CUYAHOGA METROPOLITAN HOUSING AUTHORITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2016

CliftonLarsonAllen LLP

Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Metropolitan Housing Authority, Cuyahoga County, prepared by CliftonLarsonAllen LLP, 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 Cuyahoga Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

August 24, 2017

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INDEPENDENT AUDITORS' REPORT

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units and the Western Reserve Revitalization and Management Company, Inc., a blended component unit. The blended component unit represents 14 percent of assets, 13 percent of net position and 4 percent of revenues of the business-type activities of the primary government. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the discretely presented component units, to conform those financial statements to present in accordance with the accounting standards issued by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The other auditors audited the financial statements of the aggregated 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*.

Board of Directors and Stockholders
Cuyahoga Metropolitan Housing Authority

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements

The financial statements of the Authority as of and for the year ended December 31, 2015, were audited by other auditors whose report dated June 24, 2016, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 7, schedule of the Authority's proportionate share of the net pension liability on page 60 and the schedule of the Authority's contributions on page 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors and Stockholders
Cuyahoga Metropolitan Housing Authority

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
June 30, 2017

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

The following discussion and analysis provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2016, and should be read in conjunction with the Authority's financial statements which begin on page 8. If you have any questions, please contact Victoria Gruber, Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2804.

Overview of the Financial Statements

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

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

The financial statements are prepared on the accrual basis and present all assets and deferred outflows plus liabilities and deferred inflows of the Authority, both financial and capital, and short and long term. They also present all revenues and expenses of the Authority during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Authority's financial condition as of December 31, 2016, and the results of its operations and cash flows for the year then ended.

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

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

2016 Financial Highlights

For the year ended 2016, the audited financial statements are presented with Primary Government and Discretely Presented Component unit columns. The financial highlights and related analysis presented in the Management's Discussion and Analysis represents the Primary Government only

- The Authority's net position decreased by $6.2 million (3.5%) during 2016. Net position was $170.1 million and $176.3 million at December 31, 2016 and 2015, respectively.
- Total operating and non-operating revenues increased by $15.4 million (7.6%) during 2016, and were $217.9 million and $202.5 million for 2016 and 2015, respectively.
- Total operating and non-operating expenses of all Authority programs increased by $5.0 million (2.3%). Total expenses were $224.1 million and $219.1 million for 2016 and 2015, respectively.
- The Authority's unrestricted net position decreased by $1.1 million (3.7%) during 2016, and was $28.9 million and $30.0 million for 2016 and 2015, respectively.

The Authority's Programs

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

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

<u>Housing Choice Voucher Program and Moderate Rehabilitation Programs:</u> Under the Housing Choice Voucher Program, the Authority administers contracts with private landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

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

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

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

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements. During 2016, the Agency closed two projects under this program.

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

AUTHORITY-WIDE FINANCIAL STATEMENT

Statement of Net Position

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

Table 1 - Condensed Statements of Net Position

(in millions)

	December 31	
	2016	2015
Assets		
Current and Other Assets	$ 163.0	$ 121.4
Net Capital Assets	175.1	186.7
Total Assets	338.1	308.1
Deferred Outflows of Resources	21.1	6.8
Liabilities		
Accounts Payable and Other Current Liabilities	32.8	29.6
Long-term Liabilities:		
Net Pension Liability	53.4	37.6
Other Long-Term Liabilities	92.8	70.7
Total Liabilities	179.0	137.9
Deferred Inflows of Resources	10.1	0.7
Net Position		
Net Investment in Capital Assets	131.4	138.5
Restricted	9.8	7.8
Unrestricted	28.9	30.0
Total Net Position	$ 170.1	$ 176.3

For more detailed information see page 8 for the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

Current assets and Other Assets increased by $41.6 million and current liabilities increased by $3.2 million. The Authority's current ratio increased to 1.23 in 2016, compared to 1.2 in 2015. There are sufficient current assets (primarily cash, investments, and receivables from HUD) to extinguish current liabilities. Net Capital assets decreased to $175.1 million in 2016 from $186.7 million in 2015. The $11.6 million decrease is attributed to net capital asset additions of $6.4 million offset by depreciation expense of $18.0 million. For additional detail see "Capital Asset and Debt Administration."

Long term liabilities increased $37.9 million, to $146.2 million in 2016, from $108.3 million in 2015.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the Authority, as well as the non-operating revenues and expenses. Condensed information from the Authority's statements of revenue, expenses and changes in net position is as follows for the years ended December 31, 2016 and 2015:

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

	December 31	
	2016	2015
Operating Revenues		
Dwelling Rent from Tenants	$ 16.2	$ 15.7
HUD Operating Subsidies and Grants	186.9	175.3
Grants - Other	0.1	0.8
Other Revenues	5.4	3.1
Total Operating Revenues	209.4	194.9
Operating Expenses		
Housing Assistance Payments	95.9	92.7
Depreciation	18.0	19.6
Administrative	36.1	35.8
Building Maintenance	27.4	28.9
Utilities	19.2	17.1
Nonroutine Maintenance	-	0.1
Tenant Services	4.9	4.6
General	9.9	6.9
Protective Services	8.4	8.9
Other	0.4	0.4
Total Operating Expenses	220.2	215.0
Operating Loss	(10.8)	(20.1)
Non-Operating Revenues (Expenses)		
Capital Grants from HUD	8.2	7.1
Interest Income	0.3	0.2
Interest Expense	(3.9)	(4.0)
Special Items - Gain/(Loss)	-	0.3
Capital Transfer to Component Unit	-	(0.1)
Gain (Loss) on Disposition	-	0.0
Total Non-Operating Revenues—Net	4.6	3.5
Change in Net Position	(6.2)	(16.6)
Net Position—Beginning of Year	176.3	194.7
Prior Period Adjustment	-	(1.8)
Net Position—End of Year	$ 170.1	$ 176.3

For more detailed information see page 8 for the Statement of Net Position.

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

December 31, 2016 compared to December 31, 2015

Operating revenues increased $14.5 million or 7.4% in 2016. Dwelling Rent increased by $0.5 million, HUD Operating Subsidies and Grants increased $11.6 million, Other Operating Grants and Other Revenues increased by $2.4 million.

Operating expenses increased $5.2 million or 2.4% with decreases in Depreciation ($1.6 million), Building Maintenance ($1.5 million), Non-routine Maintenance ($0.1 million), and Protective Services ($0.5 million). These decreases were offset by increased Housing Assistance Payments ($3.2 million), Administrative ($0.3 million), Utilities ($2.1 million), Tenant Services ($0.3 million), and General ($3.0 million).

Capital Grants from HUD increased $1.1 million or 15.0%. Interest income increased $0.1 million while Interest expense decreased $0.1 million.

Capital Assets

At December 31, 2016, the Authority had $175.1 million invested in a variety of net capital assets (as reflected in the following schedule), which represents a net decrease of $11.6 million from December 31, 2015.

	December 31 2016	December 31 2015
Land	$ 30.6	$ 30.6
Buildings	688.7	676.5
Equipment-Administrative	19.6	9.9
Equipment-Dwelling	9.6	18.3
Leasehold Improvements	0.4	0.4
Construction in Progress	4.6	11.5
Total	753.5	747.2
Accumulated Depreciation	(578.4)	(560.5)
Capital Assets-Net	$ 175.1	$ 186.7

Capital additions in 2016 were primarily for housing stock improvements and construction in progress.

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

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

Debt Outstanding

As of December 31, 2016, the Authority had $74.3 million in long-term debt and capital lease obligations compared to $77.0 million at December 31, 2015, for a $2.7 million decrease. The following summarizes these obligations:

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

	December 31	
	2016	2015
Ambleside - Mortgage Note	$ 6.5	$ 6.6
Severance - Mortgage Note	5.8	5.9
Quarrytown - Mortgage Note	4.0	4.0
Carver Park Phase I Promissory	-	0.2
General Revenue Bonds	1.7	2.1
Refunding Revenue Bond Series 2016	5.8	-
Build America Bonds	12.9	12.9
Bond Anticipation Note - 2013	-	3.1
Ohio Bond Financing	10.1	10.8
Unamortized Bond Prem Ohio Bd	0.2	0.2
Modernization Express Loan A	10.2	10.7
Modernization Express Loan B	6.1	6.4
Energy Program - Capital Lease	11.0	14.1
Total	$ 74.3	$ 77.0

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the U.S. Department of Housing and Urban Development. Operating subsidy for the Conventional Low Income Housing Program was funded at 89%. Future years' funding levels are expected to be approximately 85%. The Administrative fee funding for the Housing Choice Voucher Program was funded at 79% and levels are expected to remain constant in 2017.
- Local labor supply and demand, which can affect salary and wage rates of the Authority.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs, which affects the costs of the programs.
- Employee health insurance costs continue to rise.

Contacting the Authority

Questions concerning this report or requests for additional information should be directed to Victoria Gruber, Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government	Discrete Components
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 14,394,189	$ 15,630,890
Cash - Restricted	17,903,958	42,142,426
Cash - Restricted for resident security deposits	1,372,902	173,387
Accounts Receivable Tenants - Net of Allowance for doubtful accounts of $201,501	347,800	39,588
Accounts Receivable - HUD	2,398,874	695,191
Accounts Receivable - Other Governments	167,276	-
Accounts Receivable - Other	2,200,012	584,276
Fraud Recovery - Net of Allowance for doubtful accounts of $230,397	37,526	-
Inventories	196,820	-
Prepaid Expenses and Other Current Assets	1,467,695	305,564
Total Current Assets	40,487,052	59,571,322
Non-Current Assets:		
Capital Assets		
Land	30,630,452	-
Buildings and improvements	688,732,255	98,633,372
Furniture, equipment and machinery - Dwellings	19,657,580	1,816,253
Furniture, equipment and machinery - Administration	9,569,061	-
Leasehold Improvements	392,296	14,523,789
Construction in Progress	4,577,739	34,621,659
Total Capital Assets	753,559,383	149,595,073
Less: Accumulated depreciation	(578,409,426)	(20,510,968)
Total Capital Assets, net of accumulated depreciation	175,149,957	129,084,105
Notes and Mortgage Receivable - Non-Current	103,779,738	-
Investment in Joint Ventures	11,411,767	-
Other Assets	7,279,913	24,782,379
Total Non-Current Assets	297,621,375	153,866,484
TOTAL ASSETS	338,108,427	213,437,806
Deferred Outflow of Resources - Pension	21,106,873	-
TOTAL ASSETS & DEFERRED OUTFLOWS	$ 359,215,300	$ 213,437,806

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government	Discrete Components
LIABILITIES		
Current Liabilities		
Accounts Payable - Vendors	$ 7,457,983	$ 6,772,764
Accounts Payable - HUD	42,545	-
Accrued wages/taxes payable	7,752,996	-
Accrued Interest Payable	967,453	39,035
Accrued Expenses	9,613,450	228,949
Security and Other Deposits	1,372,902	173,387
Current Portion of Long-Term Debt	5,610,079	26,519,669
Total Current Liabilities	32,817,408	33,733,804
Non-Current Liabilities		
Long-Term Debt—net of current portion	68,744,887	131,049,976
Accrued Compensated Absences	1,261,374	-
Workers' Compensation Liability	1,270,167	-
Accrued Pension and OPEB Liabilities	53,436,109	-
Other Non-Current Liabilities	21,507,115	6,856,605
Total Non-Current Liabilities	146,219,652	137,906,581
TOTAL LIABILITIES	179,037,060	171,640,385
Deferred Inflow of Resources		
Pension	1,513,688	-
Advanced Resources	8,542,909	-
NET POSITION		
Net Investment in Capital Assets	131,360,081	(28,485,540)
Restricted	9,845,968	42,142,426
Unrestricted	28,915,594	28,140,535
TOTAL NET POSITION	170,121,643	41,797,421
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	$ 359,215,300	$ 213,437,806

See accompanying Notes to Financial Statement

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2016

	Primary Government	Discrete Components
Operating Revenues		
Dwelling Rent	$ 16,233,506	$ 1,303,968
HUD Operating Subsidies and Grants	186,916,772	-
Other Operating Grants	821,265	4,504,104
Other Revenues	5,406,918	7,614,918
Total Operating Revenues	209,378,461	13,422,990
Operating Expenses		
Housing Assistance Payments	95,934,738	-
Depreciation and Amortization	17,975,962	3,824,540
Administrative	36,142,342	2,400,201
Building Maintenance	27,424,109	1,429,233
Utilities	19,149,010	1,223,902
Tenant Services	4,865,449	-
General	9,866,191	419,717
Protective Services	8,420,257	227,344
Other	392,141	51,989
Total Operating Expenses	220,170,199	9,576,926
Operating Gain (Loss)	(10,791,738)	3,846,064
Nonoperating Revenues (Expenses)		
Interest Income	315,576	130,101
Interest Expense	(3,931,568)	(611,309)
Special Items Net Gain/(Loss)	-	16,752
Capital Grants	8,167,068	-
Total Nonoperating Revenues (Expenses)	4,551,076	(464,456)
Change in Net Position	(6,240,662)	3,381,608
Net Position - Beginning of Year	176,362,305	38,192,819
Prior Period Adjustment	-	222,994
TOTAL NET POSITION	$ 170,121,643	$ 41,797,421

See accompanying Notes to Financial Statement

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

	Primary Government
Cash Flows from Operating Activities	
HUD Operating Subsidies and Grants	$ 185,674,978
Other Operating Grants	773,688
Cash Received from Tenant Rents	16,205,816
Cash Payments to Suppliers for Goods and Services	(27,394,724)
Cash Paid for Salaries and Benefits	(49,312,771)
Housing Assistance Payments	(95,934,738)
Other Receipts	12,807,160
Net Cash from Operating Activities	42,819,409
Cash Flows from Capital and Related Financing Activities	
Proceeds from Debt Issuance	5,900,000
HUD Capital Grants	8,167,068
Property and Equipment Additions	(6,383,422)
Repayment of Debt and Capital Lease Obligations	(8,635,601)
Interest Paid on Debt and Capital Lease Obligations	(3,962,545)
Net Cash from Capital and Related Financing Activities	(4,914,500)
Cash Flows from Investing Activities	
Notes Receivable	(32,520,975)
Interest Income	315,576
Net Cash from Investing Activities	(32,205,399)
Change in Cash and Cash Equivalents	5,699,510
Cash and Cash Equivalents - Beginning of Year	27,971,539
Cash and Cash Equivalents - End of Year	$ 33,671,049

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

		Primary Government
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating (Loss)	$	(10,791,738)
Adjustments to Reconcile Operating Loss to Net Cash from Operating Activities:		
Depreciation		17,975,962
(Increase) Decrease in:		
Accounts Receivable - Tenants		(24,830)
Accounts Receivable - HUD		(1,167,821)
Accounts Receivable - Other		3,168,363
Inventories		(16,137)
Prepaid Expenses and Other Assets		(5,266,448)
Deferred Outflow of Resources		(14,280,394)
Increase (Decrease) in:		
Accounts Payable		4,970,459
Accounts Payable - HUD		(73,973)
Accrued Expenses and Other		23,539,439
Security and Other Deposits		(2,860)
Workers' Compensation		(393,291)
Net Pension Liability		15,833,612
Deferred Inflow of Resources		9,349,066
Net Cash from Operating Activities	$	42,819,409

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF NET POSITION-
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2016

	Riverside Park Homes, L.P.	Garden Valley Housing Partnership I, LP	Garden Valley Housing Partnership II, LP	Garden Valley Housing Partnership III, LP
Current Assets				
Cash and cash equivalents - unrestricted	$ 678,718	$ 288	$ 150,560	$ 113,161
Cash - Restricted	742,695	1,179,508	667,613	856,270
Cash - Restricted for Tenant Security Deposits	27,325	17,948	8,950	16,317
Accounts Receivable - HUD	-	-	-	-
Accounts Receivable - Tenants	-	20	-	999
Accounts Receivable - Other	-	16,205	25,022	59,921
Prepaid expenses and other assets	37,717	52,743	5,097	5,653
Total Current Assets	1,486,455	1,266,712	857,242	1,052,321
Noncurrent Assets				
Buildings	15,752,589	17,739,296	11,394,856	17,531,562
Equipment	248,077	190,637	417,064	734,597
Land Improvements	1,619,880	2,842,178	1,779,520	4,039,426
Accumulated depreciation	(4,902,661)	(4,154,419)	(2,894,911)	(4,394,930)
Construction in Progress	129,315	-	-	-
Total Capital Assets	12,847,200	16,617,692	10,696,529	17,910,655
Other Noncurrent Assets	45,154	544,177	383,480	470,680
Total Noncurrent Assets	12,892,354	17,161,869	11,080,009	18,381,335
Total Assets	**$ 14,378,809**	**$ 18,428,581**	**$ 11,937,251**	**$ 19,433,656**
Current Liabilities				
Accounts Payable - Vendors	$ 660,914	$ 87,741	$ 134,030	$ 27,998
Current Portion of Long-Term Debt	150,000	-	-	-
Accrued Interest Payable	4,793	-	-	-
Tenant Security Deposits	27,325	17,948	8,950	16,317
Other Current Liabilities	27,794	24,960	-	15,293
Total Current Liabilities	870,826	130,649	142,980	59,608
Noncurrent Liabilities				
Long-Term Debt, Net of Current Portion	-	15,700,593	10,209,408	15,553,185
Other Long-Term Liabilities	-	1,170,559	404,083	1,460,864
Total Noncurrent Liabilities	-	16,871,152	10,613,491	17,014,049
Total Liabilities	870,826	17,001,801	10,756,471	17,073,657
Net Position				
Net investment in capital assets	12,697,200	917,099	487,121	2,357,470
Restricted Net Position	742,695	1,179,508	667,613	856,270
Unrestricted Net Position	68,088	(669,827)	26,046	(853,741)
Total Net Position	13,507,983	1,426,780	1,180,780	2,359,999
Total Liabilities and Net Position	**$ 14,378,809**	**$ 18,428,581**	**$ 11,937,251**	**$ 19,433,656**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF NET POSITION-
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2016

	Garden Valley Housing Partnership IV, LP	Euclid-Lee Senior, LP	Miles Pointe Elderly LP	Fairfax Intergenerational Housing LP
Current Assets				
Cash and cash equivalents - unrestricted	$ 24,728	$ 386,631	$ 57,536	$ 506,475
Cash - Restricted	6,563,237	41,756	25,578	299,591
Cash - Restricted for Tenant Security Deposits	-	21,244	12,107	800
Accounts Receivable - HUD	-	-	-	-
Accounts Receivable - Tenants	-	594	883	27,164
Accounts Receivable - Other	142	22,362	51,640	-
Prepaid expenses and other assets	1,000	68,600	58,667	67,775
Total Current Assets	6,589,107	541,187	206,411	901,805
Noncurrent Assets				
Buildings	-	17,440,063	8,853,995	9,921,011
Equipment	-	128,808	49,545	47,525
Land Improvements	-	1,582,500	787,108	1,873,177
Accumulated depreciation	-	(2,266,476)	(849,612)	(1,047,959)
Construction in Progress	9,496,633	-	-	-
Total Capital Assets	9,496,633	16,884,895	8,841,036	10,793,754
Other Noncurrent Assets	171,000	78,881	67,083	211,924
Total Noncurrent Assets	9,667,633	16,963,776	8,908,119	11,005,678
Total Assets	**$ 16,256,740**	**$ 17,504,963**	**$ 9,114,530**	**$ 11,907,483**
Current Liabilities				
Accounts Payable - Vendors	$ 1,601,558	$ 373,101	$ 452,789	$ 491,415
Current Portion of Long-Term Debt	13,551,722	-	-	25,394
Accrued Interest Payable	-	-	-	-
Tenant Security Deposits	-	21,244	12,107	800
Other Current Liabilities	-	48,864	-	19,518
Total Current Liabilities	15,153,280	443,209	464,896	537,127
Noncurrent Liabilities				
Long-Term Debt, Net of Current Portion	-	12,300,978	3,000,000	6,461,770
Other Long-Term Liabilities	64,694	1,041,412	102,226	1,377,769
Total Noncurrent Liabilities	64,694	13,342,390	3,102,226	7,839,539
Total Liabilities	15,217,974	13,785,599	3,567,122	8,376,666
Net Position				
Net investment in capital assets	(4,055,089)	4,583,917	5,841,036	4,306,590
Restricted Net Position	6,563,237	41,756	25,578	299,591
Unrestricted Net Position	(1,469,382)	(906,309)	(319,206)	(1,075,364)
Total Net Position	1,038,766	3,719,364	5,547,408	3,530,817
Total Liabilities and Net Position	**$ 16,256,740**	**$ 17,504,963**	**$ 9,114,530**	**$ 11,907,483**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF NET POSITION-
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2016

	Bohn Tower Redevelopment LP	Carver Park Phase I, LP	West Side Riverview LP	TOTAL
Current Assets				
Cash and cash equivalents - unrestricted	$ 13,304,633	$ 408,092	$ 68	$ 15,630,890
Cash - Restricted	545,337	31,220,841	-	42,142,426
Cash - Restricted for Tenant Security Deposits	34,531	34,165	-	173,387
Accounts Receivable - HUD	695,191	-	-	695,191
Accounts Receivable - Tenants	2,712	7,216	-	39,588
Accounts Receivable - Other	-	408,984	-	584,276
Prepaid expenses and other assets	8,312	-	-	305,564
Total Current Assets	14,590,716	32,079,298	68	59,571,322
Noncurrent Assets				
Buildings	-	-	-	98,633,372
Equipment	-	-	-	1,816,253
Land Improvements	-	-	-	14,523,789
Accumulated depreciation	-	-	-	(20,510,968)
Construction in Progress	19,367,344	5,343,824	284,543	34,621,659
Total Capital Assets	19,367,344	5,343,824	284,543	129,084,105
Other Noncurrent Assets	1,800,000	21,010,000	-	24,782,379
Total Noncurrent Assets	21,167,344	26,353,824	284,543	153,866,484
Total Assets	**$ 35,758,060**	**$ 58,433,122**	**$ 284,611**	**$ 213,437,806**
Current Liabilities				
Accounts Payable - Vendors	$ 2,618,904	$ 189,703	$ 134,611	$ 6,772,764
Current Portion of Long-Term Debt	12,792,553	-	-	26,519,669
Accrued Interest Payable	34,242	-	-	39,035
Tenant Security Deposits	34,531	34,165	-	173,387
Other Current Liabilities	53,346	39,174	-	228,949
Total Current Liabilities	15,533,576	263,042	134,611	33,733,804
Noncurrent Liabilities				
Long-Term Debt, Net of Current Portion	14,425,424	53,248,618	150,000	131,049,976
Other Long-Term Liabilities	452,478	782,520	-	6,856,605
Total Noncurrent Liabilities	14,877,902	54,031,138	150,000	137,906,581
Total Liabilities	30,411,478	54,294,180	284,611	171,640,385
Net Position				
Net investment in capital assets	(7,850,633)	(47,904,794)	134,543	(28,485,540)
Restricted Net Position	545,337	31,220,841	-	42,142,426
Unrestricted Net Position	12,651,878	20,822,895	(134,543)	28,140,535
Total Net Position	5,346,582	4,138,942	-	41,797,421
Total Liabilities and Net Position	**$ 35,758,060**	**$ 58,433,122**	**$ 284,611**	**$ 213,437,806**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2016

	Riverside Park Homes, L.P.	Garden Valley Housing Partnership I, LP	Garden Valley Housing Partnership II, LP	Garden Valley Housing Partnership III, LP
Operating Revenue				
Net Tenant Rental Revenue	$ 246,057	$ 105,473	$ 77,545	$ 86,803
Other Tenant Revenue	-	9,403	-	22,291
Other Government Grants	431,659	498,149	279,584	395,614
Other Revenue	-	-	3,708	-
Total Operating Revenue	**677,716**	**613,025**	**360,837**	**504,708**
Operating Expenses				
Administrative	265,257	243,609	200,000	321,378
Utilities	93,427	110,174	50,565	87,916
Ordinary Maintenance and Operations	204,586	174,964	75,950	134,931
Protective Services	54,240	49,675	33,090	42,422
General	38,597	35,053	31,694	30,073
Other	-	-	-	-
Depreciation and Amortization	504,213	651,836	585,897	821,186
Total operating expenses	**1,160,320**	**1,265,311**	**977,196**	**1,437,906**
Operating Income (Loss)	(482,604)	(652,286)	(616,359)	(933,198)
Nonoperating Revenue (Expenses)				
Interest Income - unrestricted	145	983	1,034	1,626
Interest Expense	(4,593)	(34,333)	(1,648)	(78,632)
Special items	-	-	-	-
Total nonoperating revenue (expenses)	(4,448)	(33,350)	(614)	(77,006)
Change in Net Position	(487,052)	(685,636)	(616,973)	(1,010,204)
Beginning Net Position	13,995,035	2,112,416	1,797,753	3,370,203
Prior period adjustment	-	-	-	-
Ending Net Position	**$ 13,507,983**	**$ 1,426,780**	**$ 1,180,780**	**$ 2,359,999**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION- DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2016

	Garden Valley Housing Partnership IV, LP	Euclid-Lee Senior, LP	Miles Pointe Elderly LP	Fairfax Intergenerational Housing LP
Operating Revenue				
Net Tenant Rental Revenue	$ -	$ 174,032	$ 87,801	$ 74,797
Other Tenant Revenue	-	-	-	2,315
Other Government Grants	-	296,088	156,768	353,006
Other Revenue	613,541	368,958	393,719	83,395
Total Operating Revenue	**613,541**	**839,078**	**638,288**	**513,513**
Operating Expenses				
Administrative	1,728	175,312	133,831	218,749
Utilities	-	136,424	53,426	44,426
Ordinary Maintenance and Operations	250	123,944	62,706	81,773
Protective Services	-	3,870	-	17,648
General	6,050	27,214	18,332	22,285
Other	-	-	-	51,989
Depreciation and Amortization	-	575,730	290,265	395,413
Total operating expenses	**8,028**	**1,042,494**	**558,560**	**832,283**
Operating Income (Loss)	605,513	(203,416)	79,728	(318,770)
Nonoperating Revenue (Expenses)				
Interest Income - unrestricted	33,361	388	331	1,410
Interest Expense	(130,194)	(12,301)	(9,067)	(60,707)
Special items	16,752	-	-	-
Total nonoperating revenue (expenses)	(80,081)	(11,913)	(8,736)	(59,297)
Change in Net Position	525,432	(215,329)	70,992	(378,067)
Beginning Net Position	513,334	3,934,693	5,476,416	3,685,890
Prior period adjustment	-	-	-	222,994
Ending Net Position	**$ 1,038,766**	**$ 3,719,364**	**$ 5,547,408**	**$ 3,530,817**

See accompanying Notes to Financial Statements

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION-
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2016

	Bohn Tower Redevelopment LP	Carver Park Phase I, LP	West Side Riverview, LP	TOTAL
Operating Revenue				
Net Tenant Rental Revenue	$ 365,677	$ 47,816	$ -	$ 1,266,001
Other Tenant Revenue	-	3,958	-	37,967
Other Government Grants	1,538,415	554,821	-	4,504,104
Other Revenue	2,266,257	3,885,340	-	7,614,918
Total Operating Revenue	**4,170,349**	**4,491,935**	**-**	**13,422,990**
Operating Expenses				
Administrative	754,054	86,283	-	2,400,201
Utilities	418,118	229,426	-	1,223,902
Ordinary Maintenance and Operations	522,401	47,728	-	1,429,233
Protective Services	-	26,399	-	227,344
General	202,474	7,945	-	419,717
Other	-	-	-	51,989
Depreciation and Amortization	-	-	-	3,824,540
Total operating expenses	**1,897,047**	**397,781**	**-**	**9,576,926**
Operating Income (Loss)	2,273,302	4,094,154	-	3,846,064
Nonoperating Revenue (Expenses)				
Interest Income - unrestricted	46,037	44,786	-	130,101
Interest Expense	(279,834)	-	-	(611,309)
Special items	-	-	-	16,752
Total nonoperating revenue (expenses)	(233,797)	44,786	-	(464,456)
Change in Net Position	2,039,505	4,138,940	-	3,381,608
Beginning Net Position	3,307,077	2	-	38,192,819
Prior period adjustment	-	-	-	222,994
Ending Net Position	**$ 5,346,582**	**$ 4,138,942**	**$ -**	**$ 41,797,421**

See accompanying Notes to Financial Statements

NOTE 1 DEFINITION OF THE ENTITY

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

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

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

Housing Choice Voucher Program and Moderate Rehabilitation Program: Under the Housing Choice Voucher Program, the Authority administers contracts with private landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

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

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

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

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

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

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

Other Grants

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

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

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

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

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

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Other Grants (Continued)

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

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

Blended Component Units

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

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

WRRMC has separate audited financial statements which may be obtained from the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2804.

Discretely Presented Component Units

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

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

The Authority has a controlling minority interest in these real estate limited partnerships as of December 31, 2016. The majority interests are held by third parties unrelated to the Authority. CMHA, or a CMHA affiliate, operates as either General Partner, Special General Partner, Class B Limited Partner or Limited Partner in the limited partnerships. As such, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. The subsidiary of the Authority, Western Reserve Revitalization and Management Company, Inc. (WRRMC) is financially accountable for the limited partnerships as they are fiscally dependent on the Authority according to the terms of the partnership agreements. Additionally, in some cases, WRRMC is legally obligated to fund operating deficits. The Authority also has outstanding loans and net advances to the limited partnerships at December 31, 2016. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

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

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

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

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

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

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

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

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

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

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

Carver Park Phase I, L.P. – The Partnership controls a property consisting of 747 units. The Partnership became a RAD property on October 1, 2016 that received 4% Low-Income Housing Tax Credits (LIHTC) and is projected to receive 221(d)4 FHA financing. The Partnership is 99.90% owned by the limited partners and 0.10% owned by Carver Park Phase I GP, the General Partner. Carver Park Phase I GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Restricted Cash

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

Restricted cash does not fall under the criteria for temporarily or permanently restricted net assets as these funds are held for operational purposes rather than donor imposed restrictions.

Investments

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

Restricted Assets

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

Inter-Program Receivables and Payables

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

Capital Assets

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

Property	15-40 years
Equipment	3-7 years

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Authority accounts for impairments in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Under the provisions of the statement, prominent events or changes in circumstances affecting capital assets are required to be evaluated to determine whether impairment of a capital asset has occurred. Impaired capital assets that will no longer be used should be reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage generally should be measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No impairment losses were recorded during the year ended December 31, 2016.

Accounts Receivable

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

Mortgage Notes Receivable

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

Developer Fees Receivable

Developer fees receivable are stated at the amount management expects to collect on balances outstanding at year end. Developer fees are due based upon terms of the related agreements. Management evaluates collectability based upon several factors, including historical collection experience and review and assessment of the financial condition of the debtor. At December 31, 2016, all amounts were deemed 100% collectible.

Inventory

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

Debt Obligations

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

Debt Amortization Funds

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

Revenue Recognition

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

Debt Issuance Costs and Original Issue Discounts

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

Indirect Costs

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

Use of Estimates

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

Pensions

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting and Control

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

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

Income Taxes

The Authority is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Contributions to the Authority, if any, would qualify as charitable contributions.

Deferred Outflows and Inflows of Resources

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

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

Net Position

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

Net investment in capital assets – this component of net position consists of all capital assets, reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – this component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, laws, regulations, etc.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

The Authority adopted GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ended December 31, 2016. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value, establishing principles for measuring fair value, providing additional fair value application guidance and enhancing disclosure about fair value measurements. The implementation of this statement did not have any impact on the financial statements of the Authority.

The Authority adopted GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, for the year ended December 31, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The implementation of this Statement did not have any impact on the financial statements of the Authority.

NOTE 3 DEPOSITS AND INVESTMENTS - PRIMARY GOVERNMENT

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has a deposit policy that addresses custodial credit risk. At December 31, 2016, the carrying amount of the Authority's deposits was $28,200,700 and the total balance of bank accounts held by the Authority was $28,654,981. Of the bank balance, $1,911,098 is restricted cash held in trust, $4,474,322 was covered by Federal Depository Insurance, and $26,743,883 was collateralized by securities pledged in the name of the Authority or by pooled collateral as permitted by the Ohio Revised Code.

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

Investments

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

NOTE 3 DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT (CONTINUED)

Investments (continued)

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

Investments held by the Authority at December 31, 2016 are presented below, categorized by investment type and credit quality rating. Credit ratings provide information about the investments’ credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All investments mature within one year.

Interest Rate Risk

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

Concentration of Credit Risk

The Authority does not limit the amount of funds that may be on deposit with any one financial institution; however, all deposits exceeding the FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as permitted by the Ohio Revised Code.

Description	Total Fair Value/ Carrying Value	Credit Quality Rating
FDIC Certificates of Deposit	$ 2,115,359	*FDIC*
Money Market Funds	3,354,990	AAA
Total Primary Government Investments	$ 5,470,349	

* Rating offered by Standard & Poor's

A reconciliation of cash and investments as shown on the Statement of Net Position at December 31, 2016 to the deposits and investments included in this note is as follows:

NOTE 3 DEPOSITS AND INVESTMENTS – PRIMARY GOVERNMENT (CONTINUED)

Cash and Cash Equivalents	$	14,394,189
Cash - Restricted		19,276,860
Total	$	33,671,049
Carrying Amount of Deposits	$	28,200,700
Carrying Amount of Investments		5,470,349
Total	$	33,671,049

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2016, all investments were in certificates of deposit and money market funds which are not subject to the fair value measurement requirements.

NOTE 4 RESTRICTED CASH AND INVESTMENTS - PRIMARY GOVERNMENT

At December 31, 2016, the Authority had the following cash and investments, the use of which was restricted under the terms of various grant programs, debt obligations, and other requirements:

Conventional Program:		
Tenant Security Deposits	$	1,239,453
Industrial Commission of Ohio Escrow Fund		3,041,903
FSS Escrow Deposits		43,278
Housing Choice Voucher Restricted HAP:		
Restricted HAP		7,800,901
FSS Escrow Deposits		479,337
Ohio Bond Financing:		
Debt Service Reserve		1,245,114
Capital Fund Revenue Loan A:		
Net Proceeds		10,761
Debt Service Reserve		1,177,087
Capital Fund Revenue Loan B:		
Debt Service Reserve		701,414
Western Reserve Revitalization and Management Company, Inc.:		
Pledge Reserve		503,534
Pledge ACC Reserve		180,149
Pledge Operating Reserve		400,199
Pledge Developer Fee		330,040
Bond Series 2016 General Revenue Refunding		79,142
Ambleside Redevelopment, LLC:		
Tenant Security Deposits		39,291
Repair Escrow		76,070
Replacement Escrow		652,088
Insurance Escrow		45,785
MIP Escrow		12,411
Severance Redevelopment, LLC:		
Tenant Security Deposits		40,716
Repair Escrow		102,606
Replacement Escrow		398,248
Insurance Escrow		6,994
MIP Escrow		4,492
Quarrytown Redevelopment, LLC:		
Tenant Security Deposits		42,619
Repair Escrow		85,822
Replacement Escrow		513,300
Insurance Escrow		10,222
MIP Escrow		3,060
Woody Woods:		
Tenant Security Deposits		10,824
Total	$	19,276,860

NOTE 5 CAPITAL ASSETS

PRIMARY GOVERNMENT	January 1, 2016	Additions	Reclass	Deletions	December 31, 2016
Capital Assets Not Being Depreciated:					
Land	$ 30,630,452	$ -	$ -	$ -	$ 30,630,452
Construction in Progress	11,512,070	5,390,235	(12,324,566)	-	4,577,739
Total Capital Assets Not Being Depreciated	42,142,522	5,390,235	(12,324,566)	-	35,208,191
Capital Assets Being Depreciated:					
Buildings and Improvements	676,529,002	35,524	12,167,729	-	688,732,255
Equipment-Dwelling	18,313,948	807,370	536,262	-	19,657,580
Equipment-Administration	9,851,460	150,294	(432,692)	-	9,569,061
Leasehold Improvements	392,296	-	-	-	392,296
Subtotal Capital Assets Being Depreciated	705,086,706	993,188	12,271,299	-	718,351,192
Accumulated Depreciation:					
Buildings and Improvements	(538,171,288)	(17,148,754)	-	-	(555,320,042)
Equipment-Dwelling	(22,315,443)	(827,208)	53,267	-	(23,089,384)
Equipment-Administration	-	-	-	-	-
Subtotal Accumulated Depreciation	(560,486,731)	(17,975,962)	53,267	-	(578,409,426)
Depreciable Assets, Net	144,599,975	(16,982,774)	12,324,566	-	139,941,766
Total Capital Assets—Net	$ 186,742,497	$ (11,592,540)	$ -	$ -	$ 175,149,957

DISCRETE COMPONENTS	January 1, 2016	Additions	Transfers from Primary Government	Deletions	December 31, 2016
Capital Assets Not Being Depreciated:					
Construction in Progress	$ 8,585,822	$ 26,035,837	$ -	$ -	$ 34,621,659
Total Capital Assets Not Being Depreciated	8,585,822	26,035,837	-	-	34,621,659
Capital Assets Being Depreciated:					
Buildings and Improvements	113,423,322	14,750	-	(14,804,700)	98,633,372
Equipment-Dwelling	1,792,853	23,400	-	-	1,816,253
Equipment-Administration	-	-	-	-	-
Leasehold Improvements	-	14,523,789	-	-	14,523,789
Subtotal Capital Assets Being Depreciated	115,216,175	14,561,939	-	(14,804,700)	114,973,414
Accumulated Depreciation:					
Buildings and Improvements	(15,517,100)	(3,612,002)	-	-	(19,129,102)
Equipment-Dwelling	(1,289,454)	(92,412)	-	-	(1,381,866)
Equipment-Administration	-	-	-	-	-
Subtotal Accumulated Depreciation	(16,806,554)	(3,704,414)	-	-	(20,510,968)
Depreciable Assets, Net	98,409,621	10,857,525	-	(14,804,700)	94,462,446
Total Capital Assets—Net	$ 106,995,443	$ 36,893,362	-	$ (14,804,700)	$ 129,084,105

NOTE 6 NOTES AND MORTGAGES RECEIVABLE - PRIMARY GOVERNMENT

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

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

Allowances - At December 31, 2016, Notes and Mortgages Receivable total $113.4 million and related accrued interest totals $3.1 million. The balance includes amounts for construction loans. An allowance for uncollectible amounts of $12.7 million has been credited against these receivables at December 31, 2016. All notes and mortgages are collateralized by the respective properties. These loans are due at maturity ranging from 40 to 50 years and no facts are currently known that would lead the Authority to believe that default on these loans is probable. The debt may be satisfied through repayment in full or by transfer of property to the Authority.

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

Notes and mortgages receivable at December 31, 2016 consisted of the following:

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

Loaned To	Loaned From	Origination Date	Maturity Date	Original Balance	Interest Rate	12/31/16 Balance
Building Lease between Western Reserve and COCC	COCC	9/18/09	8/31/39	$ 14,368,802	0.000%	$ 11,528,950
Miscellaneous Receivable	COCC	various	various	various	various	5,785
Bohn Tower Redevelopment, LP	Business Activity	2/1/15	2/1/57	2,543,000	7.000%	2,477,970
Cedar I (RAD)	Business Activity	11/24/15	11/24/65	8,512,041	1.000%	2,822,945
Cedar I (RAD)	Business Activity	N/A	N/A	N/A	N/A	320,000
Cedar II (RAD)	Business Activity	2/4/16	2/4/56	4,633,943	2.250%	4,448,729
Heritage View IV	Business Activity	12/21/15	12/21/55	3,870,234	2.750%	3,687,652
Carver Park Phase I	Business Activity	9/8/16	9/7/61	14,010,000	1.900%	14,010,000
Carver Park Phase I	Business Activity	9/8/16	9/7/61	7,000,000	1.900%	7,000,000
Cedar AMP	Cedar I (RAD)	various	various	various	various	1,017,164
Repayment Agreements	Public Housing	various	various	various	various	105,025
Valleyview I (Tremont Point)	Public Housing	12/22/06	12/31/52	7,273,213	0.250%	7,273,213
Valleyview I (Tremont Point)	Public Housing	12/22/06	12/21/46	500,000	4.900%	500,000
Valleyview II (Tremont Point II)	Public Housing	9/17/08	12/31/60	3,350,273	1.750%	3,350,276
Valleyview II (Tremont Point II)	Public Housing	9/7/08	12/31/16	1,500,000	1.750%	1,500,000
Garden Valley Housing Partnership I, LP	Public Housing	11/18/09	4/1/62	11,700,000	0.200%	11,700,000
Garden Valley Housing Partnership I, LP	Public Housing	11/18/09	4/1/62	1,750,593	0.200%	1,750,593
Garden Valley Housing Partnership II, LP	Public Housing	3/17/10	12/31/60	10,209,408	0.000%	10,209,408
Garden Valley Housing Partnership III, LP	Public Housing	9/16/10	1/16/62	14,953,185	0.500%	14,953,185
Euclid Lee Senior, LP	Public Housing	11/4/11	11/5/56	6,059,163	0.100%	5,962,955
Euclid Lee Senior, LP	Public Housing	11/4/11	11/5/56	6,338,023	0.100%	6,338,023
Miles Pointe Elderly, LP	Public Housing	8/16/12	8/16/57	300,000	0.250%	3,000,000
Fairfax International Housing, LP	Multifamily Property Disposition	10/22/12	10/22/62	1,400,000	0.250%	1,400,000
					Total Notes Receivables	115,361,873
					Elimination of Building	(11,528,950)
					Net Loans Receivable - Current	(53,185)
					Net Loans Receivable - Non current	$ 103,779,738

WRRMC loaned funds to various Cleveland Housing Network, Inc. Partnerships. As of December 31, 2016 the notes receivable terms are summarized as follows:

Partnership Name	Original Date of Loan	*Maturity Date	Original Balance of Loan	**Balance at 12/31/2016	Interest Rate
Cleveland New Construction, LP III	12/31/2003	12/31/2019	$ 1,343,000	$ 1,521,787	0.25%
Cleveland New Construction, LP IV	9/4/2007	12/31/2038	1,400,000	1,751,854	2.50%
East Cleveland Homes, LP	3/11/2004	3/11/2024	1,480,000	2,531,352	4.68%
Hough Homes, LP	12/1/2005	12/31/2037	2,327,273	3,737,399	5.25%
Hough Homes II, LP	12/9/2004	12/31/2036	1,492,475	2,383,502	4.68%
Stockyard Homes, LP	12/20/2006	12/31/2038	1,497,636	1,646,133	1.00%
			Total notes receivable, including deferred interest	13,572,027	
			Allowance for notes receivable, including deferred interest	(13,572,027)	
			Notes receivable, net	$ -	

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

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

** Balance includes accrued interest

No principal and interest payments are received on the notes receivable until each note's maturity date. The notes are secured by a mortgage on each CHN's respective Partnership.

Additionally during 2016, $468,802 of interest income was earned and allowed for and included on the consolidated statement of activities.

NOTE 7 DEVELOPER FEES RECEIVABLE - PRIMARY GOVERNMENT

In connection with the development of various mixed finance projects, the Authority has development fees receivable from the discretely presented component units totaling $4.7 million. These receivables are payable based upon the respective partnership agreements and are due to WRRMC.

NOTE 8 INVESTMENT IN JOINT VENTURE - PRIMARY GOVERNMENT

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

Riverside Park Homes, LP	$	10,753,103
Fairfax Intergenerational, LP		658,664
Total Investment in Real Estate Partnerships	$	11,411,767

NOTE 9 ACCRUED EXPENSES - PRIMARY GOVERNMENT

Current accrued expenses at December 31, 2016 consist of the following items:

Payroll and Related Accruals	$	5,695,611
Accrued Compensated Absences		2,057,385
Unearned Revenue		2,831,973
Worker's Compensation - Current Portion		800,000
Other Litigation Reserves		681,500
Interest Payable		967,453
Accrued Utilities		1,611,942
Contract Retentions		687,903
Other		3,000,132
Total	$	18,333,899

NOTE 10 DEBT AND LEASE OBLIGATIONS - PRIMARY GOVERNMENT

First Mortgage Note – Ambleside

On July 1, 2014, the Authority established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of $6,720,000, with an interest rate at 4.50%, maturing August 1, 2049. Principal and interest payments are made monthly. At December 31, 2016, $6,525,449 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 89,827	$ 291,808	$ 381,635
2018	93,953	287,681	381,634
2019	98,269	283,365	381,634
2020	102,784	278,850	381,634
2021	107,506	274,128	381,634
2022-2026	616,308	1,291,863	1,908,171
2027-2031	771,492	1,136,679	1,908,171
2032-2036	965,751	942,421	1,908,171
2037-2041	1,208,922	699,249	1,908,171
2042-2046	1,513,324	394,847	1,908,171
2047-2049	957,312	60,379	1,017,691
Total	$ 6,525,449	$ 5,941,270	$ 12,466,718

First Mortgage Note – Severance

On September 1, 2014, the Authority established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of $5,989,900 with an interest rate of 4.55%, maturing October 1, 2049. Principal and interest payments are made monthly. At December 31, 2016, $5,831,140 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 78,712	$ 263,689	$ 342,401
2018	82,369	260,032	342,401
2019	86,195	256,205	342,400
2020	90,200	252,200	342,400
2021	94,391	248,009	342,400
2022-2026	541,957	1,170,045	1,712,002
2027-2031	680,112	1,031,891	1,712,002
2032-2036	853,484	858,518	1,712,002
2037-2041	1,071,052	640,950	1,712,002
2042-2046	1,344,082	367,921	1,712,002
2047-2049	908,587	61,543	970,130
Total	$ 5,831,140	$ 5,411,003	$ 11,242,143

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

First Mortgage Note – Quarrytown

On September 1, 2014, the Authority established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of $4,080,300 with an interest rate at 4.55%, maturing October 1, 2049. Principal and interest payments are made monthly. At December 31, 2016, $3,972,153 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 53,617	$ 179,624	$ 233,241
2018	56,109	177,133	233,242
2019	58,716	174,526	233,242
2020	61,444	171,798	233,242
2021	64,299	168,943	233,242
2022-2026	369,179	797,031	1,166,210
2027-2031	463,289	702,921	1,166,210
2032-2036	581,389	584,820	1,166,210
2037-2041	729,596	436,614	1,166,210
2042-2046	915,582	250,627	1,166,210
2047-2050	618,932	41,924	660,856
Total	$ 3,972,153	$ 3,685,961	$ 7,658,114

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

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

The Build America Bonds, Series 2009B is a new type of bond created under The American Recovery and Reinvestment Act of 2009. This type of bond is taxable and allows government entities to offer bonds in the market at competitive rates, thereby widening the pool of potential buyers. The Build America Bonds mature as follows: September 1, 2029 - $4,835,000 at 7.88% and September 1, 2039 - $8,020,000 at 8.13%. Under the Build America Program, the Authority will be reimbursed by the Internal Revenue Service 35% of the interest paid, thus lowering the actual interest rate the Authority will pay. At December 31, 2016, $12,855,000 and $1,650,000 in debt remained outstanding.

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

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 530,000	$ 1,090,858	$ 1,620,858
2018	550,000	1,071,293	1,621,293
2019	570,000	1,050,124	1,620,124
2020	-	1,033,024	1,033,024
2021	-	1,002,292	1,002,292
2022-2026	-	4,504,382	4,504,382
2027-2031	4,835,000	3,483,134	8,318,134
2032-2036	-	2,136,158	2,136,158
2037-2040	8,020,000	471,538	8,491,538
Total Payments	14,505,000	15,842,803	30,347,803
Less Amortized Bond Discount	(19,430)	-	(19,430)
Total	$ 14,485,570	$ 15,842,803	$ 30,328,373

General Revenue Refunding Bonds, Series 2016

On March 1, 2016, the Authority issued General Revenue Refunding Bonds, Series 2016 in the amount of $5,900,000. The Authority intends to use the proceeds of the Series 2016 Bonds (1) to defease the outstanding Series 2009A Bonds, (2) to pay the maturing principal of the Series 2013 Bond Anticipation Notes and (3) to fund the Debt Service Reserve Fund established pursuant to the First Supplement for the holders of the Series 2016 Bonds. The bonds will bear interest from March 1, 2016, payable on March 1 and September 1 of each year, beginning September 1, 2016. The interest rate is 1.75%, with a maturity at March 1, 2020. At December 31, 2016, $5,835,000 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 530,000	$ 1,090,858	$ 1,620,858
2018	550,000	1,071,293	1,621,293
2019	570,000	1,050,124	1,620,124
2020	-	1,033,024	1,033,024
Total	$ 1,650,000	$ 4,245,299	$ 5,895,299

Bond Anticipation Note, Series 2013

On February 27, 2013, the Bond Anticipation Note Series 2013 was issued for $3,120,000 which redeemed prior bond anticipation notes. The interest rate was 2.00% annually and was payable each September 1 and March 1. This note matured March 1, 2016, with principal due upon maturity.

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

Ohio Bond Financing – 2007 CFFP

On July 17, 2007, the Authority issued a Capital Fund backed bond with three other housing authorities. The Authority's debt from the bond issuance is $15,315,000 and after providing for a debt service reserve and upfront costs, the Authority will have $14,003,165 to spend on improvements to facilities. The bonds have a 20 year term with interest rates from 3.90% to 4.67%. A bond premium was also received and will be amortized over the life of the bonds on a straight line basis. Payments will be made in April and October starting in October of 2007 and will be made directly from HUD. At December 31, 2016, $10,309,830 in debt and unamortized bond premium remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 700,000	$ 487,250	$ 1,187,250
2018	740,000	451,250	1,191,250
2019	775,000	413,375	1,188,375
2020	820,000	373,500	1,193,500
2021	860,000	331,500	1,191,500
2022-2026	5,030,000	946,750	5,976,750
2027	1,170,000	29,250	1,199,250
Total	10,095,000	3,032,875	13,127,875
Unamortized Bond Premium	214,830	-	214,830
Total	$ 10,309,830	$ 3,032,875	$ 13,342,705

Capital Fund Financing – CFFP 2009

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

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

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

Payments will be made in April and October each year and began in April 2010. The payments will be made directly from HUD. At December 31, 2016, $16,349,100 in debt remained outstanding for these two loans.

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

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

	Principal	Interest	Balance
2017	$ 838,210	$ 1,032,930	$ 1,871,140
2018	892,720	978,413	1,871,133
2019	950,780	920,350	1,871,130
2020	1,012,620	858,511	1,871,131
2021	1,078,490	792,650	1,871,140
2022-2026	6,540,420	2,815,250	9,355,670
2027-2029	5,035,860	577,546	5,613,406
Total	$ 16,349,100	$ 7,975,649	$ 24,324,749

Capital Lease

On October 10, 2006, the Authority entered into an equipment lease-purchase agreement with PNC Bank to acquire equipment under an energy performance contract to upgrade the heating and energy efficiency of several properties. The total amount of the contract is $33,610,000 which was all committed at December 31, 2008. Principal payments commenced April 10, 2008. Interest from inception to April 10, 2007 in the amount of $707,818 was added to principal. At December 31, 2016, $11,046,724 in debt remained outstanding.

Obligations under the agreement are as follows:

	Principal	Interest	Balance
2017	$ 3,241,040	$ 412,375	$ 3,653,415
2018	3,378,989	274,427	3,653,416
2019	3,522,809	130,607	3,653,416
2020	903,886	9,468	913,354
Total	$ 11,046,724	$ 826,877	$ 11,873,601

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

Debt Summary

A summary of the Authority's long-term debt and capital lease in 2016 follows:

	Primary Government				
	January 1, 2016	Increase	Decrease	December 31, 2016	Due Within One Year
Ambleside - Mortgage Note	$ 6,611,331	$ -	$ (85,882)	$ 6,525,449	$ 89,827
Severance - Mortgage Note	5,906,357	-	(75,217)	5,831,140	78,712
Quarrytown - Mortgage Note	4,023,391	-	(51,238)	3,972,153	53,618
Carver Park Phase I Promissory	150,000	-	(150,000)	-	-
General Revenue Bonds	2,160,000	-	(510,000)	1,650,000	595,000
Refunding Revenue Bond Series 2016	-	5,900,000	(65,000)	5,835,000	-
Unamortized Discount - Bond	(26,716)	-	7,286	(19,430)	(7,286)
Build America Bonds	12,855,000	-	-	12,855,000	-
Bond Anticipation Note - 2013	3,120,000	-	(3,120,000)	-	-
Unamortized Bond Premium 2013	3,857	-	(3,857)	-	-
Ohio Bond Financing	10,760,000	-	(665,000)	10,095,000	700,000
Unamortized Bond Prem Ohio Bd	235,789	-	(20,959)	214,830	20,959
Modernization Express Loan A	10,737,670	-	(493,150)	10,244,520	525,230
Modernization Express Loan B	6,398,440	-	(293,860)	6,104,580	312,980
Energy Program - Capital Lease	14,155,448	-	(3,108,724)	11,046,724	3,241,040
Total	$ 77,090,567	$ 5,900,000	$ (8,635,601)	$ 74,354,966	$ 5,610,080

NOTE 11 DEBT AND LEASE OBLIGATIONS – DISCRETE COMPONENT UNITS

Carver Park Phase I, L.P.

On September 1, 2016, the Partnership signed a Leasehold Acquisition Note in the amount of $14,010,000 with the Authority. The maturity date will be September 1, 2061. Interest will accrue and compound at 1.90% annually. At December 1, 2016, the amount of $14,010,000 was outstanding.

On September 1, 2016, the Partnership signed an Authority Funds Note in the amount of $7,000,000 with the Authority. The maturity date will be no later than September 1, 2061. Interest will accrue at 1.90% annually. Interest and principal will be due and payable on the maturity date. At December 1, 2016, the amount of $7,000,000 was outstanding.

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

On September 1, 2016, the Partnership entered into a Leasehold Multifamily Mortgage with Red Mortgage Capital, LLC, in the amount of $13,700,000. The maturity date for this debt is July 1, 2058. At December 31, 2016, the outstanding debt is $1,738,618.

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

Bohn Tower Redevelopment, L.P.

On February 1, 2015, the Partnership entered into a loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed $11,000,000. The maturity date is November 1, 2056. Principal and interest, at 4.40%, are to be paid monthly, however only interest is paid through November 2016 with principal payments beginning December 1, 2016. At December 31, 2016, $9,291,007 in debt remained outstanding. Debt issuance costs were $343,226 at December 31, 2016.

On February 1, 2015, the Partnership entered into an agreement with the Authority to obtain tax-exempt Housing Revenue Bonds, Series 2015, in the amount of $12,700,000. The maturity date is March 1, 2017. The interest rate is 0.70% and interest is payable on March 1 and September 1 of each year. At December 31, 2016, $12,700,000 in debt remained outstanding. Debt issuance costs were $19,264 at December 31, 2016.

On February 1, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of $2,543,000. The maturity date shall be 42 years, or February 1, 2057. Interest accrues at 7.00%. At December 31, 2016, $2,476,970 in debt remained outstanding.

On February 1, 2015, the Partnership signed a promissory note with the Authority in the amount of $1,800,000 to lease the land and building. The maturity date is January 31, 2047. Interest on the unpaid balance will accrue at the rate of 3.00%. At December 31, 2016, $1,800,000 in debt remained outstanding.

On February 26, 2015, the Partnership entered into a bridge loan agreement, not to exceed $1,000,000, with Enterprise Community Loan Fund, Inc. to be used for the acquisition and rehabilitation of 267 affordable rental housing units. The entire principal balance of this Note, together with all accrued and unpaid interest shall be payable in full on the earlier to occur of: (a) the date of the capital contribution to be made at the time of Loan Conversion, or (b) the last calendar day of the 20-month anniversary of the date of this Note (the Maturity Date). At December 31, 2016, $950,000 in debt remained outstanding.

Euclid-Lee Senior, L.P.

On November 4, 2011, the Partnership entered into a loan Agreement with the Authority in the amount not to exceed $6,059,163. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2016, $5,962,955 and $28,419 in debt and accrued interest payable, respectively, remained outstanding.

On November 4, 2011, the Partnership entered into a promissory note with the Authority in the amount not to exceed $6,338,348. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2016, $6,338,023 and $28,004 in debt and accrued interest payable, respectively, remained outstanding.

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

Fairfax Intergenerational Housing, L.P.

On October 22, 2012, the Partnership entered into a loan agreement with the Authority in the amount of $1,400,000. The loan is secured by a mortgage on the rental property and is due fifty years after construction of the Project has been completed and a final occupancy certificate has been issued. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date. At December 31, 2016, $1,400,000 and $14,681 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a promissory note with Fairfax Renaissance Development Corporation (FRDC), an affiliate of the General Partner, in the amount of $998,000. The loan is secured by the rental property and bears interest at the rate of 0.25% per annum. No principal or interest payments are required until its maturity date of June 30, 2059. At December 31, 2016, $998,000 and $10,296 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a Home Investment Partnership loan agreement with the City of Cleveland in the amount of $3,202,000. The loan is secured and interest accrues at a rate of 0.25%. The term of the loan will be 45 years and the loan term will begin on the date when all construction work has been performed in compliance with the obligations of the Agreement. No principal or interest payments are required until its maturity date. At December 31, 2016, $3,202,000 was outstanding. Interest deferred as of December 31, 2016, was $25,505.

On October 23, 2012, the Partnership entered into a Construction Loan Agreement with PNC Bank in an amount not to exceed $1,000,000, with the option to convert the loan into a permanent loan not to exceed $1,000,000. Prior to the Conversion Date the loan bears interest at an annual rate equal to the sum of Daily LIBOR plus 2.50%. Interest only shall be due and payable monthly. Post conversion, amounts outstanding will bear interest at a fixed rate equal to 3.95%. At December 31, 2016, $887,164 was outstanding. Interest incurred and expensed during 2016 was $42,309. Debt issuance costs were $43,242 at December 31, 2016.

Garden Valley Housing Partnership I, L.P.

On November 18, 2009, the Partnership entered into a loan agreement with the Authority in the amount of $11,700,000. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2016, $11,700,000 and $140,400 in debt and accrued interest payable, respectively, remained outstanding. Debt issuance costs were $78,922 at December 31, 2016.

On November 18, 2009, the Partnership entered into a promissory note with the Authority in the amount of $1,750,593. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2016, $1,750,593 and $21,006 in debt and accrued interest payable, respectively, remained outstanding.

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

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

On September 23, 2009, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of $2,250,000. The loan is secured and interest accrues at a rate of 0.25%. No principal or interest payments are required until its maturity date of December 31, 2060. At December 31, 2016, $2,250,000 and $32,765 in debt and accrued interest payable, respectively, remained outstanding.

Garden Valley Housing Partnership II, L.P.

On March 17, 2010, the Partnership entered into a loan agreement with the Authority in the amount of $10,209,408. The loan is secured by a second mortgage on the rental property and is due on its maturity date of December 31, 2060. The loan is non-interest bearing and no principal payments are required until its maturity date. At December 31, 2016, $10,209,408 in debt remained outstanding. Debt issuance costs were $73,145 at December 31, 2016.

Garden Valley Housing Partnership III, L.P.

On September 16, 2010, the Partnership entered into a Capital Competitive Recovery Act Fund Loan Agreement with the Authority in the amount of $14,953,185. The loan is secured by a mortgage on the rental property and is due fifty years after the first day of the month following construction completion, or January 2062. Interest accrues at a rate of 0.50% per annum. No principal or interest payments are required until its maturity date. At December 31, 2016, $14,953,185 and $375,510 in debt and accrued interest payable, respectively, remained outstanding. Debt issuance costs were $173,304 at December 31, 2016.

On September 16, 2010, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of $600,000. The loan is secured by the rental property and is non-interest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 10% per annum. No principal or interest payments are required until its maturity date of December 31, 2061. At December 31, 2016, $600,000 in debt remained outstanding.

Garden Valley Housing Partnership IV, L.P.

On December 1, 2015, CMHA issued Housing Revenue Bonds, Series 2015, in the amount of $6,550,000. The Authority will loan the proceeds to the Partnership to assist in the financing of the project. The maturity date is June 1, 2017. The interest rate is 1.0% and interest is payable on June 1 and December 1 of each year. At December 31, 2016, $6,550,000 in debt remained outstanding.

On December 21, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority, in the amount not to exceed $3,870,234. The funds will be used for the development of Heritage View Homes IV, which includes 60 units of housing, all of which will be Rental Assistance Demonstration Project-Based units (RAD). Interest will accrue at 2.75%. Principal and interest will be payable at maturity. At December 31, 2016, $3,870,234 in debt remained outstanding.

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

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

On December 21, 2015, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of $600,000. The loan is secured by the rental property and is non-interest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 2% per annum. No principal or interest payments are required until its maturity date of May 1, 2057. At December 31, 2016, $113,580 in debt remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Agency in the amount of $1,500,000. The interest rate is 0.0% and payments are due every 30 months beginning June 1, 2017. At December 31, 2016, $1,500,000 in debt remained outstanding.

On December 22, 2015, the Partnership entered into a loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed $2,509,900. The maturity date is March 1, 2057. Principal and interest, at 4.0%, are to be paid monthly, however only interest is paid through March 1, 2017 with principal payments beginning April 1, 2017. At December 31, 2016, $1,517,908 in debt remained outstanding.

Miles Pointe Elderly, L.P.

On August 16, 2012, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of $3,000,000. The loan is secured by a mortgage on the rental property and is due in forty-five years. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of August 16, 2057. At December 31, 2016, $3,000,000 and $22,126 in debt and accrued interest payable, respectively, remained outstanding. Debt issuance costs were $18,734 at December 31, 2016.

Riverside Park Homes, L.P.

On November 19, 2015, the Partnership entered into a promissory note with Ohio Capital Finance Corporation PNC Affordable Housing Loan Fund, LLC, in the amount of $150,000. The loan proceeds will be used to pay for predevelopment costs related to a new phase of the Property. The loan is guaranteed by an affiliate of the General Partner. The loan bears interest at a rate equal to the greater of: (a) Prime Rate (3.75% as of December 31, 2016) minus 0.5%, or (b) 3%, per annum. The entire balance of principal and interest is due upon the earlier of: (a) the closing of the Property's financing for the construction or rehabilitation of any improvements on the land, or (b) receipt of proceeds of the first installment of capital contributions made to the Property upon closing of a new re-syndication phase, which is expected to occur during 2017. At December 31, 2016, $150,000 and $4,593 in debt and accrued interest payable, respectively, remained outstanding.

West Side Riverview, L.P.

On February 10, 2016, the Partnership entered into a promissory note with Ohio Capital Finance Corporation PNC Affordable Housing Loan Fund, LLC, in the amount of $150,000. The loan bears interest at a rate equal to the greater of: (a) Prime Rate (3.50% as of December 31, 2015) minus 0.5%, or (b) 3%, per annum. The entire balance of principal and interest is due upon the earlier of: (a) the closing of the Property's financing for the

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

West Side Riverview, L.P. (continued)

construction or rehabilitation of any improvements on the land, or (b) receipt of proceeds of the first installment of capital contributions made to the Property upon closing of the new phase. At December 31, 2016, $150,000 was outstanding.

Debt Summary

A summary of the discrete component unit long-term debt in 2016 follows:

	Discretely Presented Component Units				
	January 1, 2016	Increase	Decrease	December 31, 2016	Due Within One Year
Bohn Tower Mortgage/Bonds	$ 27,977,970	$ -	$ (759,993)	$ 27,217,977	$ 12,792,553
Carver Park Mortgage/Bonds	-	53,248,618	-	53,248,618	-
Euclid-Lee Mortgages	12,300,978	-	-	12,300,978	-
Fairfax Mortgage/Construction	6,513,509	5,314	(31,659)	6,487,164	25,394
Garden Valley I Mortgages	15,700,593	-	-	15,700,593	-
Garden Valley II Mortgages	10,209,408	-	-	10,209,408	-
Garden Valley III Mortgages	15,553,185	-	-	15,553,185	-
Garden Valley IV Bonds/ Mortgage/ Construction	171,000	13,380,722	-	13,551,722	13,551,722
Miles Pointe Mortgage	3,000,000	-	-	3,000,000	-
Riverside Park Promissory	150,000	-	-	150,000	150,000
West Side Riverview Promissory	-	150,000	-	150,000	-
Total	$ 91,576,643	$ 66,784,654	$ (791,652)	$ 157,569,645	$ 26,519,669

Other Lease Obligations

The Authority leases 66 document imaging production scanners on an operating lease.

Future minimum lease payments are as follows:

2017	$ 120,000
2018	120,000
Total	$ 240,000

NOTE 11 LONG-TERM OBLIGATIONS

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

	Primary Government				
	January 1, 2016	Increase	Decrease	December 31, 2016	Due Within One Year
Long-Term Debt Obligations	$ 77,090,567	$ 5,835,000	$ (8,570,601)	$ 74,354,966	$ 5,610,080
Net Pension Liability - OPERS	37,602,497	15,833,612	-	53,436,109	-
Workers' Compensation Liability	2,463,458	-	(393,291)	2,070,167	800,000
Compensated Absences	4,135,205	-	(816,446)	3,318,759	2,057,385
Other Non-Current Liabilities	366,128	21,140,987	-	21,507,115	-
Total	$ 121,657,855	$ 42,809,599	$ (9,780,338)	$ 154,687,116	$ 8,467,465

	Discretely Presented Component Units				
	January 1, 2016	Increase	Decrease	December 31, 2016	Due Within One Year
Long-Term Debt Obligations	$ 98,876,480	$ 58,719,510	$ (26,345)	$ 157,569,645	$ 26,519,669
Other Non-Current Liabilities	5,396,576	3,946,427	(247,595)	9,095,408	2,238,803
Total	$ 104,273,056	$ 62,665,937	$ (273,940)	$ 166,665,053	$ 28,758,472

NOTE 12 CONDUIT DEBT OBLIGATION

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

CMHA entered into a loan agreement dated November 25, 2015 with Dollar Bank, Federal Savings Bank in the amount of $9,500,000 (Authority Note).

CMHA then issued a $9,500,000 Housing Revenue Note, Series 2015 to Dollar Bank, Federal Savings Bank to cover the Authority Note and provide funds for Dollar Bank, Federal Savings Bank to loan to Cedar Redevelopment Phase I, LP. Dollar Bank, Federal Savings Bank issued a $9,500,000 line of credit to Cedar Redevelopment Phase I, LP to provide funds to Cedar Redevelopment Phase I, LP. These funds will be repaid directly to Dollar Bank, Federal Savings Bank upon receipt of mortgage funds.

On 11/24/15, CMHA entered into an open-end mortgage note with Cedar Redevelopment Phase I, LP in the amount of $8,512,041. Upon receipt of these funds, the Line of Credit with Dollar Bank, Federal Savings will be repaid and CMHA will hold the mortgage note bearing interest at 1.25% per year with no principal payments due until maturity in fifty years. As of December 31, 2016, $6,739,423 related to the open-end mortgage notes have been provided from CMHA to Cedar Redevelopment Phase I, LP.

NOTE 12 CONDUIT DEBT OBLIGATION (CONTINUED)

CMHA acts as a conduit with regards to the bond proceeds and is in substance lending the bond proceeds to Cedar Phase I, LP and CMHA's obligation is payable solely from payments on the borrower note making it a limited obligation and therefore not reported on CMHA's balance sheet.

On February 3, 2016 a resolution by the Board of Commissioners authorized the issuance and sale of CMHA's self-supporting housing revenue bonds in an amount not to exceed $20,000,000 for Carver Park Phase I, LP, to acquire, renovate and operate the first phase of the existing Carver Park Complex, consisting of 279 units of affordable housing. Also authorized was the execution and delivery of a trust indenture, a bond purchase agreement, a loan agreement, a regulatory agreement and certain other documents in connection with the issuance of the bonds.

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS

Net Pension Liability

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

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

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

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

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

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

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

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

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2015 Actual Contribution Rates	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	2.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $5,309,004 for 2016.

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

The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans, due to insignificance of the amounts that related to the Combined Plan. The Authority reported a net pension liability of $53,436,109 as its proportionate share. The Authority's proportion was 0.308500% for the Traditional Plan and 0.42776% for the Combined Plan. The Authority recognized $2,270,758 in pension expense.

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

The following amounts are reported as deferred outflows and inflows of resources at December 31, 2016.

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows/ (Inflows) of Resources
Authority contributions subsequent to measurement date	$ 5,309,004	$ -	$ 5,309,004
Net difference between projected and actual investment earnings *(1)*	15,797,869	-	15,797,869
Change in Proportionate Share		(386,295)	(386,295)
Differences between expected and actual experience *(1)*	-	(1,127,393)	(1,127,393)
	$ 21,106,873	$ (1,513,688)	$ 19,593,185

(1) - Information provided by OPERS

$5,309,004 reported as deferred outflows of resources relate to pension resulting from the 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 and deferred inflows related to pension will be recognized in pension expense as follows:

	Deferred Outflows	Deferred (Inflows)	Pension Expense
Year Ended December 31:			
2017	$ 4,080,801	$ (803,605)	$ 3,277,196
2018	4,080,801	(548,785)	3,532,016
2019	4,061,216	(94,372)	3,966,844
2020	3,575,051	(13,358)	3,561,693
2021	-	(13,358)	(13,358)
Thereafter	-	(40,210)	(40,210)
	$ 15,797,869	$ (1,513,688)	$ 14,284,181

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Actuarial Assumptions

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

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

	Traditional Plan	Combined Plan
Investment rate of return	8.00%	8.00%
Wage inflation	3.75%	3.75%
Projected salary increases	4.25% - 10.05%	4.25% - 8.05%
	(includes wage inflation at 3.75%)	(includes wage inflation at 3.75%)
Cost-of-living adjustments:	Pre 1/1/13 retirees: 3% Simple	Pre 1/1/13 retirees: 3% Simple
	Post 1/1/13 retirees: 3% Simple	Post 1/1/13 retirees: 3% Simple
	through 2018, then 2.80% Simple	through 2018, then 2.80% Simple

Source: OPERS 2015 CAFR

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

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

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

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2015.

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

Source: OPERS 2015 CAFR

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

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

NOTE 13 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

		1% Increase (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Plan	Authority's proportionate Share of the net pension liability	$85,136,774	$53,436,109	$26,697,599
Combined Plan	Authority's proportionate Share of the net pension asset	4,278	208,159	372,155

Source: OPERS 2015 CAFR multiplied by Authority's proportionate share

NOTE 14 POST-EMPLOYMENT BENEFITS

Plan Description

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

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

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

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

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

Funding Policy

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

NOTE 14 POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy (Continued)

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

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%. The portion of actual Authority contributions for the years ended December 31, 2016, 2015, and 2014, which were used by OPERS to fund post-employment benefits were $799,502, $688,735, and $811,230, respectively.

NOTE 15 INSURANCE COVERAGE AND RISK RETENTION

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

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

The Authority is a member of HARRG, which is a risk retention group operated as a joint venture by its more than 1,000 public housing authority members. Through HARRG, the

NOTE 15 INSURANCE COVERAGE AND RISK RETENTION (CONTINUED)

Authority carries $5,000,000 of general liability coverage, with a $25,000 deductible, and $2,000,000 of public officials' liability coverage, with a $25,000 deductible.

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

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

<u>Workers' Compensation Benefits</u>—The Authority is self-insured for workers' compensation benefits provided to its employees. An excess liability policy provides coverage for individual claims that are greater than $500,000 per individual occurrence with a $10,000,000 limit in the aggregate. The Authority has recorded a $2,070,167 liability for self-insured workers' compensation claims in its Conventional Program and is fully funded at December 31, 2016.

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

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

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

The Authority strictly adheres to a Risk Control Work Plan policy that incorporates nine standards for risk management. The policy, passed by resolution of the Board of Commissioners and supported by HARRG, seeks to implement risk management activities that include the assignment of a full time risk control administrator, establishment of an active risk control committee, together with a formal self- inspection and preventive maintenance program. Other standards include conducting on-site risk control training and education, the development of emergency action plans and property conservation programs, and the establishment of an accident and incident investigation program. During 2016, there were no significant reductions in the Authority's insurance coverage.

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

NOTE 16 CONTINGENCIES

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

NOTE 17 CONSTRUCTION COMMITMENTS - PRIMARY GOVERNMENT

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

Project Type		
Elevator	$	2,908,962
HVAC		442,600
Roofing		2,934,576
Total Construction Commitments	$	6,286,138

NOTE 18 RESTRICTED NET POSITION - PRIMARY GOVERNMENT

Below is a summary of restricted net position at December 31, 2016:

HCV Program Unspent HAP Funding	$	264,931
Other		3,053,259
Restricted funds held by third party		3,123,615
Nonroutine maintenance and debt service reserves		3,404,163
Total Restricted Net Position at December 31, 2016	$	9,845,968

NOTE 19 PRIOR PERIOD ADJUSTMENT – DISCRETELY PRESENTED COMPONENT UNITS

Fairfax Intergenerational Housing, L.P. financial statements have been restated due to the correction of an error related to the treatment of certain costs during the Property's construction period. The financial statements of 2015 have been retroactively restated as a result of the error as follows:

Capitalization of bond issuance costs previously expensed	$	213,633
Reduction of depreciation and amortization expense		9,361
Prior Period Adjustment	$	222,994

Financial Data Schedule - Discretely Presented Component Units

An adjustment was made to financial data schedule line 11040 for $335,592 to properly agree the Discretely Presented Component unit column to the audited financial statements.

Beginning Net Position Per January 1, 2016 per REAC	$	37,857,227
Adjustment to agree REAC FDS to Limited Partnership Audits		335,592
Adjusted Beginning Net Position per January 1, 2016 per REAC		38,192,819
Fairfax Intergerational Housing L.P.		222,994
Restated Beginning Net Position January 1, 2016 per REAC	$	38,415,813

NOTE 20 CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

	Western Reserve Revitalization and Management Company, Inc.						
	Western Reserve Revitalization and Management Company, Inc.	Severance Redevelopment LLC	Ambleside Redevelopment LLC	Quarrytown Redevelopment LLC	Eliminations	Primary Government	Total
Balance Sheet							
Current Assets	$ 3,904,264	$ 818,514	$ 1,070,277	$ 690,460	$ (732,744)	$ 34,736,281	$ 40,487,052
Capital Assets	13,156,474	5,831,138	3,936,035	4,848,981	-	147,377,329	175,149,957
Other Assets	16,875,588	-	-	-	(11,020,320)	137,723,023	143,578,291
Total Assets	$ 33,936,326	$ 6,649,652	$ 5,006,312	$ 5,539,441	$ (11,753,064)	$ 319,836,633	$ 359,215,300
Current Liabilities	(578,309)	(211,248)	(606,817)	(438,760)	732,744	(31,715,018)	(32,817,408)
Non-Current Liabilities	(11,020,320)	(5,509,708)	(6,169,243)	(4,474,583)	11,020,320	(140,122,715)	(156,276,249)
Net Position	(22,337,697)	(928,696)	1,769,748	(626,098)	-	(147,998,900)	(170,121,643)
Total Liabilities & Net Position	$ (33,936,326)	$ (6,649,652)	$ (5,006,312)	$ (5,539,441)	$ 11,753,064	$ (319,836,633)	$ (359,215,300)
Revenue Expenses and Change in Equity							
Total Revenue	$ 2,343,230	$ 1,877,385	$ 1,994,095	$ 1,435,024	$ (24,101,812)	$ 234,313,183	$ 217,861,105
Total Expenses	930,379	1,623,082	2,095,946	1,579,557	(24,101,812)	241,974,615	224,101,767
Net Income (Loss)	1,412,851	254,303	(101,851)	(144,533)	-	(7,661,432)	(6,240,662)
Beginning Net Position	20,924,846	674,393	(1,667,897)	770,631	-	155,660,332	176,362,305
Ending Net Position	$ 22,337,697	$ 928,696	$ (1,769,748)	$ 626,098	$ -	$ 147,998,900	$ 170,121,643
Cash Flows							
Net Cash Provided (Used) By							
Operating Activities	$ (159,860)	$ 249,503	$ (240,135)	$ 150,492	$ -	$ 42,819,409	$ 42,819,409
Investing Activities	395,680	1,602	(457,128)	59,846	-	(32,205,399)	(32,205,399)
Financing Activities	674,857	(353,764)	(110,902)	(210,191)	-	(4,914,500)	(4,914,500)
Net Increase (Decrease) in Cash	910,677	(102,659)	(808,165)	147	-	5,699,510	5,699,510
Cash and Cash Equivalents - Beginning of Year	(992,965)	107,673	885,239	53	-	27,971,539	27,971,539
Cash and Cash Equivalents - End of Year	$ (82,288)	$ 5,014	$ 77,074	$ 200	$ -	$ 33,671,049	$ 33,671,049

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

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

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

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

(2) Information prior to 2013 is not available.

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

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

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

Source: Authority's financial records.

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

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

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
DECEMBER 31, 2016

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers
	CURRENT ASSETS								
	Cash:								
111	Unrestricted	$ 7,540,088	$ 65,272	$ -	$ 26,702	$ -	$ 3,124,954	$ -	$ 65,357
112	Restricted - modernization and development	3,123,615	-	-	-	-	-	-	-
113	Other restricted	54,039	-	-	-	-	8,280,238	-	-
114	Tenant security deposits	1,239,453	-	10,824	-	-	-	-	-
115	Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100	Total cash	11,957,195	65,272	10,824	26,702	-	11,405,192	-	65,357
	Accounts and notes receivable:								
122	HUD other projects	1,964,301	-	-	-	65,296	78,512	-	-
124	Other government	-	-	-	31,478	-	-	-	-
125	Miscellaneous	94,739	-	-	-	-	348,890	-	-
126	Tenants	527,038	-	6,521	-	-	-	-	-
126.1	Allowance for doubtful accounts - tenants	(195,439)	-	(86)	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	51,588	-	644	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	267,923	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	(230,397)	-	-
129	Accrued interest receivable	44,683	-	-	-	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	2,486,910	-	7,079	31,478	65,296	464,928	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	165,420	-	77	-	-	1,857	-	-
143	Inventories	9,642	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-
144	Inter-program - due from	580,475	-	-	-	-	-	-	-
150	Total current assets	15,199,642	65,272	17,980	58,180	65,296	11,871,977	-	65,357
	NONCURRENT ASSETS								
	Fixed assets:								
161	Land	22,198,895	-	-	-	-	-	-	-
162	Buildings	625,080,785	-	628,787	-	-	-	-	-
163	Furniture, equipment & mach - dwellings	18,282,404	-	21,875	-	-	-	-	-
164	Furniture, equipment & mach - admin.	16,259	-	-	-	-	1,487,130	-	-
165	Leasehold Improvements	392,296	-	-	-	-	-	-	-
166	Accumulated depreciation	(552,896,368)	-	(563,208)	-	-	(1,380,354)	-	-
167	Construction in progress	4,533,050	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	117,607,321	-	87,454	-	-	106,776	-	-
171	Notes, loans and mortgages receivable -noncurrent	67,606,656	-	1,400,000	-	-	-	-	-
174	Other assets	85,277	-	36	-	-	18,787	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-
180	Total noncurrent assets	185,299,254	-	1,487,490	-	-	125,563	-	-
200	Deferred Outflow of Resources	8,718,546	-	4,348	-	-	1,895,702	-	-
290	**TOTAL ASSETS and Deferred Outflow of Resources**	$ 209,217,442	$ 65,272	$ 1,509,818	$ 58,180	$ 65,296	$ 13,893,242	$ -	$ 65,357

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
DECEMBER 31, 2016

Line Item#	Accounts Description	Blended Component Unit	HOPE VI	Sect 8 NC/SR Programs	Supportive Housing	2 State/Local	Business Activities	S8MR	COCC	Elimination	Primary Government	Discretely Presented Component Unit
	CURRENT ASSETS											
	Cash:											
111	Unrestricted	$ 826,463	$ 118,658	$ -	$ -	$ 215,036	$ 2,341,459	$ 68,504	$ 1,696	$ -	$ 14,394,189	$ 15,630,890
112	Restricted - modernization and development	-	-	-	-	-	-	-	-	-	3,123,615	-
113	Other restricted	3,404,163	-	-	-	-	-	-	3,041,903	-	14,780,343	42,142,426
114	Tenant security deposits	122,625	-	-	-	-	-	-	-	-	1,372,902	173,387
115	Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
100	Total cash	4,353,251	118,658	-	-	215,036	2,341,459	68,504	3,043,599	-	33,671,049	57,946,703
	Accounts and notes receivable:											
122	HUD other projects	253,588	-	-	-	16,275	-	20,902	-	-	2,398,874	695,191
124	Other government	-	-	-	-	135,798	-	-	-	-	167,276	-
125	Miscellaneous	1,555,255	-	-	-	-	-	-	201,128	-	2,200,012	584,276
126	Tenants	15,742	-	-	-	-	-	-	-	-	549,301	39,588
126.1	Allowance for doubtful accounts - tenants	(5,976)	-	-	-	-	-	-	-	-	(201,501)	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable - current	953	-	-	-	-	-	-	508,630	(508,630)	53,185	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	267,923	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	(230,397)	-
129	Accrued interest receivable	-	-	-	-	-	405,215	-	1,582	-	451,480	-
120	Total receivables, net of allowances for uncollectibles	1,819,562	-	-	-	152,073	405,215	20,902	711,340	(508,630)	5,656,153	1,319,055
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	86,588	-	-	-	-	-	-	709,088	-	963,030	305,564
143	Inventories	-	-	-	-	-	-	-	187,178	-	196,820	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	224,114	-	-	-	-	601,829	-	4,024,822	(5,431,240)	-	-
150	Total current assets	6,483,515	118,658	-	-	367,109	3,348,503	89,406	8,676,027	(5,939,870)	40,487,052	59,571,322
	NONCURRENT ASSETS											
	Fixed assets:											
161	Land	-	-	620,597	-	-	2,900,907	-	4,910,053	-	30,630,452	-
162	Buildings	39,395,167	-	-	-	-	20,400,093	-	3,227,423	-	688,732,255	98,633,372
163	Furniture, equipment & mach - dwellings	1,353,301	-	-	-	-	-	-	-	-	19,657,580	1,816,253
164	Furniture, equipment & mach - admin.	-	-	-	-	-	329,998	-	7,735,674	-	9,569,061	-
165	Leasehold Improvement	-	-	-	-	-	-	-	-	-	392,296	14,523,789
166	Accumulated depreciation	(13,009,357)	-	-	-	-	(310,184)	-	(10,249,955)	-	(578,409,426)	(20,510,968)
167	Construction in progress	33,518	-	-	-	-	-	-	11,171	-	4,577,739	34,621,659
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	27,772,629	-	620,597	-	-	23,320,814	-	5,634,366	-	175,149,957	129,084,105
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	34,767,297	-	11,026,105	(11,020,320)	103,779,738	-
174	Other assets	5,463,820	-	-	-	-	-	-	1,711,993	-	7,279,913	24,782,379
176	Investments in Joint Ventures	11,411,767	-	-	-	-	-	-	-	-	11,411,767	-
180	Total noncurrent assets	44,648,216	-	620,597	-	-	58,088,111	-	18,372,464	(11,020,320)	297,621,375	153,866,484
200	Deferred Outflow of Resources	-	-	-	-	-	-	-	10,488,277	-	21,106,873	-
290	**TOTAL ASSETS and Deferred Outflow of Resources**	$ 51,131,731	$ 118,658	$ 620,597	$ -	$ 367,109	$ 61,436,614	$ 89,406	$ 37,536,768	$ (16,960,190)	$ 359,215,300	$ 213,437,806

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
DECEMBER 31, 2016

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers
	CURRENT LIABILITIES								
312	Accounts payable <= 90 days	$ 5,673,736	$ 36,047	$ 15,764	$ 688	$ 4,765	$ 199,807	$ -	$ 596
321	Accrued wage/payroll taxes payable	2,391,740	19,224	843	41,168	18,041	534,701	-	-
322	Accrued compensated absences - current	702,784	2,740	-	814	5,001	167,135	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-
325	Accrued interest payable	492,166	-	-	-	-	-	-	-
331	Accounts payable - HUD	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-
341	Tenant security deposits	1,239,453	-	10,824	-	-	-	-	-
342	Unearned revenues	1,601,802	4,992	13	-	-	-	-	64,761
343	Current portion of LT debt - capital projects	4,274,979	-	-	-	-	-	-	-
344	Current portion of LT debt- Operating	525,230	-	-	-	-	-	-	-
345	Other current liabilities	1,556,854	-	3,808	-	-	-	-	-
346	Other liabilities	2,337,080	-	5,473	-	-	119,142	-	-
347	Interprogram - due to	4,758,226	-	333,125	3,286	33,170	254,635	2,331	-
310	Total current liabilities	25,554,050	63,003	369,850	45,956	60,977	1,275,420	2,331	65,357
	NONCURRENT LIABILITIES								
351	Long-term debt, net of current - capital projects/mortgage revenue	23,186,154	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	9,719,290	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	42,683	-	-	-	-	424,378	-	-
354	Accrued compensated absences - noncurrent	528,103	2,269	-	12,224	4,319	70,270	-	-
357	Accrued Pension and OPEB Liabilities	22,239,881	-	13,070	-	-	4,762,198	-	-
350	Total noncurrent liabilities	55,716,111	2,269	13,070	12,224	4,319	5,256,846	-	-
300	Total liabilities	81,270,161	65,272	382,920	58,180	65,296	6,532,266	2,331	65,357
400	Deferred Inflow of Resources	626,680	-	333	-	-	8,678,384	-	-
	Total Liabilities & Deferred Inflow of Resources	81,896,841	65,272	383,253	58,180	65,296	15,210,650	2,331	65,357
	NET POSITION								
508.4	Net investment in capital assets	90,146,188	-	87,454	-	-	106,776	-	-
511.4	Restricted net position	3,134,971	-	-	-	-	264,931	-	-
512.4	Unrestricted net position	34,039,442	-	1,039,111	-	-	(1,689,115)	(2,331)	-
513	Total net position	127,320,601	-	1,126,565	-	-	(1,317,408)	(2,331)	-
600	**TOTAL LIABILITIES AND NET POSITION**	$ 209,217,442	$ 65,272	$ 1,509,818	$ 58,180	$ 65,296	$ 13,893,242	$ -	$ 65,357

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
DECEMBER 31, 2016

Line Item#	Accounts Description	Blended Component Unit	HOPE VI	Sect 8 NC/SR Programs	Supportive Housing	2 State/Local	Business Activities	S8MR	COCC	Elimination	Primary Government	Discretely Presented Component Unit
	CURRENT LIABILITIES											
312	Accounts payable <= 90 days	$ 361,341	$ -	$ -	$ -	$ 18,754	$ 11,271	$ 229	$ 1,134,985	$ -	$ 7,457,983	$ 6,772,764
321	Accrued wage/payroll taxes payable	118,186	-	-	-	26,811	-	-	2,544,897	-	5,695,611	-
322	Accrued compensated absences - current	46,148	-	-	-	7,522	-	-	1,125,241	-	2,057,385	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	76,029	-	-	-	-	-	-	399,258	-	967,453	39,035
331	Accounts payable - HUD	-	-	-	-	-	-	42,545	-	-	42,545	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	122,625	-	-	-	-	-	-	-	-	1,372,902	173,387
342	Unearned revenues	3,850	126,130	-	-	281,316	391,596	-	357,513	-	2,831,973	-
343	Current portion of LT debt - capital projects	222,157	-	-	-	-	-	-	-	-	4,497,136	26,519,669
344	Current portion of LT debt - operating	508,630	-	-	-	-	-	-	587,714	(508,630)	1,112,944	-
345	Other current liabilities	234,685	-	-	-	-	-	-	443,456	-	2,238,803	-
346	Other liabilities	141,483	-	-	-	-	-	-	1,939,496	-	4,542,674	228,949
347	Interprogram - due to	-	-	-	-	24,949	2,671	18,847	-	(5,431,240)	-	-
310	Total current liabilities	1,835,134	126,130	-	-	359,352	405,538	61,621	8,532,560	(5,939,870)	32,817,409	33,733,804
	NONCURRENT LIABILITIES											
351	Long-term debt, net of current - capital projects/mortgage revenue	16,106,586	-	-	-	-	-	-	-	-	39,292,740	131,049,976
352	Long-term debt, net of current - operating borrowings	11,020,320	-	-	-	-	-	-	19,732,856	(11,020,320)	29,452,146	-
353	Noncurrent liabilities - other	30,054	-	-	-	-	21,010,000	-	1,270,167	-	22,777,282	6,856,605
354	Accrued compensated absences - noncurrent	16,894	-	-	-	6,406	-	-	620,889	-	1,261,374	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	26,420,960	-	53,436,109	-
350	Total noncurrent liabilities	27,173,854	-	-	-	6,406	21,010,000	-	48,044,872	(11,020,320)	146,219,651	137,906,581
300	Total liabilities	29,008,988	126,130	-	-	365,758	21,415,538	61,621	56,577,432	(16,960,190)	179,037,060	171,640,385
400	Deferred Inflow of Resources	-	-	-	-	-	-	-	751,200	-	10,056,597	-
	Total Liabilities and Deferred Inflow of Resources	29,008,988	126,130	-	-	365,758	21,415,538	61,621	57,328,632	(16,960,190)	189,093,657	171,640,385
	NET POSITION											
508.4	Net investment in capital assets	11,443,886	-	620,597	-	-	23,320,814	-	5,634,366	-	131,360,081	(28,485,540)
511.4	Restricted net position	3,404,163	-	-	-	-	-	-	3,041,903	-	9,845,968	42,142,426
512.4	Unrestricted net position	7,274,694	(7,472)	-	-	1,351	16,700,262	27,785	(28,468,133)	-	28,915,594	28,140,535
513	Total net position	22,122,743	(7,472)	620,597	-	1,351	40,021,076	27,785	(19,791,864)	-	170,121,643	41,797,421
600	**TOTAL LIABILITIES AND NET POSITION**	$ 51,131,731	$ 118,658	$ 620,597	$ -	$ 367,109	$ 61,436,614	$ 89,406	$ 37,536,768	$ (16,960,190)	$ 359,215,300	$ 213,437,806

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2016

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers
	REVENUE								
70300	Net tenant rental revenue	$ 14,263,206	$ -	$ 170,326	$ -	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	132,608	-	602	-	-	-	-	-
70500	Total tenant revenue	14,395,814	-	170,928	-	-	-	-	-
70600	HUD PHA operating grants	77,716,048	565,419	-	-	367,234	103,021,372	-	765,087
706.10	Capital grants	8,167,068	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-
70800	Other governmental grants	17,179	-	-	370,865	-	-	-	-
71100	Investment income - unrestricted	-	-	-	-	-	226	-	-
71400	Fraud recovery	1,250	-	-	-	-	88,044	-	-
71500	Other revenue	2,018,483	-	903	-	-	42,264	-	-
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	1,752	-	-	-	-	-	-	-
70000	Total revenue	102,317,594	565,419	171,831	370,865	367,234	103,151,906	-	765,087
	EXPENSES								
	Administrative:								
91100	Administrative salaries	6,844,108	-	1,047	-	181,562	3,404,388	-	-
91200	Auditing fees	87,380	-	375	-	-	61,191	-	-
91300	Management fee	7,912,550	-	-	-	-	1,999,994	-	-
913.10	Bookkeeping fee	766,725	-	-	-	-	-	-	-
91400	Advertising	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	2,593,951	-	364	-	-	1,654,056	-	-
91600	Office expense	2,391,360	31,974	5,580	-	15,377	670,435	-	117,777
91700	Legal expense	616,536	-	70	-	-	105,099	-	-
91800	Travel	12,874	7,218	-	-	-	10,764	-	-
91900	Other	2,805,313	-	-	-	-	1,080,689	-	-
	Total administrative	24,030,797	39,192	7,436	-	196,939	8,986,616	-	117,777
92000	Asset Management Fee	102,075							
	Tenant services:								
92100	Salaries	800,494	140,149	449	-	161,062	-	-	-
92200	Relocation costs	171,725	-	-	-	-	-	-	-
92300	Employee benefit contributions	373,458	-	172	-	-	-	-	-
92400	Other	839,938	380,991	71	-	184	6,093	-	-
	Total tenant services	2,185,615	521,140	692	-	161,246	6,093	-	-
	Utilities:								
93100	Water	3,804,681	-	18,027	-	-	3,437	-	-
93200	Electricity	6,097,804	-	34,434	-	-	81,676	-	-
93300	Gas	1,738,348	-	8,938	-	-	1,266	-	-
93600	Sewer	6,151,916	-	16,822	-	-	6,148	-	-
93800	Other utilities expense	4,971	-	-	-	-	-	-	-
	Total utilities	17,797,720	-	78,221	-	-	92,527	-	-
	Ordinary maintenance & operations:								
94100	Labor	7,451,595	-	7,779	-	-	68,649	-	-
94200	Materials and other	3,038,107	-	11,020	-	-	2,053	-	-
94300	Contracts	11,751,899	-	52,585	-	-	16,798	-	-
94500	Employee benefits contribution	3,638,603	-	2,971	-	-	33,726	-	-
	Total ordinary maintenance & operations	25,880,204	-	74,355	-	-	121,226	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2016

Line Item#	Accounts Description	Blended Component Unit	HOPE VI	Sect 8 NC/SR Programs	Supportive Housing	2 State/Local	Business Activities	S8MR	COCC	Elimination	Primary Government	Discretely Presented Component Unit
	REVENUE											
70300	Net tenant rental revenue	$ 1,662,515	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,096,047	$ 1,266,001
70400	Tenant revenue - other	4,249	-	-	-	-	-	-	-	-	137,459	37,967
70500	Total tenant revenue	1,666,764	-	-	-	-	-	-	-	-	16,233,506	1,303,968
70600	HUD PHA operating grants	3,507,318	-	-	108,524	-	-	865,770	-	-	186,916,772	-
706.10	Capital grants	-	-	-	-	-	-	-	-	-	8,167,068	-
70710	Management fee	-	-	-	-	-	-	-	9,912,544	(9,912,544)	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	102,075	(102,075)	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	802,725	(802,725)	-	-
70740	Front Line Service fee	-	-	-	-	-	-	-	12,459,026	(12,459,026)	-	-
70750	Other Service Fees	-	-	-	-	-	-	-	378,603	-	378,603	-
70800	Other governmental grants	-	-	-	-	433,221	-	-	-	-	821,265	4,504,104
71100	Investment income - unrestricted	1,997	-	-	-	6	294,465	-	16,414	-	313,108	130,101
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	89,294	-
71500	Other revenue	2,472,939	-	-	-	-	276,429	-	953,445	(825,442)	4,939,021	7,614,918
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
72000	Investment Income - Restricted	716	-	-	-	-	-	-	-	-	2,468	-
70000	Total revenue	7,649,734	-	-	108,524	433,227	570,894	865,770	24,624,832	(24,101,812)	217,861,105	13,553,091
	EXPENSES											
	Administrative:											
91100	Administrative salaries	381,756	-	-	-	83,355	-	-	8,655,814	-	19,552,030	717,136
91200	Auditing fees	66,454	-	-	-	-	-	-	151,726	-	367,126	-
91300	Management fee	-	-	-	-	-	-	-	-	(9,912,544)	-	-
913.10	Bookkeeping fee	36,000	-	-	-	-	-	-	-	(802,725)	-	-
91400	Advertising	1,082	-	-	-	-	-	-	-	-	1,082	-
91500	Employee benefit contributions - administrative	125,889	-	-	-	-	-	-	3,919,751	-	8,294,011 -	-
91600	Office expense	54,116	240,000	-	-	154,750	424,064	120,287	2,470,903	(825,442)	5,871,181	-
91700	Legal expense	23,991	-	-	-	-	-	-	826,093	(675,478)	896,311	-
91800	Travel	-	-	-	-	-	8,680	-	145,600	-	185,136	-
91900	Other	17,595	-	-	-	-	-	-	4,636	(2,932,768)	975,465	1,683,065
	Total administrative	706,883	240,000	-	-	238,105	432,744	120,287	16,174,523	(15,148,957)	36,142,342	2,400,201
92000	Asset Management Fee	-	-	-	-	-	-	-	-	(102,075)	-	-
	Tenant services:											
92100	Salaries	36,814	-	-	-	165,823	-	-	950,823	-	2,255,614	-
92200	Relocation costs	5,093	-	-	-	-	-	-	-	-	176,818	-
92300	Employee benefit contributions	15,169	-	-	-	-	-	-	425,863	-	814,662	-
92400	Other	22,384	-	-	108,524	15,080	84,748	-	160,342	-	1,618,355	-
	Total tenant services	79,460	-	-	108,524	180,903	84,748	-	1,537,028	-	4,865,449	-
	Utilities:											
93100	Water	145,915	-	-	-	-	-	-	5,486	-	3,977,546	-
93200	Electricity	509,257	-	-	-	-	-	-	238,699	-	6,961,870	-
93300	Gas	60,915	-	-	-	-	-	-	11,005	-	1,820,472	-
93600	Sewer	198,906	-	-	-	-	-	-	10,359	-	6,384,151	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	4,971	1,223,902
	Total utilities	914,993	-	-	-	-	-	-	265,549	-	19,149,010	1,223,902
	Ordinary maintenance & operations:											
94100	Labor	416,701	-	-	-	-	-	-	4,060,287	-	12,005,011	-
94200	Materials and other	158,793	-	-	-	-	-	-	304,377	-	3,514,350	1,429,233
94300	Contracts	1,091,382	-	-	-	-	-	-	628,956	(7,289,963)	6,251,657	-
94500	Employee benefits contribution	133,808	-	-	-	-	-	-	1,843,983	-	5,653,091	-
	Total ordinary maintenance & operations	1,800,684	-	-	-	-	-	-	6,837,603	(7,289,963)	27,424,109	1,429,233

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2016

Line Item#	Accounts Description	Project Total	Jobs Plus Pilot Initiative	Multifamily Property Disposition	PSPC	ROSS	HCVP	Sect 8 Rehab SRO	Mainstream Vouchers
	EXPENSES (Continued)								
	Protective services:								
95100	Labor	$ 2,096,772	$ -	$ -	$ 358,516	$ -	$ 157,574	$ -	$ -
95200	Other contract costs	5,327,259	-	-	-	-	-	-	-
95300	Other	105,682	-	-	-	-	848	-	-
95500	Employee benefit contributions	1,038,654	-	-	-	-	86,888	-	-
95000	Total protective services	8,568,367	-	-	358,516	-	245,310	-	-
96110	Property insurance	1,295,811	-	13,654	-	-	115	-	-
96120	Liability insurance	404,028	-	1,844	-	-	38,994	-	-
96130	Workmen's Compensation	231,403	77	-	125	77	16,469	-	-
96140	All other insurance	167,024	-	565	-	-	26,900	-	-
96100	Total insurance premiums	2,098,266	77	16,063	125	77	82,478	-	-
	General expenses:								
96200	Other general expenses	3,335,906	-	-	-	-	56,812	-	-
96210	Compensated absences	1,173,099	5,010	-	12,224	8,972	228,634	-	-
96300	Payment in lieu of taxes	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	436,644	-	-	-	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total general expenses	4,945,649	5,010	-	12,224	8,972	285,446	-	-
96710	Interest of mortgage payable	1,564,630	-	-	-	-	-	-	-
96720	Interest on notes payable	515,314	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization cost	2,079,944	-	-	-	-	-	-	-
96900	Total operating expenses	87,688,637	565,419	176,767	370,865	367,234	9,819,696	-	117,777
97000	Excess of operating revenue over operating expenses	14,628,957	-	(4,936)	-	-	93,332,210	-	647,310
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
97200	Casualty Losses- Non-capitalized	349,208	-	-	-	-	-	-	-
97300	Housing assistance payments	554,821	-	-	-	-	93,987,124	-	647,310
97350	HAP Portability-in	-	-	-	-	-	-	-	-
97400	Depreciation expense	15,836,203	-	22,773	-	-	214,858	-	-
90000	Total expenses	104,428,869	565,419	199,540	370,865	367,234	104,021,678	-	765,087
	Other financing sources (uses):								
10010	Operating transfer in	4,674,250	-	-	-	-	-	-	-
10020	Operating transfer out	(4,674,250)	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	1,608,852	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(1,608,852)	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-
10000	**EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES**	$ (2,111,275)	$ -	$ (27,709)	$ -	$ -	$ (869,772)	$ -	$ -
	Memo Account Information								
11020	Required annual debt principal payments	$ 4,566,757	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11030	Beginning equity	159,978,881	-	1,154,274	-	-	(447,636)	(2,331)	-
11040	Prior period adjustments, equity transfers correction	(30,547,005)	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	(1,582,339)	-	-
11180	Housing assistance payments equity	-	-	-	-	-	264,931	-	-
11190	Unit months available	108,348	-	456	-	-	181,272	100	1,740
11210	Number of unit months leased	104,924	-	272	-	-	179,090	71	1,448
11270	Excess cash	(22,469,995)	-	-	-	-	-	-	-
11620	Building purchases	6,100,781	-	-	-	-	-	-	-
13510	CFFP debt services payments	3,869,701	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSES
YEAR ENDED DECEMBER 31, 2016

Line Item#	Accounts Description	Blended Component Unit	HOPE VI	Sect 8 NC/SR Programs	Supportive Housing	2 State/Local	Business Activities	S8MR	COCC	Elimination	Primary Government	Discretely Presented Component Unit
	EXPENSES (Continued)											
	Protective services:											
95100	Labor	$ 45,001	$ -	$ -	$ -	$ -	$ -	$ -	$ 197,479	$ -	$ 2,855,342	$ -
95200	Other contract costs	231,734	-	-	-	-	-	-	7,200	(1,560,817)	4,005,376	-
95300	Other	2,797	-	-	-	-	-	-	43,707	-	153,034	227,344
95500	Employee benefit contributions	18,371	-	-	-	-	-	-	262,592	-	1,406,505	-
95000	Total protective services	297,903	-	-	-	-	-	-	510,978	(1,560,817)	8,420,257	227,344
96110	Property insurance	49,910	-	-	-	-	-	-	22,134	-	1,381,624	-
96120	Liability insurance	34,819	-	-	-	-	-	-	200,656	-	680,341	-
96130	Workmen's Compensation	-	-	-	-	291	-	-	170,828	-	419,270	-
96140	All other insurance	12,122	-	-	-	-	-	-	153,154	-	359,765	411,780
96100	Total insurance premiums	96,851	-	-	-	291	-	-	546,772	-	2,841,000	411,780
	General expenses:											
96200	Other general expenses	891	-	-	-	-	-	-	-	-	3,393,609	-
96210	Compensated absences	60,557	-	-	-	13,928	-	-	1,679,354	-	3,181,778	-
96300	Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	13,160	-	-	-	-	-	-	-	-	449,804	7,937
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-
96000	Total general expenses	74,608	-	-	-	13,928	-	-	1,679,354	-	7,025,191	7,937
96710	Interest of mortgage payable	777,613	-	-	-	-	-	-	859,046	-	3,201,289	611,309
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	515,314	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	214,965	-	214,965	60,001
96700	Total interest expense and amortization cost	777,613	-	-	-	-	-	-	1,074,011	-	3,931,568	671,310
96900	Total operating expenses	4,748,995	240,000	-	108,524	433,227	517,492	120,287	28,625,818	(24,101,812)	109,798,926	6,371,707
97000	Excess of operating revenue over operating expenses	2,900,739	(240,000)	-	-	-	53,402	745,483	(4,000,986)	-	108,062,179	7,181,384
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	
97200	Casualty Losses- Non-capitalized	-	-	-	-	-	-	-	42,933	-	392,141	51,989
97300	Housing assistance payments	-	-	-	-	-	-	745,483	-	-	95,934,738	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	1,228,095	-	-	-	-	21,808	-	652,225	-	17,975,962	3,764,539
90000	Total expenses	5,977,090	240,000	-	108,524	433,227	539,300	865,770	29,320,976	(24,101,812)	224,101,767	10,188,235
	Other financing sources (uses):											
10010	Operating transfer in	-	-	-	-	-	-	-	-	(4,674,250)	-	-
10020	Operating transfer out	-	-	-	-	-	-	-	-	4,674,250	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	-	-	16,752
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	(1,608,852)	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	1,608,852	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	16,752
10000	**EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES**	$ 1,672,644	$ (240,000)	$ -	$ -	$ -	$ 31,594	$ -	$ (4,696,144)	$ -	$ (6,240,662)	$ 3,381,608
	Memo Account Information											
11020	Required annual debt principal payments	$ 202,949	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,388,429	$ -	$ 7,158,135	$ 26,349
11030	Beginning equity	20,450,099	232,528	620,597	-	1,351	8,891,059	27,785	(14,544,302)	-	176,362,305	37,857,227
11040	Prior period adjustments, equity transfers correction	-	-	-	-	-	31,098,423	-	(551,418)	-	-	558,586
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	(1,582,339)	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	264,931	-
11190	Unit months available	6,810	-	-	-	-	-	1,516	-	-	300,242	1,183
11210	Number of unit months leased	6,707	-	-	-	-	-	1,344	-	-	293,856	9,568
11270	Excess cash	-	-	-	-	-	-	-	-	-	(22,469,995)	-
11620	Building purchases	-	-	-	-	-	-	-	-	-	6,100,781	-
13510	CFFP debt services payments	-	-	-	-	-	-	-	-	-	3,869,701	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF PROGRAM COSTS
DECEMBER 31, 2016

Annual Contributions Contract C-5031

1. The total amount of modernization costs of the Capital Fund and Replacement Housing Program grants are shows below:

Modernization Project Number		OH12P003 501-12		OH12R003 502-12
Funds Approved	$	20,877,355	$	1,645,338
Funds Expended		20,877,355		1,645,338
Excess of Funds Approved	$	-	$	-
Funds Advanced	$	20,877,355	$	1,645,338
Funds Expended		20,877,355		1,645,338
Excess of Funds Advanced	$	-	$	-

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

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

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

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Cuyahoga Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 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 June 30, 2017. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units and the Western Reserve Revitalization and Management Company, Inc., a blended component unit, as described in our report on the Authority's financial statements. The financial statements of the discretely presented component units and the Western Reserve Revitalization and Management Company, Inc., were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

A member of Nexia International

Members of the Board
Cuyahoga Metropolitan Housing Authority

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Toledo, Ohio
June 30, 2017

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

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

We have audited Cuyahoga Metropolitan Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2016. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

A member of Nexia International

Members of the Board
Cuyahoga Metropolitan Housing Authority

Report on Internal Control Over Compliance

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

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

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

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

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Toledo, Ohio
June 30, 2017

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2016

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development Direct Programs				
Public and Indian Housing	14.850		$ -	$ 60,547,374
Capital Fund Program	14.872		-	25,335,743
Jobs Plus Pilot Initiative	14.895		-	565,419
Resident Opportunity and Supportive Services	14.870		-	367,234
Supportive Housing Program	14.235	10-704-15	108,524	108,524
Section 8 Project-Based Cluster				
Moderate Rehabilitation	14.856		-	865,770
New Construction and Substantial Rehabiliation	14.182		-	3,507,318
Total Section 8 Project-Based Cluster			-	4,373,088
Housing Choice Voucher Cluster				
Mainstream Vouchers	14.879		-	765,087
Housing Choice Voucher Program	14.871		-	103,806,820
Total Housing Choice Voucher Cluster			-	104,571,907
Total Department of Housing and Urban Development Direct Programs			108,524	195,869,289
Department of Justice Direct Programs				
Public Safety Partnership and Community Policing Grants	16.710		-	370,865
Total Department of Justice			-	370,865
Total Expenditures of Federal Awards			$ 108,524	$ 196,240,154

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2016

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal financial assistance programs of the Cuyahoga Metropolitan Housing Authority (the Authority) for the year ended December 31, 2016. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2016

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? ______ yes __X__ no
   - Significant deficiency(ies) identified? ______ yes __X__ none reported
3. Noncompliance material to financial statements noted? ______ yes __X__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? ______ yes __X__ no
   - Significant deficiency(ies) identified? ______ yes __X__ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __X__ no

Identification of Major Federal Programs

CFDA Number(s)	**Name of Federal Program or Cluster**
14.850	Public and Indian Housing
14.872	Capital Fund Program

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

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

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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

Section IV – Prior Year Findings

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

CUYAHOGA COUNTY METROPOLITAN HOUSING AUTHORITY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 5, 2017