Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

Dave Yost • Auditor of State

Members of the Board
Akron Metropolitan Housing Authority
100 W. Cedar St.
Akron, OH 44307

We have reviewed the *Independent Auditor's Report* of the Akron Metropolitan Housing Authority, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost
Auditor of State

August 25, 2017

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Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

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Akron Metropolitan Housing Authority
Summit County
For the Year Ended December 31, 2016

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Introductory Section

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Akron Metropolitan Housing Authority
100 W. Cedar Street
Akron, Ohio 44307

July 28, 2017

The Board of Trustees
Akron Metropolitan Housing Authority
Akron, Ohio 44307

We are pleased to present the Akron Metropolitan Housing Authority ("Authority") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. This is the Authority's first CAFR and was prepared by the Authority's staff and audited by the public accounting firm of Charles E. Harris & Associates, Inc.

The U.S. Department of Housing and Urban Development's (HUD) Real Estate Assessment Center (REAC) requires public housing authorities to annually publish a complete set of financial statements presented in conformity with United States of America (U.S.) generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the U.S. The Auditor of the State of Ohio is responsible for auditing over 5,900 governmental entities; however, the Auditor's Office may elect to outsource the audit to a licensed certified public accounting firm. Charles E. Harris & Associates, Inc. of Cleveland, Ohio is the firm the State selected to audit the Authority for the fiscal periods January 1, 2016 through December 31, 2020.

Management of the Authority assumes full responsibility for the completeness and reliability of all the information presented in this report, and has established a comprehensive internal control framework that is designed to protect its assets from loss, theft, or misuse. Because the cost of internal controls should not outweigh their benefits, the Authority's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The purpose of the independent audit is to provide reasonable assurance that the financial statements of the Authority are free of any material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors issued an unqualified opinion on the Authority's financial statements for the fiscal year ended December 31, 2016. The independent auditors' report is presented as the first component of the financial section of this report.

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(For those needing TTY/TTD)

More in-depth audit review and testing is required of entities that receive federal funds including states, local governments, and not-for-profit organizations and is commonly referred to as "Single Audits". The Single Audit Act of 1984, as amended in 1996, and updated for the new U.S. Office of Management and Budget 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) was enacted to standardize the requirements for auditing federal programs. The Act provides that grantees are subject to one audit of all of their federal programs versus separate audits of each federal program, hence the term "Single Audit". Special emphasis is placed on internal controls, legal requirements, and compliance associated with the administration of federal awards. The Authority received federal funds in 2016 from both the U.S. Department of Housing and Urban Development and the U.S. Department of Education passed through the State of Ohio. The Authority's Single Audit Report is available under separate cover.

The Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A. The Authority's MD&A can be found immediately following the report of the independent auditors.

Profile of the Authority

The Authority was established January 27, 1938 as a political subdivision of the State of Ohio, pursuant to the Housing Act of 1937, and was initially created as a part of President Franklin Roosevelt's "New Deal" initiative in response to those in need of help during the Great Depression. However, as the economy began to improve and the defense industry took off during WWII, the focus moved to defense housing to address these new housing demands. Over time, the priorities have fluctuated to address various program needs expressed by the federal government and eventually to where we are today—preserve the current housing stock, improve the quality of life for elderly and disabled individuals and provide a platform to assist those that are able to reach self sufficiency.

The Authority operates several housing programs with HUD assistance, including Low-Income Public Housing (4,322 units), Housing Choice Voucher (4,915 units), Shelter Plus Care (126 units), Veteran Affairs Supportive Housing (66 units), Mod Rehab (14 units), and Section 8 Project-Based Rental Assistance (525 units). The Authority is also a partner in several mixed finance transactions involving federal income tax credits used in the acquisition and construction of housing units. See Note 1 for more detail related to discretely presented component units associated with these developments.

Relevant Accounting and Financial Issues

The Authority is required to use the enterprise fund type to account for "business-type activities" similar to those found in the private sector. Business-type activities include services primarily funded through user charges. It is important to note that the total cost of the activity does not have to be paid for by the user charges; the government (i.e., HUD) may subsidize a significant portion of the costs of the enterprise fund. The full accrual basis of accounting is used, and the Authority's basic financial statements include the statement of net position (formerly balance sheet), statement of revenues, expenses and changes in net position (formerly income statement), and statement of cash flows.

Supplemental enterprise information includes combining program statements of net position and revenues, expenses and changes in net position for the following programs:

Low-Income Public Housing
Family Self-Sufficiency
Resident Opportunity and Supportive Services
Housing Choice Voucher Program

Shelter Plus Care
State/Local Grants
Business Activities
Twenty-First Century Community Learning Centers
Section 8 Moderate Rehab Program
Central Office Cost Center (COCC)

The Authority implemented project-based accounting following the issuance of HUD's asset management model in 2007 which provides the basic framework for compliance in financial reporting. Project-based accounting also provides the Authority with the ability to track key financial and operational performance indicators at the project level.

The CAFR also includes the HUD-required Financial Data Schedule (FDS) created to standardize financial information reported by Public Housing Authorities (PHAs). REAC analyzes the FDS to assess the financial condition, viability, and effectiveness of overall resource management of PHAs compared to industry peers. The FDS discloses federal, state, and locally funded activities reported to HUD. These activities are the basis of the Authority's enterprise fund program schedules, which are combined in the basis financial statements.

The Authority is required by HUD to adopt annual operating budgets for its programs that receive federal funding. The Authority's Finance Department prepares an annual operating budget that is reviewed by executive management and approved by the Authority's Board of Trustees. Spending plans related to multi-year capital improvement projects are created by the Authority's Construction Department and also reviewed by executive management and approved by the Authority's Board of Trustees. Also required by HUD is an Annual Plan that is submitted to HUD after public hearings and approval by the Board of Trustees.

Economic Condition

The Bureau of Labor Statistics reports national unemployment at June 2017 at 4.4% compared to Ohio's rate of 5.0%. Although economic growth and unemployment show signs of continued improvement, the current and projected need for public housing and related services is significant. The Authority serves more than 9,000 households through its public housing and housing choice voucher programs; however, the current waitlist is more than 20,000 and has been at that level for several years. The need for public housing is greater than ever.

Long-Term Financial Planning

The success of the Authority's programs is dependent on congressional housing legislation and federal government appropriations. The Budget Control Act of 2011 (BCA) had established spending caps on defense and non-defense spending, which were first applied in the federal government's fiscal year (FY) 2013. Just before midnight on October 26, 2015, Republican and Democratic leaders reached an agreement, the Bipartisan Budget Act of 2015, to increase the budget caps imposed by the BCA for fiscal years by $50 billion in FY 2016 and $30 billion in FY 2017. The President's proposed budget for FY 2018 included a 13% cut to HUD's budget. However, Congress made adjustments to that budget, restoring the public housing and housing choice voucher programs to FY 2017 levels, followed by the Senate increasing the budget slightly above the Congress version. As of this date, the FY 2018 federal budget has not passed, and even at the revised levels is insufficient for the industry's needs.

The Authority has made significant strides in cost-reduction efforts over the past several years through cooperation of management and its workforces. We continue to provide safe, decent housing and are making the best of an uncertain future.

Awards and Acknowledgements

This is the first year that the Authority has created and published a Comprehensive Annual Financial Report. The Government Finance Officers Association of the United States and Canada (GFOA) awards Certificates of Achievement for Excellence in Financial Reporting to eligible government agencies. In order to be awarded the certificate, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of the CAFR was accomplished through the dedicated efforts of the Finance Department's financial analysts: Steven Prange, Tammy Zents, and Jasna Nolze. The Authority also wants to thank our auditors, Charles E. Harris and Associates, Inc., for their encouragement in steering Akron Metropolitan Housing Authority to be the first housing authority in the State of Ohio to prepare a CAFR. Finally, we wish to acknowledge our Executive Director Anthony O'Leary and the members of the Board of Trustees for their ongoing support and guidance.

Respectfully submitted,

Cathy Watson

Cathy Watson
Finance Director

Akron Metropolitan Housing Authority

LIST OF PRINCIPAL OFFICERS

December 31, 2016

Anthony O'Leary
Executive Director

John Fickes
Board Chairman

Leonard Foster
Board Vice-Chairman

Stephanie Norris
Board Member

Thomas Harnden
Board Member

Roberta Aber
Board Member

Deborah Barry
Deputy Director for Operations

Leslie Schmeltzer
Deputy Director for Administration

Cathy Watson
Finance Director

Laura Williams
Construction Director

Erin Wojno
Real Estate Development Manager

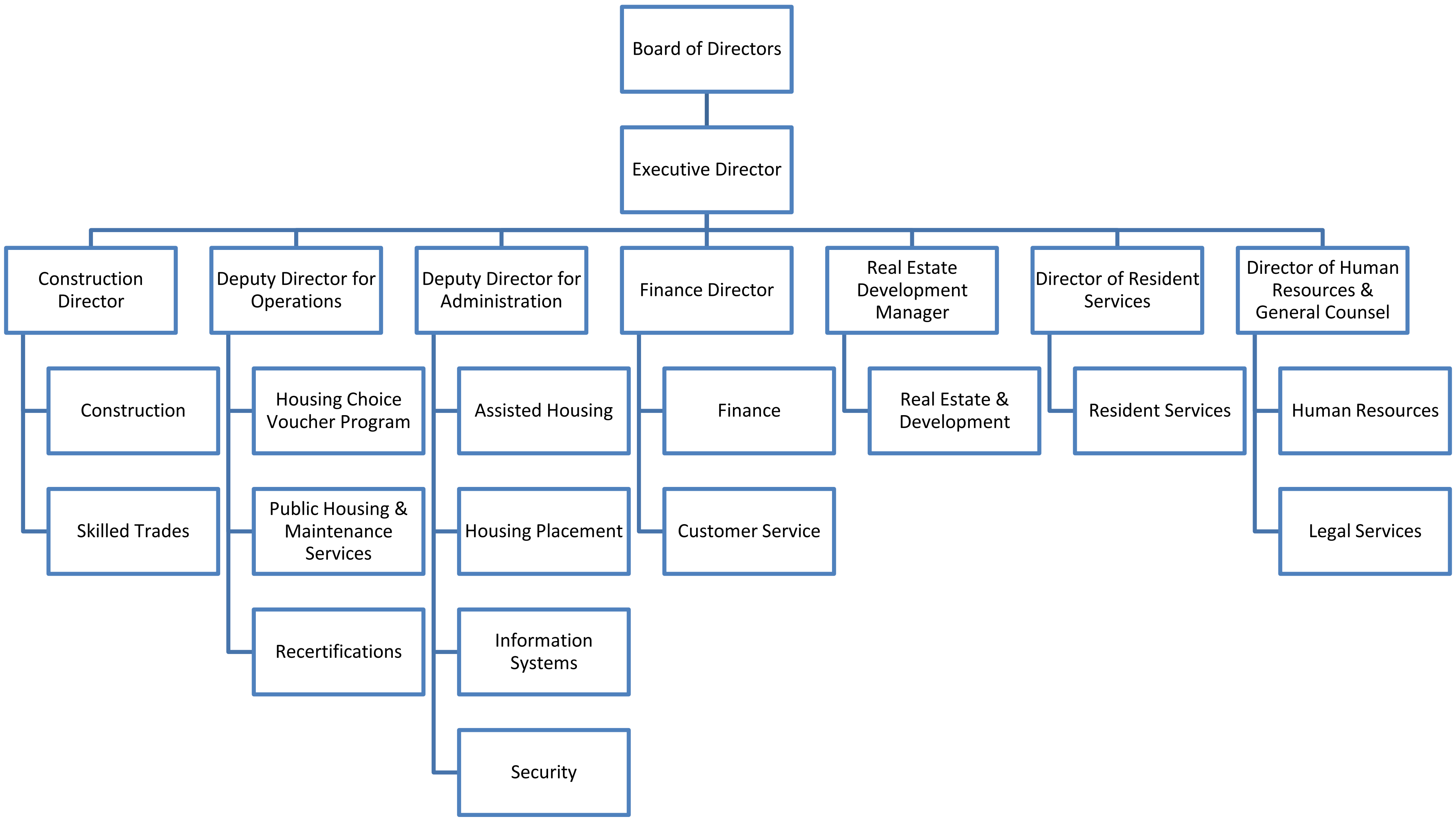
Darrin Toney
Director of Human Resources & General Counsel

Christina Hodgkinson
Director of Resident Services

Akron Metropolitan Housing Authority

ORGANIZATIONAL CHART

December 31, 2016



Financial Section

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Certified Public Accountants
Office phone - (216) 575-1630
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INDEPENDENT AUDITOR'S REPORT

Akron Metropolitan Housing Authority
Summit County
100 West Cedar Street
Akron, OH 44307

Regional Inspector General of Audit
Department of Housing and Urban Development

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Akron Metropolitan Housing Authority, Summit County, Ohio (the Authority), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of Eastland Woods, LLC, Akron Edgewood Homes, LLC, Edgewood Village, LLC, Edgewood Village South, LLC, and Marian Hall Building, LLC, all of the Authority's five discretely presented component units and the Wilbeth-Arlington Homes, Limited Partnership, one of the Authority's three blended component units. This blended component unit represents 3.41 percent of assets, (.94) percent of net position, and 4.10 percent of revenues of the business-type activities of the primary government. The statements of the discretely presented component units and the blended component units were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amount included for Akron Metropolitan Housing Authority, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. The other auditors audited the financial statements of the aggregate discretely presented component units and the blended component unit in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component units of the Akron Metropolitan Housing Authority, Summit County, Ohio, as of December 31, 2016, and the respective changes in financial position and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole. The introductory section, the financial section's combining statements (statements) and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The Statements of ROSS Grant Costs-Completed and Modernization Costs-Completed (Statements) on pages 54-55 and the Financial Data Schedules (FDS) on pages 56-60 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the financial statements.

The FDS schedules that consist of the statement of net position information and the statement of revenues and expenses information listed in the table of contents are presented for the purpose of additional analysis of the financial statements rather than to present the financial position and results of operations of the individual programs and entities and are not a required part of the financial statements.

The Statements and FDS are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2017, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Charles E. Harris & Associates, Inc.
July 28, 2017

The Akron Metropolitan Housing Authority's (the Authority) Management Discussion and Analysis is designed to assist the reader on significant financial issues and activities and to identify changes in the Authority's financial position. This analysis is also designed to address the subsequent year's challenges and to identify individual fund issues.

The data presented in the following pages should be read in conjunction with the audited consolidated financial statements and related footnote disclosures.

Financial Highlights – Primary Government

- The Authority's net position decreased by $5,560,018 or 2.6% during the year ended December 31, 2016. Net position was $206,895,403 and $212,455,421 at December 31, 2016 and 2015, respectively.

- Total operating and non-operating revenue activity increased by $138,927 or 0.2% during the year ended December 31, 2016. Total revenues were $79,832,873 and $79,693,946 for the years ended December 31, 2016 and 2015, respectively.

- Total operating and non-operating expenses of all Authority programs decreased by $439,956 or 0.5% during the year ended December 31, 2016. Total expenses were $85,392,891 and $85,832,847 for the years December 31, 2016 and 2015, respectively.

Financial Statements

The financial statements are designed to provide the reader with a corporate-like overview of a consolidation for the entire Authority. The component units of the Authority have been included in the financial statements but not in this MD&A. The statements include the following:

Statement of Net Position: This statement, which is similar to a balance sheet, reports all financial and capital resources for the Authority. The statement is presented in the format where assets plus deferred outflows of resources minus liabilities and deferred inflows of resources equals "Net Position" (formerly known as equity or net assets). Both assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year) and "Non-Current". Over time, changes in net position may serve as a useful indication of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position: This statement, similar to an income statement, includes Operating Revenues, such as grant revenue and rental income; Operating Expenses, such as administrative, utilities, maintenance, and depreciation; and Non-Operating Revenue and Expenses, such as investment income and interest expense.

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

Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This component of net position consists of restricted assets in which constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted: This component of net position consists of net position that do not meet the definition of "Net Investment in Capital Assets" or "Restricted".

The focus of the *Statement of Revenues, Expenses, and Changes in Net Position* is the "Change in Net Position", which is similar to net income and loss.

Statement of Cash Flows: This statement discloses net cash provided by or used for operating activities, investing activities, capital and related financing activities and from non-capital financing activities.

Programs

Low-Income Public Housing

The Low-Income Public Housing (LIPH) Program consists of approximately 4,300 units leased to qualified low-income households, the elderly and persons with disabilities. The Authority operates under an Annual Contributions Contract (ACC) with HUD. Rent is based upon 30 percent of household income and HUD provides an annual operating subsidy.

Capital Fund Program (CFP)

The Capital Fund Program is the source for funding the physical and management improvements of the low-income public housing units.

Shelter Plus Care

The Authority receives HUD funding for the purpose of housing low-income individuals recovering from drug addiction, those who have contracted the AIDS virus, and individuals who have been homeless for an excessive amount of time. The Shelter Plus Care Program consists of 126 vouchers.

Central Office Cost Center

In fiscal year 2007, the Authority implemented and successfully converted to HUD's Asset Management and Project-Based Accounting model. With the conversion, a new Central Office Cost Center (COCC) was established. With the new accounting format, all central office costs are tracked as a separate entity, and revenue is generated through fees for services (e.g., skilled trades) and management, bookkeeping, and asset management fees charged to the individual projects in the Low-Income Housing Program, as well as fees charged to the Housing Choice Voucher Program and other programs.

Housing Choice Voucher Program

Under the Housing Choice Voucher (HCV) Program, the Authority administers contracts with independent landlords who own rental property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. This program is administered under a Consolidated Annual Contributions Contract (CACC) with HUD. HUD provides funding to enable the Authority to structure the tenant leases that sets the rent at 30 percent of household income. The Authority operates with a baseline of 4,915 vouchers.

Family Self-Sufficiency (FSS) Program

This program enables families living in low-income public housing and rental properties under HCV to increase their earned income and reduce their dependency on public assistance and rental subsidies. Under the FSS program, families are provided opportunities for education, job training, counseling and other forms of social service assistance so they can obtain skills necessary to achieve self-sufficiency. HUD funding is provided for the salary of FSS coordinators. This program has a requirement of an escrow account for its participants and provides one-year funding.

Moderate Rehabilitation Program

Under this program, project-based rental assistance is provided to low-income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a HAP contract between an owner and a public housing agency. The Authority's existing program consists of 14 units.

Veterans Affair Supportive Housing (VASH)

The HUD VASH program combines HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs. The Authority's program consists of 66 vouchers.

Resident Opportunity and Self-Sufficiency (ROSS) Service Coordinators Program

Under this program, the Authority receives grant funds from HUD for the purpose of providing a service coordinator to coordinate supportive services and other activities designed to help public housing residents attain economic and housing self-sufficiency. This program provides three-year funding and includes administrative expenses and training as eligible uses of funds.

Section 8 New and Substantial Rehab Program

Under this program, the Authority is the Contract Administrator for four (4) privately owned low-income housing apartment properties that receive HUD funding under the Section 8 Project-Based Rental Assistance Program. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the owner/landlord.

Local Housing Authority (LHA)/Other Business Activities

Under this program, the Authority has approximately 200 units that are owned by the Local Housing Authority (LHA) and are under the HUD Section 8 Project-Based Rental Assistance Program. Housing Assistance Payments (HAP) are received from HUD to offset the difference between the contract rents and the tenants' rental payments.

Component Units

The Authority has five discretely presented component units as a result of tax credit financing activities. One multifamily project funded under the HUD Section 8 Project-Based Rental Assistance Program includes the rental of 100 units at Eastland Woods. A mixed finance project at Edgewood Village composed of four phases and entities contains 128 public housing units and 98 tax credit units. In 2015, the Authority determined a previous discretely-presented component unit—Wilbeth-Arlington Homes Limited Partnership—would be more properly classified as a blended component unit after the tax credit period expired and since the Authority became 100% owner. In addition, Building for Tomorrow--a non-profit entity that is considered a blended component unit--has a primary focus on early childhood education services for the Authority's residents. The most recent incorporated Authority affiliated non-profit—Summit Akron Development Corporation (SADC)—was created to assist with the development of a 12-unit public housing complex for homeless, disabled youth. SADC is also considered a blended component unit.

Statement of Net Position

The following table represents the condensed statement of net position compared to the prior year for all the Authority's programs combined.

Table 1 - Statement of Net Position - Primary Government

	12/31/2016	12/31/2015	Change
Assets			
Current Assets	$ 49,459,655	$ 40,385,382	$ 9,074,273
Other Non-Current Assets	43,080,826	48,242,042	(5,161,216)
Capital Assets, Net of Accumulated Depr.	156,869,930	164,027,915	(7,157,985)
Deferred Outflows of Resources	7,007,769	2,352,670	4,655,099
Total Assets and Deferred Outflows of Resources	$ 256,418,180	$ 255,008,009	$ 1,410,171
Liabilities and Net Position			
Liabilities			
Current Liabilities	$ 6,554,133	$ 6,250,360	$ 303,773
Non-Current Liabilities	39,537,572	36,062,405	3,475,167
Deferred Inflows of Resources	3,431,072	239,823	3,191,249
Total Liabilities and Deferred Inflows of Resources	$ 49,522,777	$ 42,552,588	$ 6,970,189
Net Position			
Net Investment in Capital Assets	123,154,377	129,815,914	(6,661,537)
Restricted	13,047,254	12,251,490	795,764
Unrestricted	70,693,772	70,388,017	305,755
Total Net Position	206,895,403	212,455,421	(5,560,018)
Total Liabilities and Net Position	$ 256,418,180	$ 255,008,009	$ 1,410,171

Total Assets and Deferred Outflows of Resources increased approximately $1.4 million from the prior period. Current assets increased by $9.0 million, primarily from early receipt in December of Section 8 HAP funds for January and the reclassification of accrued interest receivables as current assets. Capital assets decreased nearly $7.1 million as a result of a decrease in construction-in-progress. Other non-current assets decreased about $5.2 million from the prior period, the majority of which is attributable to accrued interest on the component unit receivables. Also, deferred outflows of resources increased by $4.6 million due to an increase in the net pension liability. This amount was computed by taking the Authority's share of the net difference between projected and actual earnings on pension plan investments and adding the Authority's contributions subsequent to OPERS' measurement date.

Total net position decreased $5.5 million due to the decrease in net investments in capital assets caused by the depreciation expense.

Non-current liabilities increased approximately $3.5 million due to an increase in the net pension liability. Deferred inflows of resources increased $3.2 million due mostly to the reclassification of unearned revenues as deferred federal grants and also due to the Authority's proportionate share of the difference between expected and actual experience relating to pensions.

Statement of Revenues, Expenses and Changes in Net Position

The following table compares the revenues and expenses for the current year and previous year for all the Authority's programs:

Table 2 - Statement of Revenues and Expenses - Primary Government

	12/31/2016	12/31/2015	Change
Operating and Non-Operating Revenues			
Tenant Revenue	$ 14,269,067	$ 13,331,805	$ 937,262
Operating and Capital Grants	60,451,119	57,920,149	2,530,970
Investment Income	1,372,016	1,385,550	(13,534)
Other Revenues	3,740,671	7,056,442	(3,315,771)
Total Operating and Non-Operating Revenues	79,832,873	79,693,946	138,927
Operating Expenses			
Administrative	15,343,439	14,636,423	707,016
Tenant Services	2,579,753	2,086,327	493,426
Utilities	5,496,676	5,369,611	127,065
Maintenance/Security	14,319,823	16,865,401	(2,545,578)
Housing Assistance Payments	29,522,423	29,311,022	211,401
Depreciation/Amortization Expense	12,510,404	12,494,059	16,345
Other General Expenses	4,203,013	3,478,606	724,407
Total Operating Expenses	83,975,531	84,241,449	(265,918)
Non-Operating Expenses			
Interest Expense	1,126,064	1,198,523	(72,459)
Casualty Loss (Gain)	291,296	392,875	(101,579)
Total Other Expenses	1,417,360	1,591,398	(174,038)
Total Expenses	85,392,891	85,832,847	(439,956)
Change in Net Position	$ (5,560,018)	$ (6,138,901)	$ 578,883

Total operating and non-operating revenues increased by 0.2% and total operating and non-operating expenses decreased by 0.5% due to the Authority's efforts to control expenditures to the extent feasible within another non-fully funded fiscal year.

In the prior year, the Authority implemented the accounting standard for pension plans. As a result of implementing the new accounting standard, the Authority is reporting a significant net pension liability, related deferred inflows of resources and an increase in expenses related to pension for this fiscal year which have a negative effect on net position. In addition, the Authority is reporting deferred outflows of resources, which has a positive consequence on net position. The increase in pension expense is the difference between the contractually required contributions and the pension expense resulting from the change in the net pension liability that is not reported as deferred inflows or outflows. To further explain the impact of this new accounting standard on the Authority's net position, additional information is presented below.

	2016	2015
Deferred outflows of resources - pension	7,007,769	2,352,670
Deferred inflow of resources - pension	(871,252)	(239,823)
Net pension liability	(18,485,769)	(13,651,135)
Impact of GASB 68 on net position, end of year	$ (12,349,252)	$ (11,538,288)

The following table reflects operating revenues and expenses by program, but excludes depreciation:

Table 3 - Revenue and Expenses by Program

	Revenue	Expenses
Low-Income Public Housing (LIPH)	$ 31,098,013	$ 30,630,665
Central Office Cost Center	7,661,330	7,370,724
Section 8 Housing Choice Voucher Program (excludes HAP)	3,347,630	3,079,356
Section 8 Moderate Rehab Program (excludes HAP)	12,098	12,098
Section 8 New Constr. And Substantial Rehab Program (excludes HAP)	225,004	66,310
LHA Business Activities	4,400,978	3,893,491
Resident Opportunity and Supportive Services (ROSS)	245,424	245,424
Twenty-First Century	518,942	518,942
Family Self-Sufficiency under ROSS	324,776	324,776
Shelter Plus Care (excludes HAP)	42,662	42,662
Resident Support Services/Early Childhood Initiatives (State/Local)	497,061	497,061
Building for Tomorrow	796,883	533,754
Wilbeth-Arlington Homes Limited Partnership	3,106,585	2,929,657
Summit Akron Development Corporation (Spicer Terrace)	14,652	33,959
Totals	$ 52,292,038	$ 50,178,879

Capital Assets

During the year ended December 31, 2016, the change in capital assets amounted to a net decrease of $7,157,985, due to a decrease in construction-in-progress. The following table represents the changes in the asset accounts by category as follows:

Table 4 - Capital Assets at Year End (Net of Depreciation)

	12/31/2016	12/31/2015	Change
Land	$ 26,762,158	$ 26,211,137	$ 551,021
Buildings	353,471,078	341,051,634	12,419,444
Equipment	5,335,832	5,249,056	86,776
Accumulated Depreciation	(250,138,576)	(237,880,359)	(12,258,217)
Construction-in-Progress	21,439,438	29,396,447	(7,957,009)
Totals	$ 156,869,930	$ 164,027,915	$ (7,157,985)

Debt

Excluding the internal blended component unit debt and the net pension liability, during the year ended December 31, 2016, approximately $2.2 million of principal was repaid on all general obligations and capital leases and a net amount of approximately $80,631 of compensated absences was reduced. New general obligation debt added in 2016 is an Ohio Housing Finance Agency loan for the Spicer Terrace project which had an outstanding principal balance at December 31, 2016 of $1,061,985. The following table compares outstanding debt for the current and previous fiscal periods.

Table 5 - Outstanding Debt at Year End

	12/31/2016	12/31/2015
Outstanding Debt	$ 21,816,795	$ 24,715,045
Less: Current Portion	(2,350,834)	(2,451,193)
Long-Term Debt	$ 19,465,961	$ 22,263,852

Unrestricted Net Position

The following table shows the changes in unrestricted net position for the year ended December 31, 2016:

Table 6 - Change in Unrestricted Net Position

Unrestricted Net Position at December 31, 2015		$ 70,388,017
Change in Net Position	(5,560,018)	
Adjustments:		
Depreciation (a)	12,510,404	
Adjusted Results from Operations		6,950,386
Debt Expenditures		(2,184,893)
Capital Grants and Contributions		(8,105,587)
Adjustment to Operations		3,645,849
Unrestricted Net Position at December 31, 2016		$ 70,693,772

(a) Depreciation is treated as an expense and reduces the results of the operations, but does not have an impact on unrestricted net position.

Economic Factors and Budgets

The preparation of the fiscal year 2016 budget was difficult due to uncertainty with several significant economic and regulatory factors. The continued loss of Federal funding has contributed to a decline in AMHA's net position in 2016, and the forecast for 2017 and beyond is even more concerning.

Funding for the Low-Income Public Housing Program by the U.S. Department of Housing and Urban Development over the past six years has had a proration rate between 82 percent and 103 percent. A downward spiral began after 2011 when proration peaked at 103 percent. During 2013-2015, proration percentages stayed in the 80's , and although the rate increased to 90.2% for calendar year 2016, funding was still not sufficient to cover the needs for sustaining the program.. The proration rate is currently at 92.89% in 2017, but based on HUD's assumptions used to establish operating fund eligibility, the actual dollars we will receive will be less than we received in 2016.

The Authority continues to receive HUD funding for the capital needs of public housing but at declining amounts over the past six years. Our Capital Fund Program was authorized $9,045,567 for improvements under the Federal government's 2008 budget, and in 2016 only $6,794,702 was authorized.

The administrative fees for running the Section 8 Housing Choice Voucher Program have not been adequate for many years and sank to an all-time low in 2013 when the proration rate dropped to 69 percent. In 2016, proration was around 84% and is currently about 75%.

With shrinking funding and funding uncertainty in all HUD programs, it has become vital to analyze the annual budget and determine where cuts are necessary. However, with any reduction, the Authority remains committed to its residents and maintaining high housing standards. As in all organizations, there is a limit in absorbing cuts in funding and being able to sustain high levels of service. Funding predictability and timely action on federal appropriations are also important.

This financial report is designed to provide a general overview of the finances of the Akron Metropolitan Housing Authority for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Anthony O'Leary, Executive Director, Akron Metropolitan Housing Authority, 100 West Cedar Street, Akron, Ohio 44307.

Akron Metropolitan Housing Authority
Statement of Net Position
Proprietary Fund Type
December 31, 2016

	Primary Government	Component Units
Assets		
Current Assets		
Cash and Cash Equivalents	$ 12,219,410	$ 1,633,720
Investments - Unrestricted	12,906,069	-
Restricted Cash and Cash Equivalents	6,659,025	4,076,832
Investments - Restricted	10,524,212	-
Accrued Interest Receivable	5,792,314	-
Other Receivables, Net	1,024,384	34,963
Inventories, Net	301,571	3,862
Prepaid Expenses and Other Assets	32,670	-
Total Current Assets	49,459,655	5,749,377
Noncurrent Assets		
Capital Assets, Not Being Depreciated	48,201,596	1,009,800
Capital Assets, Net of Depreciation	108,668,334	47,406,982
Notes Receivable from Component Units and Other	42,217,882	-
Other Noncurrent Assets	862,944	726,788
Total Noncurrent Assets	199,950,756	49,143,570
Deferred Outflows of Resources	7,007,769	-
Total Assets and Deferred Outflows of Resources	256,418,180	54,892,947
Liabilities		
Current Liabilities		
Accounts Payable	1,053,767	555,277
Accrued Liabilities	1,001,819	2,477,859
Tenant Security Deposits	369,529	128,452
Unearned Revenue	64,067	891,066
Bonds, Notes, and Loans Payable	2,350,834	294,941
Other Current Liabilities	1,714,117	-
Total Current Liabilities	6,554,133	4,347,595
Non-Current Liabilities		
Bonds, Notes, and Loans Payable	19,465,961	3,848,730
Accrued Compensated Absences, Non-Current	1,401,985	-
Notes Payable to Primary Government	-	31,498,893
Non-Current Liabilities - Other	183,857	-
Net Pension Liability	18,485,769	-
Total Non-Current Liabilities	39,537,572	35,347,623
Deferred Inflows of Resources		
Pension	871,252	-
Federal Grants	2,559,820	-
Total Deferred Inflows of Resources	3,431,072	-
Total Liabilities and Deferred Inflows of Resources	49,522,777	39,695,218
Net Position		
Net Investment in Capital Assets	123,154,377	12,774,218
Restricted	13,047,254	-
Unrestricted	70,693,772	2,423,511
Total Net Position	$ 206,895,403	$ 15,197,729

See accompanying notes to the financial statements

Akron Metropolitan Housing Authority
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund Type
For the Year Ended December 31, 2016

	Primary Government	Component Units
Operating Revenue:		
Tenant Revenue	$ 14,269,067	$ 2,833,269
Government Operating Grants	52,345,532	-
Other Revenue	3,516,908	118,356
Total Operating Revenue	70,131,507	2,951,625
Operating Expenses:		
Administrative	15,343,439	677,613
Tenant Services	2,579,753	-
Utilities	5,496,676	409,518
Maintenance	12,455,071	705,199
Protective Services	1,864,752	-
General	2,946,518	298,768
Housing Assistance Payment	29,522,423	-
Insurance	1,256,495	155,065
Depreciation and Amortization	12,510,404	2,782,544
Total Operating Expenses	83,975,531	5,028,707
Operating Income (Loss)	(13,844,024)	(2,077,082)
Non-Operating Revenues(Expenses):		
Interest and Investment Revenue	1,372,016	7,802
Casualty Gain/(Loss)	(291,296)	-
Interest Expense and Amortization Cost	(1,126,064)	(416,324)
Gain (Loss) on Sale of Capital Assets	223,763	-
Total Non-Operating Revenues (Expenses)	178,419	(408,522)
Income(Loss) Before Capital Contributions	(13,665,605)	(2,485,604)
Capital Revenue		
Capital Contributions	8,105,587	758,701
Total Capital Revenue	8,105,587	758,701
Change in Net Position	(5,560,018)	(1,726,903)
Net Position, Beginning of Period	212,455,421	16,924,632
Total Net Position, End of Period	$ 206,895,403	$ 15,197,729

See accompanying notes to the financial statements

Akron Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Fund Type
For the Year Ended December 31, 2016

	Primary Government	Component Units
Cash Flows from Operating Activities		
Cash Received from HUD	$ 52,345,532	-
Cash Received from Tenants and Other	14,238,059	$ 2,821,918
Cash Received from Other Revenue	6,449,444	58,075
Cash Payments for Housing Assistance Payment	(29,522,423)	-
Cash Payments for Administrative	(15,343,439)	(538,135)
Cash Payments for Ordinary Maintenance	(12,457,329)	(712,942)
Cash Payments for Other Operating Expenses	(12,733,132)	(693,423)
Net Cash Provided (Used) by Operating Activities	2,976,712	935,493
Cash Flows from Capital and Related Financing Activities		
Debt Principal and Interest	(2,949,176)	(441,855)
Acquisition and Construction of Capital Assets	(4,702,934)	-
Payment of Development Fee	-	(528,525)
Notes to/(From) Primary Government	773,594	-
Proceeds from Capital Grants and Contributions	8,105,587	485,681
Collection of Member Receivables	-	273,020
Net Cash Provided (Used) by Capital and Other Related Financing Activities	1,227,071	(211,679)
Cash Flows from Noncapital Financing Activities		
Casualty loss - Noncapitalized	291,296	-
Net Cash Provided (Used) by Noncapital Financing Activities	291,296	-
Cash Flows from Investing Activities		
Proceeds from Sale and Basis Reduction of Fixed Assets	-	102,295
Proceeds from Involuntary Conversion of Fixed Assets	203,150	-
Expenditures on Rental Property	-	(27,121)
Notes Receivable	(1,574,032)	-
Redemption (Purchase) of Investments - Net	198,712	542,474
Investment Income	1,372,016	7,802
Net Cash Provided (Used) by Investing Activities	199,846	625,450
Change in Cash	4,694,925	1,349,264
Cash and Cash Equivalents, Beginning of Year	14,183,510	4,361,288
Cash and Cash Equivalents, End of Year	$ 18,878,435	$ 5,710,552
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating Income/(Loss)	$ (13,844,024)	$ (2,077,082)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	12,510,404	2,782,544
(Gain) Loss on Disposal of Assets	-	(5,691)
(Increase)/Decrease in Deferred Outflows of Resources	(4,655,099)	-
Increase/(Decrease) in Deferred Inflows of Resources	3,191,249	-
Increase/Decrease in Operating Assets and Liabilities:		
Accounts Receivable - Tenant and Other	341,268	146,625
Inventory	(2,258)	(51)
Prepaids and Other Assets	928,401	151,212
Accounts Payable	50,147	(9,463)
Accrued Payroll and Compensated Absences	(599,912)	-
Unearned Revenue	440	(43,567)
Other Liabilities	185,021	(9,034)
Other Non-Current Liabilities	36,441	-
Net Pension Liability	4,834,634	-
Total Adjustments	16,820,736	3,012,575
Net Cash Provided (Used) by Operating Activities	$ 2,976,712	$ 935,493

See accompanying notes to the financial statements

Note 1 – Description of the Entity

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

Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and Amendment of GASB Statements No. 14 and No. 34*. The reporting entity is composed of the primary government and component units. The primary government consists of all organizations, activities, and functions that are not legally separate from the Authority. For the Authority, this includes general operations.

Component units are legally separate organizations for which the Authority is financially accountable. The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's Governing Board and a) the Authority is able to significantly influence the programs or services performed or provided by the organization; or b) the Authority is legally entitled to or can otherwise access the organization's resources; or c) the Authority is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or d) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget or the issuance of debt. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the Authority has three blended component units and five discretely presented component units, which are discussed below.

Blended Component Units

Summit Akron Development Corporation (SADC) was incorporated in 2014 as an instrumentality of the Authority to assist with development of a housing project that focuses on homeless, disabled youth. SADC is considered a blended component unit since its governing body is the same as the governing body of the Authority, and the financing provided for the project benefits the Authority through housing additional clients with specific needs.

Building for Tomorrow was established in 2010 as a non-profit, 501(c)(3) tax exempt organization. The mission of the organization is to provide social services, education services and financial assistance to low-income residents in the Authority's housing developments and/or participants in certain federal, state or local voucher programs. The organization provides services almost exclusively to the Authority.

Note 1 – Description of the Entity (continued)

Wilbeth-Arlington Homes, Limited Partnership was formed in 1996 for the purchase, rehabilitation and operation of a 328-unit mutli-family complex. Prior to 2015, the Partnership was composed of 99% limited partners (the Ohio Equity Fund for Housing L.P VI at 83.73% and Ohio Equity Fund for Housing L.P. VII at 15.27%) and 1% general partner (Arlington Housing Partners, Inc. , of which the Authority held 79% ownership and indirect control). Tenants are assisted with their rent through a HUD Section 8 Housing Assistance Payment (HAP) Contract. During 2015, the Authority became 100% owner of Arlington Housing Partners, Inc. and the sole member of Wilbeth-Arlington Homes, Limited Partnership. Subsequently, the Authority determined that this Partnership no longer qualified as a discrete component unit since the Authority has 100% direct control and reclassified the Partnership as a blended component unit.

These entities are included in the primary government column of the financial statements. The financial statements for the blended component units are for the year ending December 31, 2016.

Discretely Presented Component Units

The following five component units were formed to participate in the Low-Income Housing Tax Credit (LIHTC) Program under Section 42 of the Internal Revenue Code:

Eastland Woods, LLC was formed in 2004 to acquire, rehabilitate and operate 100 affordable rental homes. The Authority indirectly controls the sole general partner (Eastland TECB FP Corporation) through 79% ownership. Tenants are assisted with their rent through a HUD Section 8 HAP Contract.

Akron Edgewood Homes, LLC was formed in 2007 to acquire, construct and lease 80 units of affordable housing in 35 buildings. The Authority controls the general partner (Akron Edgewood Management Corporation). Of the 80 units, 49 units are considered low-rent and receive an operating subsidy that is passed through the Authority under its Annual Contributions Contract with HUD.

Edgewood Village, LLC was formed in 2008 to acquire, construct and lease 48 units of affordable rental housing in 29 buildings. The Authority controls the general partner (Edgewood Village Management Corporation). Of the 48 units, 23 units are considered low-rent and receive an operating subsidy that is passed through the Authority under its Annual Contributions Contract with HUD.

Edgewood Village South, LLC was formed in 2010 to acquire, construct and lease 50 units of affordable rental housing in 19 buildings. The Authority controls the general partner (Edgewood Village South Management Corporation). Of the 50 units, 20 units are low-rent and receive an operating subsidy that is passed through the Authority under its Annual Contributions Contract with HUD.

Marian Hall Building, LLC was formed in 2011 to acquire, construct and lease an affordable 48 unit, mid-rise apartment building. The Authority controls the general partner (Edgewood Village V Management Corporation). Of the 48 units, 36 units are low-rent and receive an operating subsidy that is passed through the Authority under its Annual Contributions Contract with HUD. In addition, the 12 remaining units are under a Project-Based Voucher HAP Contract with HUD.

These five entities are reported in the component unit column of the financial statements. The financial statements for the discretely presented component units are for the year ending December 31, 2016.

Note 1 – Description of the Entity (continued)

Programs

The following programs are operated under the Annual Contributions Contract, C959:

Low-Income Public Housing Program – Under this program, the Authority owns and manages approximately 4,300 public housing units for eligible low-income families, the elderly and persons with disabilities. The Authority operates the program with rents received from tenants and subsidies received from HUD.

Public Housing Capital Fund Program – Under this program, the Authority receives assistance for modernization and development of public housing. A portion of these funds is also used for management improvement activities and assisting with operations of the sites and administration of the capital fund program.

Resident Opportunity and Self-Sufficiency (ROSS) Service Coordinators Program – Under this program, the Authority receives grant funds from HUD for the purpose of providing a service coordinator to coordinate supportive services and other activities designed to help public housing residents attain economic and housing self-sufficiency. This program provides three-year funding and includes administrative expenses and training as eligible uses of funds.

The following programs are operated under the Annual Contributions Contract, C10003:

Housing Choice Voucher (HCV) Program – Under this HUD Section 8 Program, the Authority contracts with private landlords and subsidizes the rental of 4,915 authorized units. HCV payments are made to the landlord on behalf of the tenant for the difference between the contract rent amount and the amount the tenant is obligated to pay under the program.

Veterans Affair Supportive Housing (VASH) Program – The HUD VASH program combines HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs. The Authority's existing program consists of 66 vouchers.

Moderate Rehabilitation Program – Under this program, project-based rental assistance is provided to low-income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a HAP contract between an owner and a public housing agency. The Authority's existing program consists of 14 units.

Shelter Plus Care Program – This program is funded in five-year increments through a Community Development Block Grant. The Authority receives funds for the purpose of providing housing for those individuals who have contracted the AIDS virus, are recovering drug addicts, or have been homeless for an excessive amount of time. The Authority's existing program consists of 126 units.

Note 1 – Description of the Entity (continued)

The Authority also operates the following program separate from the above Annual Contribution Contracts:

Housing Assistance Payment (HAP) Program – Under this HUD Section 8 Program, the Authority receives rental subsidies for approximately 200 dwelling units. Project-based rental assistance payments are received by the Authority from HUD for the difference between the contract rent amount and the amount the tenant is able to pay.

Family Self-Sufficiency (FSS) Program – This program enables families living in low-income public housing and housing choice voucher programs to increase their earned income and reduce their dependency on public assistance and rental subsidies. Under the FSS program, families are provided opportunities for education, job training, counseling and other forms of social service assistance so they can obtain skills necessary to achieve self-sufficiency. HUD funding is provided for salaries of FSS coordinators. This program has a requirement of an escrow account for its participants and provides one-year funding.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*, the Authority follows GASB guidance as applicable to proprietary funds.

The Authority's financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The Authority uses a single proprietary fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Proprietary fund reporting focuses on the determination of the changes in net position, financial position and cash flows. A proprietary fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

The proprietary fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and deferred inflows of resources and all liabilities and deferred outflows of resources associated with the operation of the Authority are included on the statement of net position. The statement of changes in net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Note 2 – Summary of Significant Accounting Policies (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Authority's proprietary fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the proprietary fund include the costs of facility maintenance, housing assistance payments, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Investments

Cash and cash equivalents include investments with original maturities of three months or less at the time of purchase. Cash equivalents are carried at fair value. Investments with an initial maturity of more than three months are reported as investments. An analysis of the Authority's investment account at year end is provided in Note 3.

Capital Assets

All capital assets (including land, structures and equipment) are capitalized at cost and updated for additions and retirements during the fiscal period. Donated capital assets are recorded at their acquisition values as of the date received. The Authority maintains a capitalization threshold of $5,000. The Authority does not possess any infrastructure. Improvements are capitalized, but the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated using the straight-line method. Improvements are depreciated over the remaining useful lives of the related capital assets. Buildings are depreciated over 40 years and equipment is depreciated over 3 to 5 years.

Compensated Absences

The Authority reports compensated absences in accordance with the provision of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Authority will compensate the employees for the benefits through paid time off or some other means. The Authority records a liability for accumulated unused vacation time when earned for all employees.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the Authority's past experience of making termination payments.

The entire compensated absence liability is reported as a fund liability. The current portion of compensated absence liability is included in current liabilities in the financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

Recognition of Revenues and Expenses

The Authority accounts for transactions using the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Contributions and subsidies received from HUD are generally recognized as revenues in the Annual Contributions Contract year, except for HAP payments received under the Project-Based Rental Assistance Program which are recognized as dwelling rental revenues when earned. Tenant rents are recognized as revenues in the month of occupancy.

Contributions under the Capital Fund Program (CFP) are recognized as revenues in the period in which expenses related to CFP projects were incurred. Rentals and grants received in advance of the period in which they are recognized are recorded as deferred inflows of resources.

Indirect Costs

The Authority began operating with a central office cost center (COCC) in 2010 for reporting all of its indirect costs, eliminating the requirement of an indirect cost allocation plan.

The COCC is funded from fees charged to the various programs as authorized by HUD.

Inventory

Inventory is valued using an average costing method. The expenses are recorded upon consumption.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is adopted by the Board of the Authority and the Board resolution approving the budget is submitted to HUD annually.

Use of Estimates

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

Interprogram Balances

Receivables and payables resulting from short-term interprogram loans are classified as "Interprogram Due From/To" in the respective program financial statements. These amounts are eliminated in the Authority's statements of net position in the financial statements.

Note 2 – Summary of Significant Accounting Policies (continued)

Net Pension Liability and Pension Expense

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

The current accounting standard requires the Authority to report their proportionate share of the net pension liability using the earning approach to pension accounting instead of the funding approach as previously used. The funding approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. Under the new standards, the net pension liability equals the Authority proportionate share of the pension plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. The unfunded portion of this benefit of exchange is a liability of the Authority. However, the Authority is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the plan.

There is no repayment schedule for the net pension liability. The Authority has no control over the changes in the pension benefits, contributions rate, and return on investments affecting the balance of the net pension liability. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments. The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 3 – Deposits and Investments

State statutes classify monies held by the Authority into three categories.

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

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

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

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

Investments in stripped principal or interest obligation, reverse repurchase agreement and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Payment for investments may only be made upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of the confirmation of transfer from the custodian.

Unrestricted Cash and Cash Equivalents

Cash on Hand

At December 31, 2016, the Authority had $2,000 in undeposited cash on hand, which is included on the Statement of Net Position as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At December 31, 2016, the carrying amount of the Authority's deposits was $18,876,435 and the bank balance was $19,478,183. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2016, none of the Authority's bank balance was exposed to custodial credit risk.

Note 3 – Deposits and Investments (continued)

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the Federal Reserve Bank of Boston and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Authority to a successful claim by the FDIC.

Investments

The Authority has a formal investment policy; however, the Authority's investments were limited to U.S. Treasury/Agency securities, money market accounts backed by U.S. Treasury/Agency securities, and private debt securities at December 31, 2016.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Authority's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: U.S. Government money market mutual funds carry a rating of AAAm by Standard & Poor's. The Authority's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The Authority's investment policy does not specifically address credit risk beyond requiring the Authority to invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the Authority's name. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Note 3 – Deposits and Investments (continued)

Concentration of Credit Risk: The Authority places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the Authority at December 31, 2016:

	Fair Value	Percentage of Total
Money Market	$ 4,836,235	20.64%
Trustee Banks	3,952,316	16.87%
U.S. Government Agencies	14,641,730	62.49%
	23,430,281	100.00%
Deposits and Cash on Hand	18,878,435	
Total Cash and Investments	$ 42,308,716	

As of December 31, 2016, the Authority has the following investments and maturities:

		Investment Maturities (in Years)		
	Fair Value	Less Than One Year	1 -3 Years	4 - 5 Years
Money Market	$ 4,836,235	$ 4,836,235	$ -	$ -
Trustee Banks	3,952,316	2,955,479	996,837	-
U.S. Government Agencies	14,641,730	-	4,415,750	10,225,980
	$ 23,430,281	$ 7,791,714	$ 5,412,587	$ 10,225,980

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the Authority's recurring fair value measurements as of December 31, 2016. All of the Authority's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

Restricted Cash and Investments

The Authority has restricted cash and investment at December 31, 2016 as follows:

Proceeds from Norton Homes Sale	$ 9,227,742
Unspent HAP Funding Provided for Housing Choice Voucher Program	314,864
Tenant Security Deposits	381,497
Other Purposes	7,259,134
	$ 17,183,237

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Capital Assets Not Being Depreciated				
Land	$ 26,211,137	$ 551,021	$ -	$ 26,762,158
Construction In Progress	29,396,446	4,912,566	(12,869,574)	21,439,438
Total Capital Assets Not Being Depreciated	55,607,583	5,463,587	(12,869,574)	48,201,596
Capital Assets Being Depreciated				
Buildings and Building Improvements	341,051,634	12,516,571	(97,127)	353,471,078
Furniture, Equipment, Machinery	5,249,057	252,281	(165,506)	5,335,832
Total Capital Assets Being Depreciated	346,300,691	12,768,852	(262,633)	358,806,910
Less: Accumulated Depreciation				
Buildings and Building Improvements	(233,463,456)	(12,186,456)	67,198	(245,582,714)
Furniture, Equipment, Machinery	(4,416,903)	(252,513)	113,554	(4,555,862)
Capital Assets Being Depreciated, Net	108,420,332	329,883	(81,881)	108,668,334
Primary Government Capital Assets, Net	$ 164,027,915	$ 5,793,470	$ (12,951,455)	$ 156,869,930

Note 5 – Long-Term Obligations

Changes in the Authority's long-term obligations during the year ended December 31, 2016 are as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Due Within One Year
General Obligations					
Central Office Variable Rate Bonds	$ 3,215,000	$ -	$ (335,000)	$ 2,880,000	$ 355,000
Energy Conservation Note 4.40%	779,903	-	(461,012)	318,891	318,890
Energy Conservation Note 3.79%	1,440,042	-	(461,968)	978,074	479,785
OHFA NSP Loan	1,877,922	-	-	1,877,922	-
Summit County NSP Loan	425,000	-	(25,000)	400,000	25,000
Capital Fund Financing Program	10,980,001	-	(680,000)	10,300,001	715,000
Premium on Bond	253,435	-	(21,120)	232,315	21,120
OHFA CFEH1 Spicer Loan	-	1,061,985	-	1,061,985	-
Total General Obligations	18,971,303	1,061,985	(1,984,100)	18,049,188	1,914,795
Capital Lease					
Phase III Bank of America	3,968,400	-	(200,793)	3,767,607	436,039
Blended Component Unit Obligations					
Wilbeth-Arlington Note 3.00%	9,736,332	-	-	9,736,332	-
Authority Funds Note 0.00%	1,535,964	626,462	-	2,162,426	-
Total Blended Component Unit	11,272,296	626,462	-	11,898,758	-
Net Pension Liability	13,651,135	4,834,634	-	18,485,769	-
Compensated Absences	1,775,342	267,214	(347,845)	1,694,711	292,726
Total Primary Government	$ 49,638,476	$ 6,790,295	$ (2,532,738)	$ 53,896,033	$ 2,643,560

On April 1, 1998, the Authority issued $7,000,000 of variable rate demand bonds. The proceeds were used for the construction and furnishing of the Authority's central office building and are being repaid from non-federal funds. The rate varies weekly, and the last reported rate for the year ended December 31, 2015 was .21%.

On August 12, 2004, the Board authorized the Authority to proceed with Phase I of HUD's Energy Incentive Program, financed by a $4,809,191 tax-exempt municipal 12 year note at an interest rate of 4.44%. Principal and interest payments of $43,141 were paid monthly to the financing bank, Fifth Third Bank. Phase I of this program encompassed water and electric energy conservation measures (ECM) throughout the Authority. The note was refinanced with PNC Bank at an interest rate of 4.40% on March 12, 2010, and the monthly payment is currently $40,528.

Note 5 – Long-Term Obligations (continued)

On September 20, 2005, the Board authorized the Authority to proceed with Phase II of HUD's Energy Incentive Program, which was financed by a $4,897,502 tax-exempt municipal 12 year note at an interest rate of 3.79%. Principal and interest payments of $42,381 are paid monthly to the financing bank, PNC. Phase II of this program provided for the design, installation and financing of energy conservation measures to reduce natural gas consumption throughout the low-income public housing properties.

On July 17, 2007, the Authority obtained Series 2007A Capital Fund Revenue Bonds payable to Ohio Housing Finance Agency at an interest rate ranging from 3.90% to 4.67%. The principal amount of the combined bond issue for four housing authorities was $40,532,000, and $15,605,000 of the principal amount is Akron Metropolitan Housing Authority's share. Payments are due semi-annually from October 2007 to April 2027. The bonds are repaid from the Capital Fund Program and were issued to make capital improvements to several of the sites. Premium on the bonds of $422,393 was added to the debt in fiscal year 2009 and is being amortized over the life of the bonds.

The Authority assumed a Neighborhood Stabilization Program (NSP) First Priority Cash Flow Mortgage in an amount totaling $1,877,922 from the Ohio Housing Finance Agency to fund the rehabilitation of the Washington Square Project to be repaid over a 20 year term. The annual cash flow payment is due and payable calculated on 25% of available cash flow. Any outstanding principal at the end of the 20 year term will be forgiven provided that the Authority adheres to the rent and occupancy requirements, reporting requirements and monitoring requirements in compliance with OHFA standards. In addition, the Authority signed a $500,000 promissory note with Summit County also derived from NSP funds, that is secured by a 20 year mortgage to be repaid in equal annual payments of $25,000. The County has agreed to forgive the payment annually as long as the Authority complies with the terms and conditions of the note. No amortization schedule is available for either the mortgage or the note.

In 2014, the Authority refinanced the three outstanding mortgages and the note payable outstanding totaling $19,170,364 related to the Wilbeth-Arlington Homes Limited Partnership classified as a blended component unit by the Authority. The Authority forgave an amount equaling the carryover tax loss that would have been reported for tax purposes of $9,255,027. The remaining balance was consolidated into a note payable to the Authority totaling $9,915,337 bearing a 3.00% interest rate. This balance is to be repaid in annual installments based on the surplus cash balance at the end of each year. Due to the uncertainty of the surplus cash balance, no amortization schedule is available. The balance of this outstanding issue was eliminated on the financial statements as an intercompany transaction.

On April 28, 2015, the Authority issued an Authority Funds Note payable to the Authority at an interest rate of 0.00% for an amount not to exceed $2,158,800. The principal balance outstanding at December 31, 2016 was $2,142,426. Payment is due in full at maturity on April 28, 2055. This note was issued for capital improvements at the Spicer Terrace property. No amount is included in the amortization schedule for this note as the project is not yet completed. The balance of this outstanding issue was eliminated on the financial statements as an intercompany transaction.

Compensated absences liability will be paid from the programs where employee salaries are paid.

Note 5 – Long-Term Obligations (continued)

On May 1, 2016, the Authority signed a loan agreement with the Ohio Housing Finance Agency for a maximum amount of $1,146,500 of Capital Funding to End Homelessness Initiative (CFEHI) funds. The Authority in turn loaned the proceeds to the Summit Akron Development Corporation (SADC), its blended component unit and owner entity of the 12-unit housing project constructed in 2016 that focuses on homeless, disabled youth. The loan has a 0% interest rate, 30-year term, and is reduced by 3.33% each full year SADC maintains the property in accordance with HUD's Declaration of Restrictive Covenants. The loan is secured by a mortgage to AMHA, which is assigned to OHFA. The balance of the loan at December 31, 2016 was $1,061,985. No amortization schedule is currently available for this loan as the project is still ongoing and total loan funds are still being disbursed.

The following is a summary of the Authority's future debt service requirements for long-term debt as of December 31, 2016:

Year	Principal	Interest	Total
2017	$ 1,893,675	$ 531,250	$ 2,424,925
2018	3,803,288	470,664	4,273,952
2019	815,000	421,750	1,236,750
2020	860,000	381,125	1,241,125
2021	905,000	338,250	1,243,250
2022-2026	5,255,000	966,000	6,221,000
2027-2031	1,320,000	29,875	1,349,875
2032	25,000	-	$ 25,000
Total	$ 14,876,963	$ 3,138,914	$ 18,015,877

Note 6 – Capital Leases

In 2011, the Authority entered into a capitalized lease agreement for the acquisition of various building improvements and equipment. The terms of each agreement provide options to purchase the items. The leases meet the criteria of capital leases as one which transfers all benefits and risks of ownership to the lessee. Capital assets acquired by lease have been capitalized as equipment in the amount of $4,676,586 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled $200,793.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments at December 31, 2016:

Year	Principal	Interest	Total
2017	$ 436,039	$ 149,999	$ 586,038
2018	855,599	123,643	979,242
2019	1,195,961	81,229	1,277,190
2020	1,280,008	27,955	1,307,963
Total	$ 3,767,607	$ 382,826	$ 4,150,433

Note 7 – Other Employee Benefits

Compensated Absences

Sick Leave is earned at a rate of 4.6 hours for each 80 hours worked and up to 960 hours of accumulated, unused sick leave is paid upon retirement.

Vacation leave is earned at a rate ranging from 8 hours to 16.66 hours per month based on years of service. Vacation time may be carried over from year to year up to two years for a cumulative maximum of 96 hours. Accumulated, unused vacation time is due and payable to employees upon separation from the Authority.

Note 8 – Defined Benefit Pension Plan

Net Pension Liability

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

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

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

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

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

Note 8 – Defined Benefit Pension Plan (continued)

Ohio Public Employees Retirement System

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

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

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

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

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

Note 8 – Defined Benefit Pension Plan (continued)

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

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

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

	State and Local	
2016 Statutory maximum contribution rates		
Employer	14.00	%
Employee	10.00	%
2016 Actual contribution rates		
Employer:		
Pension	12.00	%
Post-employment health care benefits	2.00	
Total employer	14.00	%
Employee	10.00	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $1,574,108 for 2016. Of this amount, $203,008 is reported as an accrued liability.

Note 8 – Defined Benefit Pension Plan (continued)

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

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

	OPERS
Proportion of the net pension liability -prior measurement date	0.113183%
Proportion of the net pension liability -current measurement date	0.106723%
Change in proportionate share	-0.006460%
Proportionate share of the net pension liability	$ 18,485,769
Pension expense	$ 2,385,072

At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred outflows of resources	
Net difference between projected and actual earnings on pension plan investments	$ 5,433,661
Authority contributions subsequent to the measurement date	1,574,108
Total deferred outflows of resources	$ 7,007,769
Deferred inflows of resources	
Differences between expected and actual experience	$ 357,181
Changes in proportion and differences between Authority contributions and proportionate share of contributions	514,071
Total Deferred Inflows of Resources	$871,252

Note 8 – Defined Benefit Pension Plan (continued)

A total of $1,574,108 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS
Year ending December 31:		
	2017	$ 951,202
	2018	1,038,087
	2019	1,343,480
	2020	1,229,640
Total		$ 4,562,409

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67:

Wage inflation	3.75%
Future salary increases, including inflation	4.25% to 10.05% including wage inflation
COLA or Ad Hoc COLA	
Pre-January 7, 2013 Retirees	3%, simple
Post-January 7, 2013 Retirees	3%, simple through 2018, then 2.8%, simple
Investment rate of return	8%
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used. The most recent experience study was completed for the five year period ended December 31, 2010.

Note 8 – Defined Benefit Pension Plan (continued)

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

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset class	Target allocation		Weighted average long-term expected real rate of return (arithmetic)	
Fixed income	23.00	%	2.31	%
Domestic equities	20.70		5.84	
Real estate	10.00		4.25	
Private equity	10.00		9.25	
International equities	18.30		7.40	
Other investments	18.00		4.59	
Total	100.00	%	5.27	%

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

Note 8 – Defined Benefit Pension Plan (continued)

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

	1% Decrease (7.00%)	Current discount rate (8.00%)	1% Increase (9.00%)
Authority's proportionate share of the net pension liability	$ 29,452,346	$ 18,485,769	$ 9,235,808

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the Authority's net pension liability is expected to be significant.

Note 9 – Post-Employment Benefits

Ohio Public Employees Retirement System

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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

Note 9 – Post-Employment Benefits (continued)

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority requiring 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. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, the Authority contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB plan.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

Actual employer contributions which were used to fund postemployment benefits for the years ended December 31, 2016, 2015 and 2014 were $285,164, $287,994 and $367,758 respectively; 88.14% has been contributed for 2016 and 100% for 2015 and 2014. A total of $33,835 representing the unpaid contribution for fiscal year 2016 is recorded as an intergovernmental payable. The actual contribution and the actuarially required contribution amounts are the same.

Note 10 – Risk Management

The Authority 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. During the year ended December 31, 2016, the Authority contracted with the Housing Authority Risk Retention Group, Inc. (HAARG).

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability and other crime liabilities through membership in the Housing Authority Risk Retention Group, Inc. (HARRG) which is an insurance risk-sharing and purchasing pool comprised of housing authorities. Property and personal property coverage is provided with a $150,000,000 coverage limit and $10,000 deductible. General liability is provided with a $5,000,000 coverage limit and $25,000 deductible. Public official liability is provided with a $4,000,000 coverage limit and $0 deductible. Other Crime liability is provided with a $1,000,000 coverage limit and $10,000 deductible. Settled claims have not exceeded this coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Note 11 – Payments in Lieu of Taxes

The Authority has cooperation agreements with certain municipalities under which it makes payments in lieu of real estate taxes for various public services. The Authority's expense recognized for payments in lieu of taxes totaled $496,436 for the year ended December 31, 2016.

Note 12 – Capital Contributions

Capital contributions of $8,105,587 represent the portion of grants that are used for capital improvements under the Authority's public housing program.

Note 13 – Restricted Net Position

The Housing Choice Voucher Program and the Veteran's Affairs Supportive Housing Program require the equity portion attributable to the excess housing assistance payments be reflected as restricted net position. The corresponding funds are reflected in the cash and investment accounts. In addition, proceeds from the sale of the Norton Homes public housing project are also restricted in usage and are shown as restricted investments and net position.

HCV Program	$ 221,767
Building for Tomorrow	97,478
Public Housing Bond Pool	1,341,145
Component Unit Restricted	2,159,122
Norton Homes Sale Proceeds	9,227,742
Total Restricted Net Position	$ 13,047,254

Note 14 – Contingencies

Grants

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

Litigation

The Authority is party to various legal proceedings. In the opinion of the Authority, the ultimate disposition of these proceedings will not have a materially adverse effect on the Authority's financial position. No provision has been made in the financial statements for the effect, if any, of such contingencies.

Note 15 – Commitments

As of December 31, 2016, the Authority had the following significant contractual commitments:

Seward Construction	$ 168,431
Colonial Hills Renovation	236,992
Pinewood Stair Renovation	283,619
Total Commitments	$ 689,042

Note 16 – Notes and Mortgages Receivable

The Authority loaned funds to the respective properties listed below for the purpose of development, rehabilitation and new construction of LIHTC and public housing units. The principal and interest obligations are payables based on the cash flow generated by the properties. The notes are secured by a mortgage lien on the subject property.

Outstanding notes and mortgages receivables as of December 31, 2016 are as follows:

Partnership Name	Original Loan Date	Maturity Date	Original Balance	Balance at 12/31/16	Interest Rate
Wilbeth Arlington Homes, LP	December 31, 2014	December 31, 1944	$ 9,915,337	$ 9,736,332	3%
Eastland Woods, LLC	October 29, 2004	November 1, 2045	6,057,226	5,975,064	1.5%-2%
Cascade Village North	September 30, 2005	December 31,2046-205	5,091,702	5,001,989	0-5%
Cascade South	September 26, 2007	September 26,2047	2,993,864	2,933,864	5.09%
Akron Edgewood Homes, LLC	November 8, 2007	November 8, 2057	11,489,282	11,489,282	0%-2%
Cascade Village East/West	August 7, 2008	August 7, 2049	845,649	266,649	4.58%
Edgewood Village, LLC	December 10, 2009	December 10, 2049	3,667,709	3,609,512	0.50%
Marian Hall Building, LLC	March 9, 2012	March 9, 2057	7,136,332	7,136,332	0.10%
Edgewood Village South, LLC	June 1, 2011	June 1, 2056	3,012,075	3,007,568	0.10%
Spicer	April 28, 2015	April 30, 2046-2055	3,305,700	2,416,451	0%
Green Retirement Partnership	August 1, 2003-February 18, 2014	January 1, 2020-August 1, 2033	1,862,530	1,764,172	5.5%-7.65%
Other Notes Receivable			-	779,425	-
Total Notes and Mortgages Receivable			$ 55,377,406	$ 54,116,640	

Note 17 – Component Units

Eastland Woods, LLC, Akron Edgewood Homes, LLC, Edgewood Village, LLC, Edgewood Village South, LLC and Marian Hall Building, LLC (the "component units") have been determined to be discretely presented component units as described in Note 1. The Authority's management has determined that they are significant; therefore they have been included as part of the Authority's financial statements. The component units each issue a publicly available, stand-alone financial report that includes financial statements and supplementary information. The reports may be obtained by writing to the Finance Director of the Akron Metropolitan Housing Authority, 100 West Cedar Street, Akron, Ohio 44307.

Note 17 – Component Units (continued)

A. Significant Accounting Policies

Accounting Basis – The financial statements of the component units have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing financial accounting and reporting principles. The component units' significant accounting policies are described below.

Basis of Presentation –Operating revenues are those that are generated directly from the primary activity of the component units. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the component units. All revenues and expenses not meeting this definition are reported as non-operating.

Cash and Cash Equivalents – Cash received by the component units is maintained in demand deposit accounts and is presented in the financial statements as "cash and cash equivalents".

Capital Assets and Depreciation – Capital assets are capitalized at cost or estimated historical cost and updated for additions and deletions during the year. The component units do not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

All capital assets are depreciated. Depreciation is computed using the straight-line method.

Net Position – Net position represents the difference between assets and liabilities. The net position component "investment in capital assets" consists of capital assets, net of accumulated depreciation and related debt. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

The component units apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

B. Deposits and Investments

At December 31, 2016, the carrying amount of all the component units' deposits was $5,710,552. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the component units to a successful claim by the FDIC.

C. Receivables

Receivables at December 31, 2016 consist of tenant rent receivables totaling $34,963.

Note 17 – Component Units (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016
Capital Assets Not Being Depreciated				
Land	$ 1,009,800	$ -	$ -	$ 1,009,800
Total Capital Assets Not Being Depreciated	1,009,800	-	-	1,009,800
Capital Assets Being Depreciated				
Buildings and Building Improvements	65,589,753	-	(78,743)	65,511,010
Furniture, Equipment, Machinery	1,599,756	27,120	(32,771)	1,594,105
Total Capital Assets Being Depreciated	67,189,509	27,120	(111,514)	67,105,115
Less: Accumulated Depreciation	(17,007,380)	(2,705,663)	14,910	(19,698,133)
Capital Assets Being Depreciated, Net	50,182,129	(2,678,543)	(96,604)	47,406,982
Component Unit Capital Assets, Net	$ 51,191,929	$ (2,678,543)	$ (96,604)	$ 48,416,782

E. Long-Term Debt

Debt activity for the year ended December 31, 2016 was as follows:

	Balance 1/1/2016	Additions	Deletions	Balance 12/31/2016	Due Within One Year
General Obligations					
Eastland Woods, LLC	$ 2,416,532	$ -	$ (46,953)	$ 2,369,579	$ 48,614
Edgewood Village, LLC	492,000	-	-	492,000	-
Edgewood Village South, LLC	1,523,570	-	(241,478)	1,282,092	246,327
Total Component Units	$ 4,432,102	$ -	$ (288,431)	$ 4,143,671	$ 294,941

Note 17 – Component Units (continued)

On November 1, 2004, Eastland Woods, LLC obtained a mortgage loan in the amount of $2,424,200 to acquire and rehabilitate a 100 unit affordable rental housing project in Akron, Ohio. The loan is payable in monthly installments of $15,323 from December 1, 2004 to November 1, 2034 at an interest rate of 6.50%. The note was refinanced with P/R Mortgage at an interest rate of 3.48% on October 20, 2015 with a current monthly payment of $10,859 and will mature October 20, 2045.

A note payable is due to Edgewood Village Development Corporation on a $492,000 construction loan secured by a mortgage from the Ohio Housing Finance Agency to fund construction of the Edgewood Village Phase 4 Project. This project debt is at an interest rate of 2.00% compounded semi-annually. Principal and interest are payable from cash flow and due December 10, 2049.

Edgewood Village South, LLC obtained a Construction bridge loan from Ohio Housing Finance Agency in the amount of $2,000,000. The bridge loan bears no interest for the first two years and then bears interest at 2.00% for the remainder of the term. Principal and interest are payable in eight annual installments in the amount of $273,020 beginning on April 15, 2014 and continuing through April 15, 2021.

F. Contingencies

Management believes there are no pending legal matters which would materially affect the component units' financial statements.

G. Condensed Financial Statement Information

	Akron Edgewood Homes, LLC	Edgewood Village, LLC	Edgewood Village South, LLC	Marian Hall Building, LLC	Eastland Woods, LLC	Total Discretely Presented Component Units
Balance Sheet						
Current Assets	$ 1,471,883	$ 727,536	$ 1,164,763	$ 763,934	$ 1,621,261	$ 5,749,377
Capital Assets, Net	15,026,643	7,782,859	7,221,250	7,788,895	10,597,135	48,416,782
Other Non-Current Assets	110,485	173,823	177,336	230,368	34,776	726,788
Current Liabilities	1,533,747	1,543,720	373,017	74,177	822,934	4,347,595
Non-Current Liabilities	11,473,901	4,101,512	4,443,333	7,136,332	8,192,545	35,347,623
Net Position	3,601,363	3,038,986	3,746,999	1,572,688	3,237,693	15,197,729
Revenues, Expenses and Changes in Equity						
Revenues	558,786	371,933	362,930	334,244	1,331,534	2,959,427
Expenses	1,450,412	850,945	774,857	764,911	1,603,906	5,445,031
Capital Contributions	-	-	273,020	-	485,681	758,701
Excess of Revenue over Expenses	$ (891,626)	$ (479,012)	$ (138,907)	$ (430,667)	$ 213,309	$ (1,726,903)

Akron Metropolitan Housing Authority

Required Supplementary Information

Schedule of Akron Metropolitan Housing Authority Proportionate Share of the Net Pension Liability

Last Three Years (1)

	2016	2015	2014
Ohio Public Employees Retirement System (OPERS) - Traditional Plan			
Authority's proportion of the net pension liability	0.106723%	0.113183%	0.113183%
Authority's proportionate share of the net pension liability	$ 18,485,769	$ 13,651,135	$ 13,342,801
Authority's covered employee payroll	$ 13,535,725	$ 13,852,992	$ 13,335,338
Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	136.57%	98.54%	100.06%
Plan fiduciary net position as a percentage of total pension liability	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available and the amounts presented are as of the Authority's measurement date which is the prior year end.

Akron Metropolitan Housing Authority

Required Supplementary Information

Schedule of Akron Metropolitan Housing Authority Contributions

Last Four Years (1)

	2016	2015	2014	2013
Ohio Public Employees Retirement System (OPERS) - Traditional Plan				
Contractually required contribution	$ 1,574,108	$ 1,624,287	$ 1,662,359	$ 1,733,594
Contributions in relation to contractually required contribution	(1,574,108)	(1,624,287)	(1,662,359)	(1,733,594)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Authority covered employee payroll	$ 13,117,567	$ 13,535,725	$ 13,852,992	$ 13,335,338
Contributions as a percentage of covered employee payroll	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

Ohio Public Employees Retirement System (OPERS) - Traditional Plan

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for year 2014, 2015 and 2016.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for year 2014, 2015 and 2016. See the notes to the basic financials for the methods and assumptions in this calculation.

Akron Metropolitan Housing Authority
Summit County
Combining Statement of Net Position
Primary Government
December 31, 2016

	Low Income Public Housing Program	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Housing Choice Voucher Program	N/C S/R Section 8 Programs	Shelter Plus Care	State/Local	Business Activities	Twenty-First Century Community Learning Centers	Section 8 Moderate Rehab	COCC
Assets											
Current Assets											
Cash and Cash Equivalents	$ 592,181	$ -	$ -	$ 3,316,410	$ 897,553	$ -	$ -	$ 3,620,272	$ -	$ 132,765	$ 2,549,316
Investments - Unrestricted	5,957,553	-	-	-	3,864,507	-	-	3,084,009	-	-	-
Restricted Cash and Cash Equivalents	1,915,544	-	28,624	338,138	-	-	24,327	2,620,974	-	-	-
Investments - Restricted	1,296,470	-	-	-	-	-	-	9,227,742	-	-	-
Receivables, Net	370,422	-	13,042	-	57,480	5,948	35,664	6,870,040	-	-	90
Inventories, Net	155,437	-	-	-	-	-	-	2,498	-	-	129,246
Prepaid Expenses and Other Assets	16,197	-	-	-	-	-	-	9,057	-	-	7,416
Interprogram Receivables	-	4,367	-	-	-	-	-	78,981	-	-	-
Total Current Assets	10,303,804	4,367	41,666	3,654,548	4,819,540	5,948	59,991	25,513,573	-	132,765	2,686,068
Noncurrent Assets											
Capital Assets, Not Being Depreciated	40,392,510	-	-	-	-	-	-	7,243,911	-	-	14,154
Capital Assets, Net of Depreciation	90,240,607	-	46	3,738	-	-	-	9,849,627	-	-	1,386,764
Other Noncurrent Assets	259,296	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Assets	130,892,413	-	46	3,738	-	-	-	71,210,178	-	-	1,400,918
Deferred Outflows of Resources	3,344,075	-	-	614,556	9,892	-	-	1,124,454	-	-	1,914,792
Total Assets and Deferred Outflows of Resources	144,540,292	4,367	41,712	4,272,842	4,829,432	5,948	59,991	97,848,205	-	132,765	6,001,778
Liabilities											
Current Liabilities											
Accounts Payable	662,106	-	-	3,724	37,590	-	-	99,129	-	654	28,350
Accrued Liabilities	495,245	4,320	-	66,627	234	-	-	74,062	-	-	483,042
Tenent Security Deposits	262,642	-	-	-	-	-	-	58,067	-	-	-
Deferred Revenue	54,628	-	-	-	-	-	-	5,892	-	-	-
Bonds, Notes and Loans Payable	1,970,834	-	-	-	-	-	-	380,000	-	-	-
Interprogram Liabilities	-	-	13,042	-	-	5,948	59,991	4,367	-	-	-
Other Current Liabilities	727,803	47	28,624	23,274	-	-	-	12,767	-	-	577,619
Total Current Liabilities	4,173,258	4,367	41,666	93,625	37,824	5,948	59,991	634,284	-	654	1,089,011
Noncurrent Liabilities											
Bonds, Notes and Loans Payable	13,626,054	-	-	-	-	-	-	5,839,907	-	-	-
Accrued Compensated Absences, Noncurrent	616,177	-	-	123,209	190	-	-	98,097	-	-	564,074
Other Noncurrent Liabilities	90,760	-	-	93,097	-	-	-	-	-	-	-
Net Pension Liability	8,821,323	-	-	1,621,136	26,093	-	-	2,966,195	-	-	5,051,022
Total Noncurrent Liabilities	23,154,314	-	-	1,837,442	26,283	-	-	8,904,199	-	-	5,615,096
Deferred Inflows of Resources											
Pension	415,757	-	-	76,406	1,230	-	-	139,800	-	-	238,059
Federal Grants	-	-	-	2,559,820	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	415,757	-	-	2,636,226	1,230	-	-	139,800	-	-	238,059
Total Liabilities and Deferred Inflows of Resources	27,743,329	4,367	41,666	4,567,293	65,337	5,948	59,991	9,678,283	-	654	6,942,166
Net Position											
Net Investment in Capital Assets	115,036,229	-	46	3,738	-	-	-	10,873,631	-	-	1,400,918
Restricted	1,341,145	-	-	221,767	-	-	-	11,386,864	-	-	(2,341,306)
Unrestricted	419,589	-	-	(519,956)	4,764,095	-	-	65,909,427	-	132,111	-
Total Net Position	$ 116,796,963	$ -	$ 46	$ (294,451)	$ 4,764,095	$ -	$ -	$ 88,169,922	$ -	$ 132,111	$ (940,388)

Amounts may vary from financial statements due to elimination entries found in the Financial Data Schedules.

Akron Metropolitan Housing Authority
Summit County
Combining Statement of Net Position
Blended Component Units
December 31, 2016

	Wilbeth-Arlington Homes, LP	Building for Tomorrow	Spicer Terrace
Assets			
Current Assets			
Cash and Cash Equivalents	$ 760,399	$ 345,902	$ 4,612
Restricted Cash and Cash Equivalents	1,710,818	-	20,600
Receivables, Net	30,327	58,935	55
Inventories, Net	14,390	-	-
Total Current Assets	2,515,934	404,837	25,267
Noncurrent Assets			
Capital Assets, Not Being Depreciated	-	-	551,021
Capital Assets, Net of Depreciation	5,384,273	-	1,803,279
Other Noncurrent Assets	603,648	-	-
Total Noncurrent Assets	5,987,921	-	2,354,300
Total Assets	8,503,855	404,837	2,379,567
Liabilities			
Current Liabilities			
Accounts Payable	89,836	130,819	1,559
Accrued Liabilities	503,440	-	154
Tenent Security Deposits	48,220	-	600
Deferred Revenues	3,355	-	192
Other Current Liabilities	327,401	-	16,582
Total Current Liabilities	972,252	130,819	19,087
Noncurrent Liabilities			
Bonds, Notes and Loans Payable	44,020	-	209,929
Accrued Compensated Absences, Noncurrent	-	-	238
Notes Payable to Primary Government	9,438,428	20,000	2,186,381
Total Noncurrent Liabilities	9,482,448	20,000	2,396,548
Total Liabilities	10,454,700	150,819	2,415,635
Net Position			
Net Investment in Capital Assets	(3,736,522)	-	(423,663)
Restricted	-	97,478	-
Unrestricted	1,785,677	156,540	387,595
Total Net Position	$ (1,950,845)	$ 254,018	$ (36,068)

Amounts may vary from financial statements due to elimination entries found in the Financial Data Schedules.

Akron Metropolitan Housing Authority
Summit County
Combining Statement of Net Position
Discretelt Presented Component Units
December 31, 2016

	Eastland Woods, LLC	Akron Edgewood Homes, LLC	Edgewood Village, LLC	Edgewood Village South, LLC	Marian Hall Building, LLC
Assets					
Current Assets					
Cash and Cash Equivalents	$ 785,295	$ 353,582	$ 94,432	$ 232,523	$ 167,888
Restricted Cash and Cash Equivalents	815,319	1,113,293	632,898	919,376	595,946
Receivables, Net	18,138	3,655	206	12,864	100
Inventories, Net	2,509	1,353	-	-	-
Total Current Assets	1,621,261	1,471,883	727,536	1,164,763	763,934
Noncurrent Assets					
Capital Assets, Not Being Depreciated	1,009,800	-	-	-	-
Capital Assets, Net of Depreciation	9,587,335	15,026,643	7,782,859	7,221,250	7,788,895
Other Noncurrent Assets	34,776	110,485	173,823	177,336	230,368
Total Noncurrent Assets	10,631,911	15,137,128	7,956,682	7,398,586	8,019,263
Total Assets	12,253,172	16,609,011	8,684,218	8,563,349	8,783,197
Liabilities					
Current Liabilities					
Accounts Payable	48,339	246,801	199,024	43,321	17,792
Accrued Liabilities	699,876	1,250,622	431,386	59,772	36,203
Tenent Security Deposits	25,433	36,324	23,532	22,981	20,182
Deferred Revenue	672	-	889,778	616	-
Bonds, Notes and Loans Payable	48,614	-	-	246,327	-
Total Current Liabilities	822,934	1,533,747	1,543,720	373,017	74,177
Noncurrent Liabilities					
Bonds, Notes and Loans Payable	2,320,965	-	492,000	1,035,765	-
Notes Payable to Primary Government	5,871,580	11,473,901	3,609,512	3,407,568	7,136,332
Total Noncurrent Liabilities	8,192,545	11,473,901	4,101,512	4,443,333	7,136,332
Total Liabilities	9,015,479	13,007,648	5,645,232	4,816,350	7,210,509
Net Position					
Net Investment in Capital Assets	2,355,976	3,552,742	3,681,347	2,531,590	652,563
Restricted	-	-	-	-	-
Unrestricted	881,717	48,621	(642,361)	1,215,409	920,125
Total Net Position	$ 3,237,693	$ 3,601,363	$ 3,038,986	$ 3,746,999	$ 1,572,688

Amounts may vary from financial statements due to elimination entries found in the Financial Data Schedules.

Akron Metropolitan Housing Authority
Summit County
Combining Statements of Revenues, Expenses and Changes in Net Position
Primary Government
For the Year Ended December 31, 2016

	Low Income Public Housing Program	PIH Family Self-Sufficiency Program	Resident Opportunity and Supportive Services	Housing Choice Voucher Program	N/C S/R Section 8 Programs	Shelter Plus Care	State/Local	Business Activities	Twenty-First Century Community Learning Centers	Section 8 Moderate Rehab	COCC
Operating Revenue											
Tenant Revenue	$ 9,367,350	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,758,059	$ -	$ -	$ -
Government Operating Grants	17,873,345	324,776	245,424	30,335,791	2,092,073	477,781	410,012	-	518,942	67,388	-
Other Revenue	905,389	-	-	148,328	157	-	87,041	1,373,820	-	-	7,661,295
Total Operating Revenue	28,146,084	324,776	245,424	30,484,119	2,092,230	477,781	497,053	3,131,879	518,942	67,388	7,661,295
Operating Expenses											
Administrative	10,042,003	-	13,058	2,783,668	67,179	42,662	26,883	1,045,160	367	12,097	5,245,469
Tenant Services	829,641	323,285	231,326	69,078	-	-	468,603	128,804	518,575	-	900
Utilities	4,554,084	-	-	-	-	-	-	433,110	-	-	31,246
Maintenance	10,888,791	-	-	36,851	4	-	-	818,650	-	-	1,894,226
Protective Services	1,446,208	-	-	181,683	-	-	-	78,351	-	-	20,257
General	1,590,405	-	-	33,630	-	-	-	628,812	-	-	253,963
Housing Assistance Payments	-	-	-	27,136,728	1,895,256	435,119	-	-	-	55,320	-
Insurance	851,825	1,491	1,040	45,565	271	-	1,575	60,489	-	-	146,249
Depreciation and Amortization	11,033,075	-	274	8,972	-	-	2,184	565,126	-	-	220,097
Total Operating Expenses	41,236,032	324,776	245,698	30,296,175	1,962,710	477,781	499,245	3,758,502	518,942	67,417	7,812,407
Operating Income (Loss)	(13,089,948)	-	(274)	187,944	129,520	-	(2,192)	(626,623)	-	(29)	(151,112)
Nonoperating Revenues (Expenses)											
Interest and Investment Revenue	80,413	-	-	239	28,030	-	8	1,260,120	-	30	35
Casualty Gain (Loss)	(286,568)	-	-	(4,728)	-	-	-	-	-	-	-
Interest Expense and Amortization Cost	(814,697)	-	-	-	-	-	-	(19,277)	-	-	-
Gain (Loss) on Sale of Capital Assets	47,806	-	-	-	-	-	-	8,979	-	-	-
Interprogram Transfer	(560,589)	-	-	-	-	-	-	560,589	-	-	-
Total Nonoperating Revenues (Expenses)	(1,533,635)	-	-	(4,489)	28,030	-	8	1,810,411	-	30	35
Income (Loss) Before Capital Contributions	(14,623,583)	-	(274)	183,455	157,550	-	(2,184)	1,183,788	-	1	(151,077)
Capital Revenue											
Capital Contributions	8,105,587	-	-	-	-	-	-	-	-	-	-
Total Capital Revenue	8,105,587	-	-	-	-	-	-	-	-	-	-
Change in Net Position	(6,517,996)	-	(274)	183,455	157,550	-	(2,184)	1,183,788	-	1	(151,077)
Net Position, Beginning of Period	123,314,959	-	320	(477,906)	4,606,545	-	2,184	86,986,134	-	132,110	(789,311)
Net Position, End of Period	$ 116,796,963	$ -	$ 46	$ (294,451)	$ 4,764,095	$ -	$ -	$ 88,169,922	$ -	$ 132,111	$ (940,388)

Amounts may vary from financial statements due to elimination entries found in the Financial Data Schedules.

Akron Metropolitan Housing Authority
Summit County
Combining Statements of Revenues, Expenses and Changes in Net Position
Blended Component Units
For the Year Ended December 31, 2016

	Wilbeth-Arlington Homes, LP	Building for Tomorrow	Spicer Terrace
Operating Revenue			
Tenant Revenue	$ 3,093,622	$ -	$ 50,036
Other Revenue	9,976	728,270	202
Total Operating Revenue	3,103,598	728,270	50,238
Operating Expenses			
Administrative	648,738	-	7,447
Tenant Services	9,405	-	136
Utilities	466,542	-	11,694
Maintenance	980,397	-	12,689
Protective Services	136,306	-	1,947
General	248,235	813,687	7,527
Insurance	147,944	-	46
Depreciation and Amortization	635,800	-	44,876
Total Operating Expenses	3,273,367	813,687	86,362
Operating Income (Loss)	(169,769)	(85,417)	(36,124)
Nonoperating Revenues (Expenses)			
Interest and Investment Revenue	2,987	106	48
Interest Expense and Amortization Cost	(292,090)	-	-
Gain (Loss) on Sale of Capital Assets	166,978	-	-
Total Nonoperating Revenues (Expenses)	(122,125)	106	48
Change in Net Position	(291,894)	(85,311)	(36,076)
Net Position, Beginning of Period	(1,658,951)	339,329	8
Net Position, End of Period	$ (1,950,845)	$ 254,018	$ (36,068)

Amounts may vary from financial statements due to elimination entries found in the Financial Data Schedules.

Akron Metropolitan Housing Authority
Summit County
Combining Statements of Revenues, Expenses and Changes in Net Position
Discretely Presented Component Units
For the Year Ended December 31, 2016

	Eastland Woods, LLC	Akron Edgewood Homes, LLC	Edgewood Village, LLC	Edgewood Village South, LLC	Marian Hall Building, LLC
Operating Revenue					
Tenant Revenue	$ 1,286,424	$ 547,747	$ 327,133	$ 341,717	$ 330,248
Other Revenue	43,211	8,927	43,713	19,641	2,864
Total Operating Revenue	1,329,635	556,674	370,846	361,358	333,112
Operating Expenses					
Administrative	270,062	131,228	78,921	89,600	107,802
Utilities	143,721	89,418	51,167	54,385	70,827
Maintenance	245,109	159,803	98,091	112,166	90,030
General	197,905	34,717	27,021	23,582	15,543
Insurance	51,187	35,325	26,249	21,583	20,721
Depreciation and Amortization	509,346	847,745	541,608	430,992	452,853
Total Operating Expenses	1,417,330	1,298,236	823,057	732,308	757,776
Operating Income (Loss)	(87,695)	(741,562)	(452,211)	(370,950)	(424,664)
Nonoperating Revenues (Expenses)					
Interest and Investment Revenue	1,899	2,112	1,087	1,572	1,132
Interest Expense and Amortization Cost	(186,576)	(152,176)	(27,888)	(42,549)	(7,135)
Total Nonoperating Revenues (Expenses)	(184,677)	(150,064)	(26,801)	(40,977)	(6,003)
Income (Loss) Before Capital Contributions	(272,372)	(891,626)	(479,012)	(411,927)	(430,667)
Capital Revenue					
Capital Contributions	485,681	-	-	273,020	-
Total Capital Revenue	485,681	-	-	273,020	-
Change in Net Position	213,309	(891,626)	(479,012)	(138,907)	(430,667)
Net Position, Beginning of Period	3,024,384	4,492,989	3,517,998	3,885,906	2,003,355
Net Position, End of Period	$ 3,237,693	$ 3,601,363	$ 3,038,986	$ 3,746,999	$ 1,572,688

Amounts may vary from financial statements due to elimination entries found in the Financial Data Schedules.

Annual Contributions Contract C-959

1. The total amount of grant costs of the ROSS Program grants are shown below:

OH007FSH505A014

Funds Approved	$ 310,088
Funds Expended	310,088
Excess (Deficiency) of Funds Approved	$ 0

2. All work in connection with the ROSS Program has been completed.

3. The entire actual grant cost or liabilities incurred by the Authority have been fully paid.

Annual Contributions Contract C-959

1. The total amount of grant costs of the ROSS Program grants are shown below:

OH007FSH413A015

Funds Approved	$ 312,696
Funds Expended	312,696
Excess (Deficiency) of Funds Approved	$ 0

2. All work in connection with the ROSS Program has been completed.

3. The entire actual grant cost or liabilities incurred by the Authority have been fully paid.

Annual Contributions Contract C-959

1. The total amount of modernization costs of the Capital Fund Program are shown below:

   OH12P00750112

Funds Approved	$ 6,349,959
Funds Expended	6,349,959
Excess (Deficiency) of Funds Approved	$ 0

2. All work in connection with the Capital Fund Program has been completed.

3. The entire actual grant cost or liabilities incurred by the Authority have been fully paid.

4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

Akron Metropolitan Housing Authority
Summit County
Financial Data Schedules
For the Period Ended December 31, 2016

	Low Rent 14.850 and Capital Fund 14.872	PIH Family Self-Sufficiency Program 14.896	Resident Opportunity and Supportive Services 14.870	Housing Choice Vouchers 14.871	N/C S/R Section 8 Programs 14.182	Shelter Plus Care 14.238	State/Local	Other Business Activities	Component Unit - Discretely Presented	Component Unit - Blended	Twenty-First Century Community Learning Centers 84.287	Lower Income Housing Assistance Program - Section 8 Moderate 14.856	Central Office	Eliminations	Total
Assets															
Cash and Cash Equivalents															
Unrestricted	$ 592,181	$ -	$ -	$ 3,316,410	$ 897,553	$ -	$ -	$ 3,718,901	$ 1,633,720	$ 1,110,913	$ -	$ 132,765	$ 2,549,316	$ -	$ 13,951,759
Other Restricted	143,304	-	28,624	314,864	-	-	24,327	2,159,122	3,942,464	1,670,630	-	-	-	-	8,283,335
Tenant Security Deposits	262,642	-	-	-	-	-	-	58,067	134,368	60,788	-	-	-	-	515,865
Restricted for Payment of Current Liabilities	1,509,598	-	-	23,274	-	-	-	403,785	-	-	-	-	-	-	1,936,657
Total Cash and Cash Equivalents	2,507,725	-	28,624	3,654,548	897,553	-	24,327	6,339,875	5,710,552	2,842,331	-	132,765	2,549,316	-	24,687,616
Accounts and Notes Receivable															
Accounts Receivable - HUD Other Projects	144,635	-	13,042	-	51,946	5,948	-	-	-	-	-	-	-	-	215,571
Accounts Receivable - Miscellaneous	36,469	-	-	-	-	-	35,664	362,107	18,051	58,935	-	-	90	-	511,316
Accounts Receivable - Tenants	67,098	-	-	-	-	-	-	12,331	16,912	18,862	-	-	-	-	115,203
Allowance for Doubtful Accounts - Tenants	(2,147)	-	-	-	-	-	-	(557)	-	-	-	-	-	-	(2,704)
Notes, Loans and Mortgages Receivable - Current	109,633	-	-	-	-	-	-	179	-	11,520	-	-	-	-	121,332
Accrued Interest Receivable	14,734	-	-	-	5,534	-	-	6,397,351	-	-	-	-	-	(625,305)	5,792,314
Total Accounts and Notes Receivable - Net of Allowance	370,422	-	13,042	-	57,480	5,948	35,664	6,771,411	34,963	89,317	-	-	90	(625,305)	6,753,032
Investments															
Unrestricted	5,957,553	-	-	-	3,864,507	-	-	3,084,009	-	-	-	-	-	-	12,906,069
Restricted	1,296,470	-	-	-	-	-	-	9,227,742	-	-	-	-	-	-	10,524,212
Total Investments	7,254,023	-	-	-	3,864,507	-	-	12,311,751	-	-	-	-	-	-	23,430,281
Other Current Assets															
Prepaid Expenses and Other Assets	16,197	-	-	-	-	-	-	9,057	-	-	-	-	7,416	-	32,670
Inventories	161,546	-	-	-	-	-	-	2,598	3,872	14,410	-	-	138,137	-	320,563
Allowance for Obsolete Inventories	(6,109)	-	-	-	-	-	-	(100)	(10)	(20)	-	-	(8,891)	-	(15,130)
Interprogram Due From	-	4,367	-	-	-	-	-	78,981	-	-	-	-	-	(83,348)	-
Total Other Current Assets	171,634	4,367	-	-	-	-	-	90,536	3,862	14,390	-	-	136,662	(83,348)	338,103
Capital Assets															
Land	18,953,072	-	-	-	-	-	-	7,243,911	1,009,800	551,021	-	-	14,154	-	27,771,958
Buildings	313,256,493	-	-	-	-	-	-	20,051,803	65,511,010	17,995,322	-	-	2,167,460	-	418,982,088
Furniture, Equipment and Machinery - Dwellings	1,457,539	-	28,198	113,456	-	-	-	1,695,662	-	65,624	-	-	-	-	3,360,479
Furniture, Equipment and Machinery - Administration	-	-	-	-	-	-	13,102	-	1,594,105	341,200	-	-	1,621,051	-	3,569,458
Accumulated Depreciation	(224,473,425)	-	(28,152)	(109,718)	-	-	(13,102)	(11,897,838)	(19,698,133)	(11,214,594)	-	-	(2,401,747)	-	(269,836,709)
Construction in Progress	21,439,438	-	-	-	-	-	-	-	-	-	-	-	-	-	21,439,438
Total Capital Assets, Net of Accumulated Depreciation	130,633,117	-	46	3,738	-	-	-	17,093,538	48,416,782	7,738,573	-	-	1,400,918	-	205,286,712
Other Non-Current Assets															
Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	-	54,116,640	-	-	-	-	-	(11,898,758)	42,217,882
Other Assets	259,296	-	-	-	-	-	-	-	726,788	603,648	-	-	-	-	1,589,732
Total Other Non-Current Assets	259,296	-	-	-	-	-	-	54,116,640	726,788	603,648	-	-	-	(11,898,758)	43,807,614
Total Assets	141,196,217	4,367	41,712	3,658,286	4,819,540	5,948	59,991	96,723,751	54,892,947	11,288,259	-	132,765	4,086,986	(12,607,411)	304,303,358
Deferred Outflows of Resources	3,344,075	-	-	614,556	9,892	-	-	1,124,454	-	-	-	-	1,914,792	-	7,007,769
Total Assets and Deferred Outflows of Resources	$ 144,540,292	$ 4,367	$ 41,712	$ 4,272,842	$ 4,829,432	$ 5,948	$ 59,991	$ 97,848,205	$ 54,892,947	$ 11,288,259	$ -	$ 132,765	$ 6,001,778	$ (12,607,411)	$ 311,311,127

Akron Metropolitan Housing Authority
Summit County
Financial Data Schedules
For the Period Ended December 31, 2016

	Low Rent 14.850 and Capital Fund 14.872	PIH Family Self-Sufficiency Program 14.896	Resident Opportunity and Supportive Services 14.870	Housing Choice Vouchers 14.871	N/C S/R Section 8 Programs 14.182	Shelter Plus Care 14.238	State/Local	Other Business Activities	Component Unit - Discretely Presented	Component Unit - Blended	Twenty-First Century Community Learning Centers 84.287	Lower Income Housing Assistance Program - Section 8 Moderate 14.856	Central Office	Eliminations	Total
Liabilities															
Current Liabilities															
Accounts Payable <= 90 Days	$ 96,049	$ -	$ -	$ 3,724	$ 37,590	$ -	$ -	$ 80,725	$ 555,277	$ 221,297	$ -	$ -	$ 25,952	$ -	$ 1,020,614
Accrued Wages and Payroll Taxes Payable	167,006	3,494	-	30,912	118	-	-	27,421	-	12,288	-	-	121,086	-	362,325
Accrued Compensated Absences	129,413	-	-	21,743	33	-	-	17,311	-	31	-	-	124,195	-	292,726
Accrued Interest Payable	132,403	-	-	-	-	-	-	2,036	-	-	-	-	-	-	134,439
Accounts Payable - HUD	-	-	-	-	-	-	-	-	-	-	-	654	-	-	654
Accounts Payable - Other Government	566,057	-	-	-	-	-	-	18,404	-	917	-	-	2,398	-	587,776
Tenant Security Deposits	262,642	-	-	-	-	-	-	58,067	128,452	48,820	-	-	-	-	497,981
Deferred Revenue	54,628	-	-	-	-	-	-	5,892	891,066	3,547	-	-	-	-	955,133
Capital Projects and Mortgage Revenue - Current Portion	1,970,834	-	-	-	-	-	-	380,000	294,941	-	-	-	-	-	2,645,775
Other Current Liabilities	727,803	47	28,624	23,274	-	-	-	12,767	-	343,983	-	-	577,619	-	1,714,117
Other Accrued Liabilities	66,423	826	-	13,972	83	-	-	27,294	2,477,859	491,275	-	-	237,761	(625,305)	2,690,188
Inter Program - Due To	-	-	13,042	-	-	5,948	59,991	4,367	-	-	-	-	-	(83,348)	-
Total Current Liabilities	4,173,258	4,367	41,666	93,625	37,824	5,948	59,991	634,284	4,347,595	1,122,158	-	654	1,089,011	(708,653)	10,901,728
Non-Current Liabilities															
Long-Term Debt, Non-Current	13,626,054	-	-	-	-	-	-	5,839,907	35,347,623	11,898,758	-	-	-	(11,898,758)	54,813,584
Other Non-Current Liabilities	90,760	-	-	93,097	-	-	-	-	-	-	-	-	-	-	183,857
Accrued Compensated Absences - Non-Current	616,177	-	-	123,209	190	-	-	98,097	-	238	-	-	564,074		1,401,985
Accrued Pension and OPEB Liabilities	8,821,323	-	-	1,621,136	26,093	-	-	2,966,195	-	-	-	-	5,051,022	-	18,485,769
Total Non-Current Liabilities	23,154,314	-	-	1,837,442	26,283	-	-	8,904,199	35,347,623	11,898,996	-	-	5,615,096	(11,898,758)	74,885,195
Total Liabilities	27,327,572	4,367	41,666	1,931,067	64,107	5,948	59,991	9,538,483	39,695,218	13,021,154	-	654	6,704,107	(12,607,411)	85,786,923
Deferred Inflows of Resources	415,757	-	-	2,636,226	1,230	-	-	139,800	-	-	-	-	238,059	-	3,431,072
Net Position															
Net Investment in Capital Assets	115,036,229	-	46	3,738	-	-	-	10,873,631	12,774,218	(4,160,185)	-	-	1,400,918	-	135,928,595
Restricted	1,341,145	-	-	221,767	-	-	-	11,386,864	-	97,478	-	-	-	-	13,047,254
Unrestricted	419,589	-	-	(519,956)	4,764,095	-	-	65,909,427	2,423,511	2,329,812	-	132,111	(2,341,306)	-	73,117,283
Total Net Position	116,796,963	-	46	(294,451)	4,764,095	-	-	88,169,922	15,197,729	(1,732,895)	-	132,111	(940,388)	-	222,093,132
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 144,540,292	$ 4,367	$ 41,712	$ 4,272,842	$ 4,829,432	$ 5,948	$ 59,991	$ 97,848,205	$ 54,892,947	$ 11,288,259	$ -	$ 132,765	$ 6,001,778	$ (12,607,411)	$ 311,311,127

Akron Metropolitan Housing Authority
Summit County
Financial Data Schedules
For the Period Ended December 31, 2016

	Low Rent 14.850 and Capital Fund 14.872	PIH Family Self-Sufficiency Program 14.896	Resident Opportunity and Supportive Services 14.870	Housing Choice Vouchers 14.871	N/C S/R Section 8 Programs 14.182	Shelter Plus Care 14.238	State/Local	Other Business Activities	Component Unit - Discretely Presented	Component Unit - Blended	Twenty-First Century Community Learning Centers 84.287	Lower Income Housing Assistance Program - Section 8 Moderate 14.856	Central Office	Eliminations	Total
Operating Revenues															
Tenant Revenues															
Tenant Rental Revenue, Net	$ 8,941,298	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,745,247	$ 2,833,269	$ 3,082,239	$ -	$ -	$ -	$ -	$ 16,602,053
Other Tenant Revenue	426,052	-	-	-	-	-	-	12,812	-	61,419	-	-	-	-	500,283
Total Tenant Revenues	9,367,350	-	-	-	-	-	-	1,758,059	2,833,269	3,143,658	-	-	-	-	17,102,336
Fee Revenues															
HUD PHA Operating Grants	17,866,345	324,776	245,424	30,335,791	2,092,073	477,781	-	-	-	-	-	67,388	-	-	51,409,578
Capital Grants	8,105,587	-	-	-	-	-	-	-	-	-	-	-	-	-	8,105,587
Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	3,490,463	(3,490,463)	-
Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	487,920	(487,920)	-
Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	360,930	(360,930)	-
Total Fee Revenues	25,971,932	324,776	245,424	30,335,791	2,092,073	477,781	-	-	-	-	-	67,388	4,339,313	(4,339,313)	59,515,165
Other Revenues															
Other Intergovernmental Revenue	7,000	-	-	-	-	-	410,012	-	-	-	518,942	-	-	-	935,954
Investment Income - Unrestricted	59,293	-	-	239	28,030	-	8	1,062,043	7,802	1,319	-	30	35	-	1,158,799
Mortgage Interest Income	-	-	-	-	-	-	-	111,601	-	-	-	-	-	-	111,601
Fraud Recovery	-	-	-	120,178	-	-	-	-	-	-	-	-	-	-	120,178
Other Revenue	905,389	-	-	28,150	157	-	87,041	1,373,820	118,356	738,448	-	-	3,321,982	(3,058,257)	3,515,086
Gain or Loss on Sale of Capital Assets	47,806	-	-	-	-	-	-	8,979	-	166,978	-	-	-	-	223,763
Investment Income - Restricted	21,120	-	-	-	-	-	-	86,476	-	1,822	-	-	-	-	109,418
Total Other Revenues	1,040,608	-	-	148,567	28,187	-	497,061	2,642,919	126,158	908,567	518,942	30	3,322,017	(3,058,257)	6,174,799
Total Operating Revenues	$ 36,379,890	$ 324,776	$ 245,424	$ 30,484,358	$ 2,120,260	$ 477,781	$ 497,061	$ 4,400,978	$ 2,959,427	$ 4,052,225	$ 518,942	$ 67,418	$ 7,661,330	$ (7,397,570)	$ 82,792,300

Akron Metropolitan Housing Authority
Summit County
Financial Data Schedules
For the Period Ended December 31, 2016

	Low Rent 14.850 and Capital Fund 14.872	PIH Family Self-Sufficiency Program 14.896	Resident Opportunity and Supportive Services 14.870	Housing Choice Vouchers 14.871	N/C S/R Section 8 Programs 14.182	Shelter Plus Care 14.238	State/Local	Other Business Activities	Component Unit - Discretely Presented	Component Unit - Blended	Twenty-First Century Community Learning Centers 84.287	Lower Income Housing Assistance Program - Section 8 Moderate 14.856	Central Office	Eliminations	Total
Operating Expenses															
Administrative															
Administrative Salaries	$ 1,983,323	$ -	$ -	$ 1,111,490	$ 20,183	$ 29,864	$ -	$ 247,801	$ 297,074	$ 228,667	$ -	$ 7,768	$ 2,765,552	$ -	$ 6,691,722
Auditing Fees	19,944	-	-	9,851	776	-	-	3,299	50,420	11,800	-	1,000	2,714	-	99,804
Management Fee	2,530,360	-	-	500,004	21,000	-	-	120,312	145,603	173,184	-	-	-	(3,490,463)	-
Bookkeeping Fee	360,930	-	-	-	-	-	-	-	-	-	-	-	-	(360,930)	-
Advertising and Marketing	29,841	-	-	2,006	37	-	-	2,082	-	785	-	-	7,085	-	41,836
Employee Benefit Contributions	2,027,927	-	-	685,350	10,033	12,798	-	990,680	101,010	140,434	-	3,329	1,537,332	-	5,508,893
Office Expenses	477,219	-	6,026	94,671	555	-	9,250	60,761	-	30,676	-	-	155,575	-	834,733
Legal Expense	153,004	-	-	107,144	10	-	-	19,197	5,752	34,524	-	-	28,548	(224,866)	123,313
Travel	21,559	-	5,689	2,267	754	-	959	8,769	-	6,969	367	-	61,517	-	108,850
Other	1,562,987	-	1,343	199,766	12,687	-	16,674	273,097	77,754	29,146	-	-	465,560	(27,113)	2,611,901
Total Administrative Expenses	9,167,094	-	13,058	2,712,549	66,035	42,662	26,883	1,725,998	677,613	656,185	367	12,097	5,023,883	(4,103,372)	16,021,052
Tenant Services															
Asset Management Fee	487,920	-	-	-	-	-	-	-	-	-	-	-	-	(487,920)	-
Tenant Services-Salaries	492,411	187,868	139,248	43,019	-	-	209,269	87,227	-	6,118	-	-	773	-	1,165,933
Employee Benefit Contributions	224,642	135,417	67,652	24,913	-	-	136,959	38,417	-	3,358	-	-	127	-	631,485
Other Tenant Services	112,588	-	24,426	1,146	-	-	122,375	3,160	-	65	518,575	-	-	-	782,335
Total Tenant Services Expenses	1,317,561	323,285	231,326	69,078	-	-	468,603	128,804	-	9,541	518,575	-	900	(487,920)	2,579,753
Utilities															
Water	688,204	-	-	-	-	-	-	60,841	338,505	83,176	-	-	1,039	-	1,171,765
Electricity	1,542,989	-	-	-	-	-	-	191,751	64,903	39,121	-	-	21,973	-	1,860,737
Gas	361,718	-	-	-	-	-	-	34,678	6,110	21,027	-	-	6,300	-	429,833
Sewer	1,898,168	-	-	-	-	-	-	145,840	-	334,912	-	-	1,934	-	2,380,854
Other Utilities Expense	63,005	-	-	-	-	-	-	-	-	-	-	-	-	-	63,005
Total Utilities Expenses	4,554,084	-	-	-	-	-	-	433,110	409,518	478,236	-	-	31,246	-	5,906,194
Maintenance															
Ordinary Maintenance and Operations Labor	3,488,430	-	-	-	-	-	-	188,812	155,597	281,971	-	-	951,218	-	5,066,028
Ordinary Maintenance and Operations Materials and Other	1,491,953	-	-	5,594	4	-	-	103,047	164,425	135,321	-	-	226,856	-	2,127,200
Ordinary Maintenance and Operations Contracts	4,472,734	-	-	31,257	-	-	-	402,408	344,717	404,985	-	-	187,390	(2,176,537)	3,666,954
Employee Benefits Contributions	1,435,674	-	-	-	-	-	-	124,383	40,460	170,809	-	-	528,762	-	2,300,088
Total Maintenance Expenses	10,888,791	-	-	36,851	4	-	-	818,650	705,199	993,086	-	-	1,894,226	(2,176,537)	13,160,270
Protective Services															
Protective Services Labor	1,040,227	-	-	90,704	-	-	-	56,615	-	96,512	-	-	16,865	-	1,300,923
Protective Services Contract Costs	228,384	-	-	63,621	-	-	-	12,405	-	23,698	-	-	1,410	-	329,518
Protective Services Other	7,945	-	-	638	-	-	-	417	-	934	-	-	1,982	-	11,916
Employee Benefits Contributions	169,652	-	-	26,720	-	-	-	8,914	-	17,109	-	-	-	-	222,395
Total Protective Services Expenses	$ 1,446,208	$ -	$ -	$ 181,683	$ -	$ -	$ -	$ 78,351	$ -	$ 138,253	$ -	$ -	$ 20,257	$ -	$ 1,864,752

Akron Metropolitan Housing Authority
Summit County
Financial Data Schedules
For the Period Ended December 31, 2016

	Low Rent 14.850 and Capital Fund 14.872	PIH Family Self-Sufficiency Program 14.896	Resident Opportunity and Supportive Services 14.870	Housing Choice Vouchers 14.871	N/C S/R Section 8 Programs 14.182	Shelter Plus Care 14.238	State/Local	Other Business Activities	Component Unit - Discretely Presented	Component Unit - Blended	Twenty-First Century Community Learning Centers 84.287	Lower Income Housing Assistance Program - Section 8 Moderate 14.856	Central Office	Eliminations	Total
Operating Expenses (continued)															
Insurance															
Property Insurance	$ 733,508	$ -	$ -	$ 25,341	$ -	$ -	$ -	$ 49,162	$ 155,065	$ 136,977	$ -	$ -	$ 80,737	$ -	$ 1,180,790
Workman's Compensation	109,067	1,491	1,040	20,055	271	-	1,575	9,251	-	9,629	-	-	65,512	-	217,891
Other Insurance	9,250	-	-	169	-	-	-	2,076	-	1,384	-	-	-	-	12,879
Total Insurance Expenses	851,825	1,491	1,040	45,565	271	-	1,575	60,489	155,065	147,990	-	-	146,249	-	1,411,560
General															
Other General Expenses	799,227	-	-	-	-	-	-	585,116	93,737	828,823	-	-	10,130	(629,741)	1,687,292
Compensated Absences	41,648	-	-	33,630	-	-	-	25,009	-	-	-	-	243,833	-	344,120
Payments in Lieu of Taxes	496,436	-	-	-	-	-	-	-	191,760	190,544	-	-	-	-	878,740
Bad Debt - Tenant Services	253,094	-	-	-	-	-	-	18,687	13,271	50,082	-	-	-	-	335,134
Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total General Expenses	1,590,405	-	-	33,630	-	-	-	628,812	298,768	1,069,449	-	-	253,963	(629,741)	3,245,286
Interest of Mortgage or Bonds Payable	560,185	-	-	-	-	-	-	19,277	-	-	-	-	-	-	579,462
Interest on Notes Payable	230,940	-	-	-	-	-	-	-	405,034	292,090	-	-	-	-	928,064
Amortization of Bond Issue Costs	23,572	-	-	-	-	-	-	-	11,290	-	-	-	-	-	34,862
Total Expense and Amortization Cost	814,697	-	-	-	-	-	-	19,277	416,324	292,090	-	-	-	-	1,542,388
Total Operating Expenses	30,630,665	324,776	245,424	3,079,356	66,310	42,662	497,061	3,893,491	2,662,487	3,784,830	518,942	12,097	7,370,724	(7,397,570)	45,731,255
Excess of Operating Revenues Over (Under) Operating Expenses	5,749,225	-	-	27,405,002	2,053,950	435,119	-	507,487	296,940	267,395	-	55,321	290,606	-	37,061,045
Other Financing Sources (Uses)															
Non-Operating Expenses															
Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Capitalized Casulty Losses	(286,568)	-	-	(4,728)	-	-	-	-	-	-	-	-	-	-	(291,296)
Housing Assistance Payments	-	-	-	(27,136,728)	(1,895,256)	(435,119)	-	-	-	-	-	(55,320)	-	-	(29,522,423)
Depreciation Expense	(11,033,075)	-	(274)	(8,972)	-	-	(2,184)	(565,126)	(2,782,544)	(680,676)	-	-	(220,097)	-	(15,292,948)
Total Non-Operating Expenses	(11,319,643)	-	(274)	(27,150,428)	(1,895,256)	(435,119)	(2,184)	(565,126)	(2,782,544)	(680,676)	-	(55,320)	(220,097)	-	(45,106,667)
Transfers															
Operating Transfer In	1,278,737	-	-	-	-	-	-	-	-	-	-	-	-	(1,227,133)	51,604
Operating Transfer Out	(1,278,737)	-	-	-	-	-	-	-	-	-	-	-	-	1,227,133	(51,604)
Inter Project Excess Cash Transfer In	1,680,253	-	-	-	-	-	-	-	-	-	-	-	-	(1,163,735)	516,518
Inter Project Excess Cash Transfer Out	(1,680,253)	-	-	-	-	-	-	-	-	-	-	-	-	1,163,735	(516,518)
Transfer In between Program and Project	-	-	-	-	-	-	-	560,589	-	-	-	-	-	(1,141,837)	(581,248)
Transfer Out between Program and Project	(560,589)	-	-	-	-	-	-	-	-	-	-	-	-	1,141,837	581,248
Total Transfers	(560,589)	-	-	-	-	-	-	560,589	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(11,880,232)	-	(274)	(27,150,428)	(1,895,256)	(435,119)	(2,184)	(4,537)	(2,782,544)	(680,676)	-	(55,320)	(220,097)	-	(45,106,667)
Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (6,131,007)	$ -	$ (274)	$ 254,574	$ 158,694	$ -	$ (2,184)	$ 502,950	$ (2,485,604)	$ (413,281)	$ -	$ 1	$ 70,509	$ -	$ (8,045,622)

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Statistical Section

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Statistical Section

This part of the Authority's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health.

Title **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

These schedules contain data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Akron Metopolitan Housing Authority

NET POSITION

LAST TEN FISCAL YEARS[1]

(Unaudited)

Fiscal Year	Invested in Capital Assets	Restricted	Unrestricted	Total
6/30/2007	$ 147,347,819	$ -	$ 42,386,125	$ 189,733,944
6/30/2008	153,126,546	7,843,011	45,086,825	206,056,382
6/30/2009	157,696,607	4,858,250	58,592,099	221,146,956
6/30/2010	162,348,725	13,087,444	50,542,904	225,979,073
6/30/2011	145,515,006	20,779,229	75,859,585	242,153,820
6/30/2012	149,634,355	16,240,933	88,120,967	253,996,255
6/30/2013	143,376,188	15,435,199	86,728,212	245,539,599
12/31/2014	139,822,375	12,068,741	79,863,626	231,754,742
12/31/2015	129,815,914	12,251,490	70,388,017	212,455,421
12/31/2016	123,154,377	13,047,254	70,693,772	206,895,403

[1]AMHA switched to a 12/31 fiscal year on 7/1/2013 and reported an 18-month year ending 12/31/14.

Source: Applicable year audited financial statements

Akron Metropolitan Housing Authority

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS[1]

(Unaudited)

	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	12/31/2014	12/31/2015	12/31/2016
Changes in Net Position										
Operating Revenue:										
Tenant Revenue	$ 7,432,277	$ 8,422,803	$ 8,523,333	$ 8,838,093	$ 8,179,935	$ 8,874,586	$ 9,468,774	$ 14,452,453	$ 13,331,805	$ 14,269,067
Government Operating Grants	52,985,612	52,582,498	49,311,390	53,475,854	60,009,549	57,842,339	52,989,009	75,458,024	49,797,066	52,345,532
Other Revenue	8,436,136	5,087,843	5,010,916	4,744,591	6,433,189	9,682,340	6,994,509	9,500,197	6,990,723	3,516,908
Total Operating Revenue	68,854,025	66,093,144	62,845,639	67,058,538	74,622,673	76,399,265	69,452,292	99,410,674	70,119,594	70,131,507
Operating Expenses:										
Administrative	15,824,193	12,085,766	11,421,493	12,768,661	17,974,987	15,239,945	12,263,281	20,167,983	14,636,423	15,343,439
Tenant Services	1,971,431	1,429,593	2,056,453	1,465,489	1,982,562	3,232,447	3,769,772	3,371,236	2,086,327	2,579,753
Utilities	4,003,969	4,035,986	3,907,065	3,885,657	4,002,768	3,840,008	3,757,812	6,029,976	5,369,611	5,496,676
Maintenance	10,253,212	9,598,747	10,621,840	11,790,886	11,177,581	12,714,615	12,587,783	21,329,770	15,131,702	12,455,071
Protective Services	1,514,591	1,612,536	1,596,924	1,570,191	1,212,411	1,597,272	2,028,335	2,701,493	1,733,699	1,864,752
General	1,729,919	3,030,002	2,192,971	1,996,971	1,685,773	1,703,337	4,676,137	7,929,395	2,328,282	2,946,518
Housing Assistance Payment	28,753,945	27,594,250	29,212,999	30,549,740	30,739,386	30,326,594	30,484,279	44,077,365	29,311,022	29,522,423
Insurance	-	-	-	-	1,003,318	941,366	940,931	1,614,788	1,150,324	1,256,495
Other Operating Expenses	165,951	13,429	309,195	17,553	-				-	-
Depreciation and Amortization	9,944,332	9,856,214	10,625,595	11,062,290	10,271,206	13,553,100	12,158,960	17,933,945	12,494,059	12,510,404
Total Operating Expenses	74,161,543	69,256,523	71,944,535	75,107,438	80,049,992	83,148,684	82,667,290	125,155,951	84,241,449	83,975,531
Operating Income (Loss)	(5,307,518)	(3,163,379)	(9,098,896)	(8,048,900)	(5,427,319)	(6,749,419)	(13,214,998)	(25,745,277)	(14,121,855)	(13,844,024)
Non-Operating Revenues(Expenses):										
Interest and Investment Revenue	1,305,872	1,678,281	1,140,141	1,132,673	2,337,529	2,133,940	2,118,164	4,001,153	1,385,550	1,372,016
Casualty Gain/(Loss)	-	-	-	-	-	13,061	(202,418)	(449,453)	(392,875)	(291,296)
Extraordinary Maintenance	-	-	-	-	-	(5,731)	(14,363)	(41,318)	-	-
Interest Expense and Amortization Cost	(613,839)	(611,308)	(696,359)	(724,203)	(1,349,382)	(1,540,360)	(1,163,771)	(1,487,943)	(1,198,523)	(1,126,064)
Special Item - Contributions	-	-	-	-	-	2,167,737	-		-	-
Debt Issuance Costs	-	-	-	-	-	-	-	-	-	-
Collection of Member Receivables	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	9,280,748	-	(1,008,661)	18,394	(441,217)	30,148	65,719	223,763
Miscellaneous Non-Operating	879,209	306,323	-	-	-				-	-
Total Non-Operating Revenues (Expenses)	1,571,242	1,373,296	9,724,530	408,470	(20,514)	2,787,041	296,395	2,052,587	(140,129)	178,419
Income(Loss) Before Capital Contributions	(3,736,276)	(1,790,083)	625,634	(7,640,430)	(5,447,833)	(3,962,378)	(12,918,603)	(23,692,690)	(14,261,984)	(13,665,605)
Capital Revenue										
Capital Grants	13,319,264	18,112,521	9,441,412	11,714,408	16,790,494	15,689,309	5,448,340	-	-	-
Capital Contributions	-	-	5,481,957	758,139	-	-	-	9,900,837	8,123,083	8,105,587
Total Capital Revenue	13,319,264	18,112,521	14,923,369	12,472,547	16,790,494	15,689,309	5,448,340	9,900,837	8,123,083	8,105,587
Change in Net Position	9,582,988	16,322,438	15,549,003	4,832,117	11,342,661	11,726,931	(7,470,263)	(13,791,853)	(6,138,901)	(5,560,018)
Net Position, Beginning of Period, Restated	180,403,337	189,733,944	206,056,382	221,146,956	230,811,159	242,269,324	253,009,862	245,546,595	218,594,322	212,455,421
Equity Adjustments	(252,381)	-	-	-	-				-	-
Equity Transfer	-	-	(458,429)	-	-				-	-
Total Net Position, End of Period	$ 189,733,944	$ 206,056,382	$ 221,146,956	$ 225,979,073	$ 242,153,820	$ 253,996,255	$ 245,539,599	$ 231,754,742	$ 212,455,421	$ 206,895,403

[1]AMHA switched to a 12/31 fiscal year on 7/1/2013 and reported an 18-month year ending 12/31/2014.

Source: Applicable year audited financial statements

Akron Metropolitan Housing Authority

OPERATING REVENUES BY SOURCE

LAST TEN FISCAL YEARS[1]

(Unaudited)

Fiscal Year	Tenant Revenue		Governmental Operating Grants		Other Revenue		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
6/30/2007	$ 7,432,277	11%	$ 52,985,612	77%	$ 8,436,136	12%	$ 68,854,025	100.00%
6/30/2008	8,422,803	13%	52,582,498	80%	5,087,843	8%	66,093,144	100.00%
6/30/2009	8,523,333	14%	49,311,390	78%	5,010,916	8%	62,845,639	100.00%
6/30/2010	8,838,093	13%	53,475,854	80%	4,744,591	7%	67,058,538	100.00%
6/30/2011	8,179,935	11%	60,009,549	80%	6,433,189	9%	74,622,673	100.00%
6/30/2012	8,874,586	12%	57,842,339	76%	9,682,340	13%	76,399,265	100.00%
6/30/2013	9,468,774	14%	52,989,009	76%	6,994,509	10%	69,452,292	100.00%
12/31/2014	14,452,453	15%	75,458,024	76%	9,500,197	10%	99,410,674	100.00%
12/31/2015	13,331,805	19%	49,797,066	71%	6,990,723	10%	70,119,594	100.00%
12/31/2016	14,269,067	20%	52,345,532	75%	3,516,908	5%	70,131,507	100.00%

[1]AMHA switched to a 12/31 fiscal year on 7/1/2013 and reported an 18-month year ending 12/31/2014.

Source: Applicable year audited financial statements

Akron Metropolitan Housing Authority

NONOPERATING REVENUES BY SOURCE

LAST TEN FISCAL YEARS[1]

(Unaudited)

Fiscal Year	Interest and Investment Revenue		Casualty Gain (Loss)		Special Item - Contributions		Gain (Loss) on Assets		Capital Grants		Capital Contributions		Miscellaneous Non-Operating		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
6/30/2007	$1,305,872	8%	$ -	0%	$ -	0%	$ -	0%	13,319,264	86%	$ -	0%	$879,209	6%	$15,504,345	100.00%
6/30/2008	1,678,281	8%	-	0%	-	0%	-	0%	18,112,521	90%	-	0%	306,323	2%	20,097,125	100.00%
6/30/2009	1,140,141	4%	-	0%	-	0%	9,280,748	37%	9,441,412	37%	5,481,957	22%	-	0%	25,344,258	100.00%
6/30/2010	1,132,673	8%	-	0%	-	0%	-	0%	11,714,408	86%	758,139	6%	-	0%	13,605,220	100.00%
6/30/2011	2,337,529	13%	-	0%	-	0%	(1,008,661)	-6%	16,790,494	93%	-	0%	-	0%	18,119,362	100.00%
6/30/2012	2,133,940	11%	13,061	0%	2,167,737	11%	18,394	0%	15,689,309	78%	-	0%	-	0%	20,022,441	100.00%
6/30/2013	2,118,164	31%	(202,418)	-3%	-	0%	(441,217)	-6%	5,448,340	79%	-	0%	-	0%	6,922,869	100.00%
12/31/2014	4,001,153	30%	(449,453)	-3%	-	0%	30,148	0%	-	0%	9,900,837	73%	-	0%	13,482,685	100.00%
12/31/2015	1,385,550	15%	(392,875)	-4%	-	0%	65,719	1%	-	0%	8,123,083	88%	-	0%	9,181,477	100.00%
12/31/2016	1,372,016	15%	(291,296)	-3%	-	0%	223,763	2%	-	0%	8,105,587	86%	-	0%	9,410,070	100.00%

[1]AMHA switched to a 12/31 fiscal year on 7/1/2013 and reported an 18-month year ending 12/31/2014.

Source: Applicable year audited financial statements

Akron Metropolitan Housing Authority

DEBT SERVICE COVERAGE

LAST TEN FISCAL YEARS[1]

(Unaudited)

	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2013	12/31/2014	12/31/2015	12/31/2016
Revenue	$ 83,744,531	$ 85,578,961	$ 87,493,538	$ 79,939,555	$ 91,392,653	$ 94,875,615	$ 75,197,027	$ 111,364,098	$ 78,102,548	$ 79,832,873
Expenses (excluding depreciation)	64,217,211	59,400,309	61,318,940	64,045,148	69,778,786	69,595,584	70,508,330	107,222,006	71,747,390	72,882,487
Revenue Available for Debt Service	19,527,320	26,178,652	26,174,598	15,894,407	21,613,867	25,280,031	4,688,697	4,142,092	6,355,158	6,950,386
Debt Service Requirements:										
Principal	1,092,943	2,004,266	1,843,816	9,820,767	1,845,044	1,818,719	1,961,549	2,710,362	2,111,343	2,163,773
Interest	613,839	611,308	696,359	724,203	863,677	1,540,360	849,971	1,487,943	841,187	810,402
Total	$ 1,706,782	$ 2,615,574	$ 2,540,175	$ 10,544,970	$ 2,708,721	$ 3,359,079	$ 2,811,520	$ 4,198,305	$ 2,952,530	$ 2,974,175
Debt Service Coverage	11.44	10.01	10.30	1.51	7.98	7.53	1.67	0.99	2.15	2.34

[1]AMHA switched to a 12/31 fiscal year on 7/1/2013 and reported an 18-month year ending 12/31/2014.

Source: Applicable year audited financial statements

Akron Metropolitan Housing Authority

RATIO OF DEBT TO CAPITAL ASSETS

LAST TEN FISCAL YEARS[1]

(Unaudited)

Fiscal Year	Total Debt (Bonds, Notes, Leases & Loans Payable)	Capital Assets	Ratio of Total Debt to Capital Assets
6/30/2007	$ 16,433,695	$ 163,781,514	10.03%
6/30/2008	15,674,224	168,800,770	9.29%
6/30/2009	12,520,406	170,217,013	7.36%
6/30/2010	16,360,437	178,709,162	9.15%
6/30/2011	29,009,260	174,524,266	16.62%
6/30/2012	26,455,290	176,089,645	15.02%
6/30/2013	25,425,725	168,801,913	15.06%
12/31/2014	25,072,164	164,894,539	15.20%
12/31/2015	22,939,705	164,027,915	13.99%
12/31/2016	21,816,795	156,869,930	13.91%

[1]AMHA switched to a 12/31 fiscal year on 7/1/2013 and reported an 18-month year ending 12/31/2014.

Source: Applicable year audited financial statements

Akron Metropolitan Housing Authority

RESIDENT DEMOGRAPHICS POPULATION STATISTICS[1]

LOW-INCOME PUBLIC HOUSING PROGRAM

HEAD OF HOUSEHOLD INFORMATION

December 31, 2016

(Unaudited)

Racial Composition			By Gender		
Categories	**By Unit**	**Percent**	**Categories**	**By Unit**	**Percent**
Asian/Pacific Islander	52	1.3%	Number of Female	3,218	77.6%
Black	2,264	54.6%	Number of Male	931	22.4%
Hispanic	62	1.5%			
White	1,696	40.9%			
Unknown	75	1.8%			
Total	**4,149**	**100.0%**	**Total**	**4,149**	**100.0%**

[1]Statistics only include the units owned and managed by AMHA and exclude non-dwelling units.

Source: Akron Metropolitan Housing Authority's Statistics

Akron Metropolitan Housing Authority

RESIDENT DEMOGRAPHICS POPULATION STATISTICS[1]

LOW-INCOME PUBLIC HOUSING PROGRAM

HEAD OF HOUSEHOLD INFORMATION

December 31, 2016

(Unaudited)

Resident Members Per Household			Number Bedrooms Per Household		
Categories	**Households**	**Percent**	**Categories**	**Households**	**Percent**
1 Member	2,054	49.5%	Efficiency	104	2.5%
2 Members	908	21.9%	1 Bedroom	1,668	40.2%
3 Members	584	14.1%	2 Bedroom	1,268	30.6%
4 Members	349	8.4%	3 Bedroom	889	21.4%
5 Members	150	3.6%	4 Bedroom	204	4.9%
6 Members	67	1.6%	5 Bedroom	16	0.4%
7 Members	26	0.6%			
8 Members	7	0.2%			
9+ Members	4	0.1%			
Total	**4,149**	**100.0%**	**Total**	**4,149**	**100.0%**

[1]Statistics only include the units owned and managed by AMHA and exclude non-dwelling units.

Source: Akron Metropolitan Housing Authority's Statistics

Akron Metropolitan Housing Authority

RESIDENT DEMOGRAPHICS POPULATION STATISTICS[1]

LOW-INCOME PUBLIC HOUSING PROGRAM

December 31, 2016

(Unaudited)

Household Ages				
	Family Members Excluding Head of Household		Head of Household	
Age Categories	**Number**	**Percent**	**Number**	**Percent**
Total members under 18	3,571	83.1%		0.0%
Total members 18 and over	725	16.9%	4,149	100.0%
Total	**4,296**	**100.0%**	**4,149**	**100.0%**
Grand Total All Members			**8,445**	**100.0%**

Annual Income		
Annual Income Range	**No. of Households**	**Percent**
$0.00-.99	360	8.7%
$1.00-3,999	410	9.9%
$4,000-7,999	284	6.8%
$8,000-15,999	2,054	49.5%
$16,000-27,999	800	19.3%
$28,000-35,999	155	3.7%
$36,000+	86	2.1%
Total	**4,149**	**100.0%**

[1]Statistics only include the units owned and managed by AMHA and exclude non-dwelling units.

Source: Akron Metropolitan Housing Authority's Statistics

Akron Metropolitan Housing Authority

RESIDENT DEMOGRAPHICS POPULATION STATISTICS

HOUSING CHOICE VOUCHER (SECTION 8) PROGRAMS[1]

HEAD OF HOUSEHOLD INFORMATION

December 31, 2016

(Unaudited)

Resident Members Per Household			Number Bedrooms Per Household		
Categories	**Households**	**Percent**	**Categories**	**Households**	**Percent**
1 Member	2,278	46.2%	Efficiency	33	0.7%
2 Members	1,042	21.1%	1 Bedroom	1,356	27.5%
3 Members	811	16.4%	2 Bedroom	1,587	32.2%
4 Members	471	9.5%	3 Bedroom	1,435	29.1%
5 Members	201	4.1%	4 Bedroom	461	9.3%
6 Members	86	1.7%	5 Bedroom	62	1.3%
7 Members	34	0.7%			
8 Members	7	0.1%			
9+ Members	4	0.1%			
Total	**4,934**	**100.0%**	**Total**	**4,934**	**100.0%**

[1]Includes Housing Choice Voucher, Shelter Plus Care, Veteran Affairs Supportive Housing (VASH), Project Based Voucher and Moderate Rehab programs.

Source: Akron Metropolitan Housing Authority's Statistics

Akron Metropolitan Housing Authority

RESIDENT DEMOGRAPHICS POPULATION STATISTICS

HOUSING CHOICE VOUCHER (SECTION 8) PROGRAMS[1]

HEAD OF HOUSEHOLD INFORMATION

December 31, 2016

(Unaudited)

Racial Composition			By Gender		
Categories	**By Unit**	**Percent**	**Categories**	**By Unit**	**Percent**
Asian/Pacific Islander	14	0.3%	Number of Female	3,893	78.9%
Black	3,208	65.0%	Number of Male	1,041	21.1%
Hispanic	60	1.2%			
White	1,556	31.5%			
Unknown	96	1.9%			
Total	**4,934**	**100.0%**	**Total**	**4,934**	**100.0%**

[1]Includes Housing Choice Voucher, Shelter Plus Care, Veteran Affairs Supportive Housing (VASH), Project Based Voucher and Moderate Rehab programs.

Source: Akron Metropolitan Housing Authority's Statistics

Akron Metropolitan Housing Authority

RESIDENT DEMOGRAPHICS POPULATION STATISTICS

HOUSING CHOICE VOUCHER (SECTION 8) PROGRAMS[1]

December 31, 2016

(Unaudited)

Household Ages				
	Family Members Excluding Head of Household		Head of Household	
Age Categories	**Number**	**Percent**	**Number**	**Percent**
Total members under 18	4,719	84.3%		0.0%
Total members 18 and over	880	15.7%	4,934	100.0%
Total	**5,599**	**100.0%**	**4,934**	**100.0%**
Grand Total All Members			**10,533**	**100.0%**

Annual Income		
Annual Income Range	**No. of Households**	**Percent**
$0.00-.99	514	10.4%
$1.00-3,999	551	11.2%
$4,000-7,999	339	6.9%
$8,000-15,999	2,359	47.8%
$16,000-27,999	939	19.0%
$28,000-35,999	156	3.2%
$36,000+	76	1.5%
Total	**4,934**	**100.0%**

[1]Includes Housing Choice Voucher, Shelter Plus Care, Veteran Affairs Supportive Housing (VASH), Project Based Voucher and Moderate Rehab programs.

Source: Akron Metropolitan Housing Authority's Statistics

Akron Metropolitan Housing Authority

OTHER DEMOGRAPHIC STATISTICS

LAST TEN YEARS

(Unaudited)

Year	Akron Population[1]	Personal Income[1]	Per Capita Personal Income[1]	School Enrollment[1,3]	Akron Unemployment Rate[2]
2007	217,074	$ 3,819,634,104	$ 17,596	59,258	5.90%
2008	217,074	3,819,634,104	17,596	59,258	6.70%
2009	217,074	3,819,634,104	17,596	59,258	11.40%
2010	199,110	3,915,299,040	19,664	56,760	9.50%
2011	199,110	3,915,299,040	19,664	56,760	9.40%
2012	199,110	3,915,299,040	19,664	56,760	7.60%
2013	199,110	3,915,299,040	19,664	56,760	7.60%
2014	199,110	3,915,299,040	19,664	56,760	6.60%
2015	199,110	3,915,299,040	19,664	56,760	5.70%
2016	199,110	3,915,299,040	19,664	56,760	6.20%

Sources: [1]U. S. Census Bureau
[2]Ohio Department of Jobs and Family Services

Akron Metropolitan Housing Authority

NUMBER OF DWELLING RENTAL UNITS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Low-Income Public Housing[1]	Section 8	LHA Business Activities	Tax Credit Units[1]
6/30/2007	4,332	4,404	218	428
6/30/2008	4,349	4,404	199	428
6/30/2009	4,314	4,641	199	595
6/30/2010	4,326	4,975	199	595
6/30/2011	4,345	4,975	228	620
6/30/2012	4,284	4,975	242	632
6/30/2013	4,307	4,975	242	662
12/31/2014	4,309	4,975	247	662
12/31/2015	4,288	4,975	573	334
12/31/2016	4,308	4,981	573	334

[1]Public Housing and Tax Credit Units include the units operated and managed by a third party management company.

Sources: Prior and current years HUD PIH Information Center reports and Financial Data Schedules

Akron Metropolitan Housing Authority

PROPERTY CHARACTERISTICS AND UNIT COMPOSITION

December 31, 2016

(Unaudited)

Name of Development	Property Type	Address	Number of Units[1]	Year Built or Acquired
Public Housing Units:				
Akron Edgewood Homes	Family	491 Vernon Odom Boulevard	49	2008
Allen Dickson	Senior	21 23rd Street	82	1970
Alpeter Towers	Senior	130 5th Street SE	185	1974
Bon Sue	Family	65 Susan Court	83	1970
Paul E. Belcher North & South	Senior	400 Locust Street	229	1968-1970
Buchtel Apartments (Cotter House)	Senior	770 E. Buchtel Avenue	143	1969
Cascade Village North[2]	Family	212 E. North Street	48	2009
Cascade Village South[2]	Family	212 E. North Street	42	2009
Cascade Village East/West[2]	Family	212 E. North Street	16	2009
Colonial Hills Apartments	Family	27 Colonial Hills Drive	149	1967
Crimson Terrace	Family	408 Herms Court	88	Various
Edgewood Village	Family	491 Vernon Odom Boulevard	23	2010
Edgewood Village South	Family	491 Vernon Odom Boulevard	20	2012
William E. Fowler Apartments	Senior	65 Byers Avenue	180	1973
Honey Locust Apartments	Family	3299 Prange Drive	137	1981
Joy Park Homes	Family	524 Fuller Street	163	1970
Stephanie S. Keys Towers	Senior	4133 Fishcreek Road	99	1982
Lakeshore	Family	9 Plato Lane	10	2016
Martin P. Lauer	Senior	666 N. Howard Street	94	1970
Maplewood Gardens	Family	500 Hardman Drive	104	1981
Marian Hall (Edgewood Village V)	Senior	491 Vernon Odom Boulevard	36	2012
Mohawk Apartments	Family	22 Safer Plaza	101	1970
Fred W. Nimmer Place	Senior	1600 Brittan Road	237	1970
Pinewood Gardens	Family	8788 Ray Court	125	1980
Saferstein Towers I & II	Senior	525 Diagonal Road	338	1969 -1972
Scattered Sites	Family	524 Fuller Street	631	Various
Spicer	Family	502 Spicer Street	12	2016
Summit Lake Apartments	Family	9 Plato Avenue	287	1965-1999
Ray C. Sutliff Towers	Senior	1850 2nd Street	185	1974
Van Buren Homes	Family	410 Pasadena Place	200	1972
Willow Run Apartments	Family	1367 Doty Drive	112	1981
Valley View	Family	943 Springdale Street	100	1970
Total Public Housing Units			**4,308**	
Tax Credit Units:				
Akron Edgewood Homes	Family	491 Vernon Odom Boulevard	31	2008
Eastland Woods Apartments	Family	Various Addresses	100	1981
Edgewood Village	Family	491 Vernon Odom Boulevard	25	2010
Edgewood Village South	Family	491 Vernon Odom Boulevard	30	2012
Marian Hall (Edgewood Village V)	Senior	491 Vernon Odom Boulevard	12	2012
Cascade Village North[2]	Family	212 E. North Street	49	2009
Cascade Village South[2]	Family	212 E. North Street	38	2009
Cascade Village East/West[2]	Family	212 E. North Street	49	2009
Total Tax Credit Units			**334**	
LHA Business Activities Units:				
Akron 14	Family	95 Chinook	14	1978
Akron 73	Family	600 Darrow Road	73	1979
Hilltop House	Senior	303 East Tuscarawas	76	1968
LHA Scattered Sites	Family	Various Addresses	24	Various
Thornton Terrace	Family	125 Bowdoin Lane	36	1980
Washington Square	Family	428 South Van Buren Avenue	24	1993
Wilbeth-Arlington Homes	Family	910 Eller Avenue	326	1943
Total LHA Business Activities Units			**573**	
Total Units			**5,215**	

[1] Excludes non-dwelling units.
[2] Operated and managed by a third party management company.

Akron Metropolitan Housing Authority

STAFF HEADCOUNT BY DIVISION

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Executive	Central Office Cost Center	Housing Management[1]	Resident Services	Section 8	Total
6/30/2007	6	54	261	20	26	367
6/30/2008	6	62	258	22	27	375
6/30/2009	6	58	249	24	28	365
6/30/2010	8	60	242	27	29	366
6/30/2011	8	59	253	29	29	378
6/30/2012	8	61	259	30	29	387
6/30/2013	10	59	259	30	26	384
12/31/2014	10	60	257	32	25	384
12/31/2015	8	62	254	25	24	373
12/31/2016	8	62	254	29	25	378

[1]Housing Management includes approximately 100 off-duty police officers employed part-time by the Security Division

Source: The agency's prior and current years organizational charts

Akron Metropolitan Housing Authority

PRINCIPAL EMPLOYERS IN SUMMIT COUNTY[1]

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2016				2007		
Employer	Full-Time Employees	Rank	Percentage of Total County Employment	Employer	Full-Time Employees	Rank	Percentage of Total County Employment
Summa Health System	11,000	1	4.05%	Summa Health System	6,102	1	2.18%
Akron Children's Hospital	4,512	2	1.66%	Akron General Health System	4,261	2	1.52%
Cleveland Clinic Akron General	3,840	3	1.41%	Goodyear Tire & Rubber Company	3,500	3	1.25%
Akron Public Schools	3,713	4	1.37%	County of Summit, Ohio	3,468	4	1.24%
County of Summit, Ohio	3,643	5	1.34%	Akron City School District	3,050	5	1.09%
Goodyear Tire & Rubber Company	3,000	6	1.10%	The University of Akron	2,845	6	1.01%
Signet Jewelers, Inc.	2,870	7	1.06%	Akron General Medical Center	2,820	7	1.01%
FirstEnergy Corp.	2,468	8	0.91%	FirstMerit Corporation	2,695	8	0.96%
The University of Akron	2,342	9	0.86%	Akron Children's Hospital	2,567	9	0.92%
Babcock & Wilcox Power Company	1,800	10	0.66%	The City of Akron	2,518	10	0.90%
	39,188		**14.42%**		**33,826**		**12.06%**
Total Employed in County[2]	**271,500**				**280,400**		

Sources: [1]Greater Akron Chamber of Commerce and County of Summit, Ohio CAFR

[2]Ohio Job & Family Services, Office of Workforce Development-Labor Market Information

Akron Metropolitan Housing Authority

Single Audit Report

For the Year Ended December 31, 2016

Charles E. Harris & Associates
certified public accountants & government consultants

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Akron Metropolitan Housing Authority
Summit County
For the Year Ended December 31, 2016

Table of Contents

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Akron Metropolitan Housing Authority
Summit County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Grantor/Pass Through Grantor/ Program Title	**CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Low Rent Public Housing Program	14.850	$ 17,866,345
Resident Opportunity and Self-Sufficiency (ROSS) Service Coordinators	14.870	245,424
Capital Fund Program	14.872	8,105,587
Family Self-Sufficiency (ROSS)	14.896	324,776
Section 8		
Section 8 Housing Choice Voucher Program	14.871	30,335,791
Section 8 Project Cluster		
Section 8 New Construction	14.182	2,092,073
Section 8 Moderate Rehabilitation	14.856	67,388
Total Section 8 Project Cluster		2,159,461
Shelter Care Plus	14.238	477,781
Total Section 8		32,973,033
Total U.S. Department of Housing and Urban Development		59,515,165
U.S. Department of Education		
Passed through the Ohio Department of Education:		
Twenty-First Century Community Learning Centers	84.287	518,942
Total U.S. Department of Education		518,942
Total Expenditures of Federal Awards		$ 60,034,107

This schedule is prepared on the accrual basis of accounting.

Akron Metropolitan Housing Authority
Summit County
Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Year Ended December 31, 2016

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Akron Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Akron Metropolitan Housing Authority
Summit County
100 West Cedar Street
Akron, OH 44307

Regional Inspector General of Audit
Department of Housing and Urban Development

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities and the aggregate discretely presented component units of the Akron Metropolitan Housing Authority, Summit County, (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 28, 2017.

Our report refers to other auditors who audited the financial statements of Eastland Woods, LLC, Akron Edgewood Homes, LLC, Edgewood Village, LLC, Edgewood Village South, LLC, and Marian Hall Building, LLC, all of the Authority's discretely presented component units and Wilbeth-Arlington Homes, Limited Partnership, one of the three of the Authority's blended component units, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of the aggregate discretely presented component units and the blended component unit were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles E. Harris & Associates, Inc.
July 28, 2017

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Akron Metropolitan Housing Authority
Summit County
100 West Cedar Street
Akron, OH 44307

Regional Inspector General of Audit
Department of Housing and Urban Development

To the Board of Directors:

Report on Compliance for Each Major Federal Program

We have audited the Akron Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Authority's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal programs.

Management's Responsibility

The Authority's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for each of the Authority's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Akron Metropolitan Housing Authority complied in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Akron Metropolitan Housing Authority, Summit County (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our unmodified report thereon dated July 28, 2017. Our report refers to other auditors who audited the financial statements of Eastland Woods, LLC, Akron Edgewood Homes, LLC, Edgewood Village, LLC, Edgewood Village South, LLC, and Marian Hall Building, LLC, all of the Authority's discretely presented component units and Wilbeth-Arlington Homes, Limited Partnership, one of the three of the Authority's blended component units, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that those auditors separately reported. The financial statements of the aggregate discretely presented component units and the blended component unit were not audited in accordance with *Government Auditing Standards.* We conducted our audit to opine on the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Charles E. Harris and Associates, Inc.
July 28, 2017

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Akron Metropolitan Housing Authority
Summit County
Schedule of Findings
2 CFR § 200.515
December 31, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs:	Low Rent Public Housing Program - CFDA #14.850 Section 8 Project Cluster - CFDA #14.182 & #14.856
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $1,801,023 Type B: all others
(d)(1)(ix)	Low Risk Auditee 2 CFR § 200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

The prior audit report, for the year ended December 31, 2015, reported no material citations or recommendations.

Dave Yost • Auditor of State

AKRON METROPOLITAN HOUSING AUTHORITY

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 7, 2017

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