Ordinary Maintenance and Operations - Labor	2,610,511				27,505		
94200 Ordinary Maintenance and Operations - Materials and Other	1,159,506	12,588			61,899		96,292
94300 Ordinary Maintenance and Operations Contracts	5,217,539	202,504			237,268		31,768
<b>94000 Total Maintenance</b>	<b>8,987,556</b>	<b>215,092</b>	<b>-</b>	<b>-</b>	<b>326,672</b>	<b>-</b>	<b>128,060</b>
95100 Protective Services - Labor	90,175						
95200 Protective Services - Other Contract Costs	557,590						
<b>95000 Total Protective Services</b>	<b>647,765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
96120 Liability Insurance	767,941	27,346					13,054
96130 Workmen's Compensation	90,574	44,237	147				1,080
<b>96100 Total insurance Premiums</b>	<b>858,515</b>	<b>71,583</b>	<b>147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,134</b>
96200 Other General Expenses	1,339,388	165,781			10,998		20,884
96210 Compensated Absences	350,395	181,542	1,230				
96300 Payments in Lieu of Taxes	695,266				852		
96400 Bad debt - Tenant Rents	178,837			24,719	4,662		2,051
96500 Bad debt - Mortgages							
96800 Severance Expense	2,529,832	615,749					
<b>96000 Total Other General Expenses</b>	<b>5,093,718</b>	<b>963,072</b>	<b>1,230</b>	<b>24,719</b>	<b>16,512</b>	<b>-</b>	<b>22,935</b>

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.889 Choice Neighborhoods Implementation Grants	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water				11,920	1,137,272		1,137,272
93200 Electricity				132,140	2,398,798		2,398,798
93300 Gas				30,369	1,726,831		1,726,831
93500 Labor				96,129	203,667		203,667
93600 Sewer				33,862	3,147,821		3,147,821
<b>93000 Total Utilities</b>	-	-	-	304,420	8,614,389	-	8,614,389
94100 Ordinary Maintenance and Operations - Labor				486,135	3,124,151		3,124,151
94200 Ordinary Maintenance and Operations - Materials and Other				230,410	1,560,695		1,560,695
94300 Ordinary Maintenance and Operations Contracts				309,871	5,998,950	-872,641	5,126,309
<b>94000 Total Maintenance</b>	-	-	-	1,026,416	10,683,796	-872,641	9,811,155
95100 Protective Services - Labor				53,253	143,428		143,428
95200 Protective Services - Other Contract Costs				15,179	572,769	-61,666	511,103
<b>95000 Total Protective Services</b>	-	-	-	68,432	716,197	-61,666	654,531
96120 Liability Insurance				153,004	961,345		961,345
96130 Workmen's Compensation			193	69,362	205,593		205,593
<b>96100 Total Insurance Premiums</b>	-	-	193	222,366	1,166,938	-	1,166,938
96200 Other General Expenses				15,392	1,552,443		1,552,443
96210 Compensated Absences			1,610	204,539	739,316		739,316
96300 Payments in Lieu of Taxes					696,118		696,118
96400 Bad debt - Tenant Rents					185,550		185,550
96500 Bad debt - Mortgages					24,719		24,719
96800 Severance Expense				2,124,221	5,269,802		5,269,802
<b>96000 Total Other General Expenses</b>	-	-	1,610	2,344,152	8,467,948	-	8,467,948

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Project Total	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing	14.239 HOME Investment Partnerships Program	97.109 Disaster Housing Assistance Grant	Business Activities
96720 Interest on Notes Payable (Short and Long Term)	677,679				136,972		
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>677,679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,972</b>	<b>-</b>	<b>-</b>
<b>96900 Total Operating Expenses</b>	<b>36,545,388</b>	<b>6,321,002</b>	<b>15,806</b>	<b>24,719</b>	<b>753,396</b>	<b>-</b>	<b>362,482</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>6,098,442</b>	<b>64,792,044</b>	<b>90,989</b>	<b>2,443,053</b>	<b>145,345</b>	<b>-</b>	<b>-38,335</b>
97200 Casualty Losses - Non-capitalized	23,178						
97300 Housing Assistance Payments	5,757,734	62,072,025	90,989	610,382	158,629		1,468
97400 Depreciation Expense	42,326,300	68,406,021	106,795	635,101	912,025		363,950
<b>90000 Total Expenses</b>	<b>936,605</b>						
10010 Operating Transfer In	-936,605						
10020 Operating transfer Out							
<b>10100 Total Other financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>317,530</b>	<b>2,707,025</b>	<b>-</b>	<b>1,832,671</b>	<b>-13,284</b>	<b>-</b>	<b>-39,803</b>
11020 Required Annual Debt Principal Payments	899,619				443,626		
11030 Beginning Equity	209,102,524	5,834,752	201,348	72,373,917	-760,789	42,786	7,249,947
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-29,520,447		-11,537				-45,364
11170 Administrative Fee Equity		1,296,521					
11180 Housing Assistance Payments Equity		7,245,256					
11190 Unit Months Available	63,552	135,876	240		1,356		1,108
11210 Number of Unit Months Leased	62,504	124,729	233		1,178		287

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.889 Choice Neighborhoods Implementation Grants	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
96720 Interest on Notes Payable (Short and Long Term)					814,651		814,651
<b>96700 Total Interest Expense and Amortization Cost</b>	-	-	-	-	814,651	-	814,651
<b>96900 Total Operating Expenses</b>	2	125,059	20,692	10,598,255	54,766,801	-8,352,791	46,414,010
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	95,253	-	119,104	-1,069,785	72,676,110	-	72,676,110
97200 Casualty Losses - Non-capitalized					23,178		23,178
97300 Housing Assistance Payments			119,104		62,282,118		62,282,118
97400 Depreciation Expense				238,149	6,779,356		6,779,356
<b>90000 Total Expenses</b>	2	125,059	139,796	10,836,404	123,851,453	-8,352,791	115,498,662
10010 Operating Transfer In					936,605		936,605
10020 Operating transfer Out					-936,605		-936,605
<b>10100 Total Other financing Sources (Uses)</b>	-	-	-	-	-	-	-
<b>10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	95,253	-	-	-1,307,934	3,591,458	-	3,591,458
11020 Required Annual Debt Principal Payments					1,343,245		1,343,245
11030 Beginning Equity	10,791,352		236,930	14,855,665	319,928,432		319,928,432
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			11,537		-29,565,811		-29,565,811
11170 Administrative Fee Equity					1,296,521		1,296,521
11180 Housing Assistance Payments Equity					7,245,256		7,245,256
11190 Unit Months Available			336		202,468		202,468
11210 Number of Unit Months Leased			305		189,236		189,236

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<b><i>Direct Programs:</i></b>		
Section 8 Project Based Cluster:		
Section 8 Moderate Rehabilitation - Low Income Housing Assistance Program	14.856	\$ 139,796
Section 8 Moderate Rehabilitaiton - Single Room Occupancy	14.249	106,795
Total Section 8 Project Based Cluster		<u>246,591</u>
Public Housing Capital Fund Program	14.872	<u>12,233,974</u>
Section 8 Housing Choice Vouchers	14.871	<u>70,634,634</u>
Low Rent Public Housing	14.850	<u>20,212,596</u>
Choice Neighborhood Implementation Grants	14.889	<u>125,059</u>
<b><i>Total Direct Programs</i></b>		<u><u>103,452,854</u></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 103,452,854</u></u>

See accompanying note to the Schedule of Expenditures of Federal Awards.



**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Cincinnati Metropolitan Housing Authority and is presented on the basis of accounting described in the notes to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts were presented in, or used in the preparation of, the financial statements.

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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

Board of Commissioners  
Cincinnati Metropolitan Housing Authority  
Cincinnati, Ohio

Regional Inspector General for Audit  
Department of Housing and Urban  
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cincinnati Metropolitan Housing Authority, Hamilton County, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 22, 2015, wherein we noted the Cincinnati Metropolitan Housing Authority, Ohio, restated its June 30, 2013 net position due to a HUD recapture of subsidy.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Cincinnati Metropolitan Housing Authority, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cincinnati Metropolitan Housing Authority, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cincinnati Metropolitan Housing Authority, Ohio'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 Cincinnati Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

**James G. Zupka,**  
**CPA, President**

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Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
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James G. Zupka, CPA, Inc.  
Certified Public Accountants

January 22, 2015

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

Board of Commissioners  
Cincinnati Metropolitan Housing Authority  
Cincinnati, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

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

We have audited the Cincinnati Metropolitan Housing Authority, Hamilton County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Cincinnati Metropolitan Housing Authority, Ohio's major federal programs for the year ended June 30, 2014. Cincinnati Metropolitan Housing Authority, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Cincinnati Metropolitan Housing Authority, Ohio'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Cincinnati Metropolitan Housing Authority, Ohio'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 Cincinnati Metropolitan Housing Authority, Ohio's compliance.

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

In our opinion, the Cincinnati Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of the Cincinnati Metropolitan Housing Authority, Ohio, 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 Cincinnati Metropolitan Housing Authority, Ohio'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 OMB Circular A-133, 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 Cincinnati Metropolitan Housing Authority, Ohio's internal control over compliance.

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

Our consideration of the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Digitally signed by James G. Zupka, CPA, President  
DN: cn=James G. Zupka, CPA, President, o=James G.  
Zupka, CPA, Inc., ou=Accounting,  
email=jgzcpa@sbcglobal.net, c=US  
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January 22, 2015

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & §.505  
JUNE 30, 2014**

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

2014(i) Type of Financial Statement Opinion	Unmodified
2014(ii) Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2014(ii) Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2014(iii) Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2014(iv) Were there any material internal control weaknesses reported for major federal programs?	No
2014(iv) Were there any significant deficiencies in internal control reported for major federal programs?	No
2014(v) Type of Major Programs' Compliance Opinion	Unmodified
2014(vi) Are there any reportable findings under §.510(a)?	No
2014(vii) Major Programs (list):  <div style="margin-left: 40px;">Low Rent Public Housing - CFDA #14.850 Public Housing Capital Fund - CFDA #14.872</div>	
2014(viii) Dollar Threshold: Type A\B Programs	Type A: \$3,000,000 Type B: All Others
2014(ix) Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CINCINNATI METROPOLITAN HOUSING AUTHORITY  
HAMILTON COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2014**

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The prior audit report, as of June 30, 2013, included no citations or instances of noncompliance. There were no management letter recommendations issued with the audit report as of June 30, 2013.

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# Dave Yost • Auditor of State

**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  
APRIL 16, 2015**