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1310 Market Street, Suite 300
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Perry & Associates
Certified Public Accountants, A.C.

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
Single Audit
For the Year Ended December 31, 2016

Dave Yost · Auditor of State

Board of Directors
Hocking Metropolitan Housing Authority
33601 Pine Ridge Dr
Logan, OH 43138

We have reviewed the *Independent Auditor's Report* of the Hocking Metropolitan Housing Authority, Hocking County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 Hocking Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

September 27, 2017

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HOCKING METROPOLITAN HOUSING AUTHORITY

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Certified Public Accountants, A.C.

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INDEPENDENT AUDITOR'S REPORT

August 30, 2017

Hocking Metropolitan Housing Authority
Hocking County
33601 Pine Ridge Drive
Logan, Ohio 43138

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Hocking Metropolitan Housing Authority**, Hocking County, Ohio (the Authority), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hocking Metropolitan Housing Authority, Hocking County as of December 31, 2016, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The actual modernization cost certificate presented on page 42 and the supplemental financial data schedule presented on pages 43 through 46 is presented for additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

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

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

It is a privilege to present for you the financial picture of Hocking Metropolitan Housing Authority. The Hocking Metropolitan Housing Authority's ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- Net position was $4,144,304 and $4,113,016 for 2016 and 2015, respectively. The Authority-wide statements reflect an increase in total net position of $31,288 (or 0.8%), during 2016. This increase is reflective of the year's activities.

- The revenues increased by $329,144 (or 10.6%) during 2016, and were $3,440,714 and $3,111,570 for 2016 and 2015, respectively.

- The total expenses of all Authority programs increased by $281,558 (or 9.6%) during 2015. Total expenses were $3,409,426 and $3,111,636 for 2016 and 2015, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of this report:

MD&A **~ Management Discussion and Analysis ~**
Basic Financial Statements **~ Statement of Net Position ~** **~ Statement of Revenues, Expenses and Changes in Net Position ~** **~ Statement of Cash Flows ~** **~ Notes to the Financial Statements ~**

<u>Authority-Wide Financial Statements</u>

The Authority-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns, which add to a total for the entire Authority.

These statements include a <u>Statement of Net Position</u>, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

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

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

Unrestricted: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted". This account resembles the old operating reserves account.

The basic financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities, and from capital and related financing activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

The Department of Housing and Urban Development requires the programs be maintained by the Authority.

The Authority's Programs

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

The Authority is a partner in a mixed income public housing project. 15 units of the 72 unit apartment project are subject to the public housing program rules. Project receives no operating subsidy, but does receive maintenance and operating funding through the Capital Grant Program.

The Authority entered into and financed a $1.4 million dollar Energy Performance Contract. The project will provide energy retrofits to all of the public housing units. The financing closed in October of 2013, and substantial completion was obtained in 2014. The resulting savings in energy costs are being used to pay the financing costs.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority's physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on size and age of your units.

The Authority has an approved CFFP program which provided Capital Grant funding to the mixed finance Public Housing Project. CFFP will provide payment of debt service for a maximum period of 20 years.

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

Shelter Plus Care Program and Continuum of Care Program – Hocking Metropolitan Housing Authority was awarded a Shelter Plus Care Grant in June of 2006. The Shelter Plus Care Program provides rental assistance to disabled individuals that have been identified as homeless. HMHA provides housing services in cooperation with other community service agencies that provide case management services. HUD changed the format of this program to a one-year annual contract.

In December of 2015, HMHA was given preliminary authority and in December 2016, final authority to expand the program to serve an 8 county area including Pike, Perry, Athens, Hocking, Vinton, Gallia, Meigs, and Jackson counties. The first expanded rental assistance was issued in Pike County for a homeless former service member in January, 2016.

Other Business (HMHA Rentals) – Hocking Metropolitan Housing Authority operates several other business activities not related to the major federal housing programs. At present the Authority owns 27 open market apartments. Five of these units have preferences for individuals with mental health issues. These units were purchased and rehabilitated with matching funds from ODMA and a tax-exempt mortgage. Some of the units are rented to voucher holders. The Authority also provides lead inspection and clearance services to other PHA's and non-profit organizations. The Authority also performs property management and maintenance services to other community agencies servicing special needs populations. Properties developed under this program are developed to be available to low and moderate-income families. The rent does not exceed 30% of income for families at 50% of median income for Hocking County.

On December 29, 2016, HMHA Rentals closed on a $400,000 refinancing through a debt consolidation loan through a tax-free mortgage which refinanced all of the nonpublic housing debt at a 3.375% rate which has projected savings of $11,000 annually in debt service payments and provided $50,000 in additional capital for property improvements in the HMHA Rentals portfolio.

In September 2016, the Housing Authority began the process of managing a number of other rental properties located in Middleport, McArthur, and Logan, Ohio on behalf of those properties present owners. The management of these properties resulted in net revenues of $55,184 for the year ended December 31, 2016.

Hocking County Development Disabilities Board - The Authority entered into contract to serve as the Hocking County Disability Housing Provider. This project included the maintenance and property management of the six homes in Hocking County that serve as housing for Developmentally Disabled Adults. The project includes all aspects of housing management and maintenance. It is funded from rent collection and subsidy received from the Hocking Development Disabilities Board. HMHA first entered into a maintenance services contract starting in January of 2013, and this was converted to a full property management contract in July 2013. The six properties in the project are owned by Vinton Count Metropolitan Housing Authority.

<u>Fairfield County Development Disability Board</u> – The Authority entered into a contract to serve as the Fairfield County Development Disability Board's housing provider in April of 2013 and completed the transfer of responsibilities in November of 2013. As part of this transition, the Authority purchased 10 homes from Fairfield Affordable housing as part of a 17 property acquisition for $738,000. The Authority began billing and receiving payments under this contract in December of 2013. The annual revenue for this contract is estimated at $130,000 per year.

In September 2016, the Board purchased an additional rental property using state capital funds for the $159,480 purchase ($161,292 after closing costs), located at 2550 Lancaster-Thornville Road in Lancaster.

<u>Our House – Recovery House</u> – Hocking MHA, in partnership with Hopewell Behavioral Health Services, and the Athens, Hocking, Perry 317 Board, was awarded $262,000 from the Ohio Department Mental Health and Addiction Services and the 317 Board to purchase and rehabilitate a home to create a men's recovery house in Logan, Ohio. HMHA purchased 155 Market Street in April of 2015, rehab work was completed and Our House opened June 1, 2015 with its resident manager in place. Hocking MHA owns the building and is responsible for leasing and property management while Hopewell Behavioral Health is responsible for the day-to-day program operations and oversight.

During 2015, the Authority adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service

2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law.

The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Authority is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

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AUTHORITY-WIDE STATEMENT

Statement of Net Position
The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

STATEMENT OF NET POSITION

Table 4 - Changes in Capital Assets

	2016	2015
Current Assets and Other	$ 574,959	$ 464,797
Capital Assets, Net	5,800,878	5,840,975
Non-Current Assets	1,920,380	1,843,313
Deferred Outflow of Resources	164,936	18,547
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	8,461,153	8,167,632
Current Liabilities	424,394	612,675
Non-Current Liabilities	3,767,842	3,435,924
Deferred Inflow of Resources	124,613	6,017
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	4,316,849	4,054,616
Net Position:		
Net Investment in Capital Assets	3,272,055	3,382,440
Restricted	3,626	13,628
Unrestricted	868,623	716,948
TOTAL NET POSITION	$ 4,144,304	$ 4,113,016

Major Factors Affecting the Statement of Net Position

The change in the Capital Assets, Net is detailed later in the MDA discussion and the additions and depreciation expense are the factors that represent the change during the fiscal year.

Significant events that effected the net position included the sale of 3rd Street, Logan, Ohio at a loss, the expenses associated with the purchase a rental property at 2550 Lancaster-Thornville Rd., Lancaster, and the newly acquired Multi-County Shelter Plus Care.

CHANGE OF NET POSITION

Table 2 presents details on the change in Net Position:

	Unrestricted	Restricted	Net Investment in Capital Assets
Beginning Balance - January 1, 2016	$ 716,948	$ 13,628	$ 3,382,440
Results of Operation	31,288	-	-
Adjustments:			
Current year depreciation expense	340,656	-	(340,656)
Capital expenditures and CIP	(205,501)	-	205,501
Change in loan activity	(24,770)	-	24,770
Change in restricted HAP	10,002	(10,002)	-
Ending Balance - December 31, 2016	$ 868,623	$ 3,626	$ 3,272,055

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2016	2015
Revenues		
Tenant revenue - rents and other	$ 754,093	$ 745,180
Operating subsidies and grants	2,346,171	1,797,633
Capital grants	171,331	163,421
Investment income/other revenues	169,119	405,336
TOTAL REVENUE	3,440,714	3,111,570
Expenses		
Administration	608,141	536,307
Tenant services	1,244	1,084
Utilities	188,710	201,726
Maintenance	599,472	554,909
General/PILOT/Insurance	126,728	123,465
Housing assistance payment	1,397,404	1,253,870
Depreciation	340,656	311,821
Interest expense/loss on sale	147,071	128,454
TOTAL EXPENSES	3,409,426	3,111,636
CHANGES IN NET POSITION	31,288	(66)
NET POSITION - BEGINNING OF YEAR	4,113,016	4,113,082
NET POSITION - END OF YEAR	$ 4,144,304	$ 4,113,016

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

During 2015, delays in the issuing of contracts from HUD to HMHA for the costs of providing rental subsidies in the Shelter Plus Care program required HMHA to use other resources to pay landlords. These funds were received in January of 2016, six months after the start of the program. Additionally, HMHA sold a property for a loss, and also purchased a rental property for which debt was taken on in September 2016. Finally, HMHA incurred unreimbursed pre-development costs relating to applying for Low Income Housing Tax Credits. The project was not funded. However, these costs may be partially recouped if the project is funded in 2017.

On December 29, 2016, HMHA Rentals closed on a $400,000 refinancing utilizing a debt consolidation loan through a tax-free mortgage which refinanced all of the nonpublic housing debt at a 3.375% rate which has projected savings of $11,000 annually in debt service payments and provided $50,000 in additional capital for property improvements in the HMHA Rentals portfolio.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had $5,800,878 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of $40,097, from the end of last year.

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

The following reconciliation summarizes the change in capital assets:

	2016	2015
Land and land rights	$ 1,234,974	$ 1,193,148
Buildings	11,729,980	11,503,561
Equipment	226,591	217,173
Leasehold improvments	1,469,351	1,469,351
Construction in progress	54,313	32,460
Accumulated depreciation	(8,914,331)	(8,574,719)
TOTAL	$ 5,800,878	$ 5,840,974

Debt Administration

The following is the debt activity during 2016:

Beginning balance - January 1, 2016	$ 3,383,177
Current year loan additions	561,292
Current year loan retirements	(531,387)
Ending balance - December 31, 2016	$ 3,413,082

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- 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

IN CONCLUSION

Hocking Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the sound financial condition of the Authority.

FINANCIAL CONTACT

If you have any questions regarding this report, you may contact Nathan Blatchley, Executive Director of the Hocking Metropolitan Housing Authority at (740) 385-3883.

HOCKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
December 31, 2016

ASSETS		
Current assets		
Cash and cash equivalents	$	169,070
Cash and cash equivalents - restricted		196,899
Investments		25,871
Receivables, net		113,400
Inventories, net		5,408
Prepaid expenses and other assets		64,311
TOTAL CURRENT ASSETS		574,959
Noncurrent assets		
Capital assets:		
Land and construction in progress		1,289,287
Building and equipment - net of accumulated depreciation		4,511,591
Other noncurrent assets		1,920,380
TOTAL NONCURRENT ASSETS		7,721,258
Deferred outflow of resources		164,936
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$	8,461,153

See accompanying notes to the financial statements.

HOCKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION - CONTINUED
December 31, 2016

LIABILITIES		
Current liabilities		
Accounts payable	$	27,152
Accrued liabilities		48,631
Accrued compensated absences		24,856
Intergovernmental payables		29,648
Tenant security deposits		49,138
Unearned revenue		86,941
Bonds, notes, and loans payable		158,028
TOTAL CURRENT LIABILITIES		424,394
Noncurrent liabilities		
Bonds, notes and loans payable		3,255,054
Accrued compensated absences non-current		7,354
Net Pension Liability		505,434
TOTAL NONCURRENT LIABILITIES		3,767,842
Deferred inflow of resources		
Pension		18,619
2017 NRA and UNA		105,994
TOTAL DEFERRED INFLOW OF RESOURCES		124,613
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES		4,316,849
NET POSITION		
Invested in capital assets, net of related debt		3,272,055
Restricted net position		3,626
Unrestricted net position		868,623
TOTAL NET POSITION	$	4,144,304

See accompanying notes to the financial statements.

HOCKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year Ended December 31, 2016

OPERATING REVENUES	
Tenant revenue	$ 754,093
Government operating grants	2,346,171
Other revenue	104,075
TOTAL OPERATING REVENUES	3,204,339
OPERATING EXPENSES	
Administrative	608,141
Tenant services	1,244
Utilities	188,710
Maintenance	599,472
Insurance	49,157
General	77,571
Housing assistance payment	1,397,404
Depreciation	340,656
TOTAL OPERATING EXPENSES	3,262,355
OPERATING (LOSS)	(58,016)
NON-OPERATING REVENUES (EXPENSES)	
Capital grants	171,331
Interest and investment revenue	65,044
Gain (loss) on sale of capital assets	(17,463)
Interest expense	(129,608)
TOTAL NON-OPERATING REVENUE (EXPENSE)	89,304
CHANGE IN NET POSITION	31,288
TOTAL NET POSITION - BEGINNING	4,113,016
TOTAL NET POSITION - ENDING	$ 4,144,304

See accompanying notes to the financial statements.

HOCKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	$ 2,521,533
Tenant revenue received	758,026
Other revenue received	117,414
General and administrative expenses paid	(1,580,279)
Housing assistance payments	(1,397,404)
NET CASH PROVIDED BY OPERATING ACTIVITIES	419,290
CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of certificates of deposit	25,000
Interest earned received	644
NET CASH PROVIDED BY INVESTING ACTIVITIES	25,644
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES	
Capital grants received	171,331
Property and equipment purchased	(205,501)
Proceeds from sale of house	48,770
Principal proceeds	50,000
Principal payments on debt	(194,054)
Interest payments	(129,608)
NET CASH (USED) BY CAPITAL AND RELATED ACTIVITIES	(259,062)
CHANGE IN CASH AND CASH EQUIVALENTS	185,872
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	180,097
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 365,969

See accompanying notes to the financial statements.

HOCKING METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - CONTINUED
Year Ended December 31, 2016

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net operating loss	$	(58,016)
Adjustment to reconcile operating income to net cash used by operating activities		
- Depreciation		340,656
(Increases) decreases in:		
- Accounts receivables, net		59,991
- Inventory, net		10,389
- Prepaid assets		(19,670)
- Prepaid assets		(146,389)
Increases (decreases) in:		
- Accounts payable		(40,322)
- Accrued liabilities		(145)
- Accrued compensated absence payable		4,822
- Intergovernmental payables		(27,290)
- Tenant security deposits		1,783
- Unearned revenue		24,866
- Accrued pension and OPEB liabilities		150,019
- Deferred inflow of resources		118,596
NET CASH PROVIDED BY OPERATING ACTIVITIES	$	419,290

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Hocking Metropolitan Housing Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of GASB Statement No.39, Determining Whether Organizations are Component Units, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds for the Authority over which the Authority is financially accountable.

Basis of Presentation

The Authority's basic financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

<u>Measurement Focus</u>
The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Authority are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

<u>Fund Accounting</u>
The Authority uses the enterprise fund to report on its financial position and results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The enterprise fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

<u>Enterprise Fund</u>
The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 and Public Housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

The Authority's programs that are consolidated into a single enterprise fund are as follows:

<u>Projects (PH & CF)</u> – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvement. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

<u>Housing Choice Vouchers</u> – Under the Housing Choice Voucher Program, the Authority subsidizes rents to independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Authority to structure a lease that requires the participant to pay a rent based on a percentage of their adjusted gross household income, typically 30%, and the Housing Authority subsidizes the balance.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Business Activities (OBA) – Hocking Metropolitan Housing Authority operates several other business activities not related to the major federal housing programs. At present the Authority owns 15 open market apartments. Some of the units are rented to voucher holders. The Authority also provides lead inspection and clearance services to other PHA's and non-profit organizations. The Authority also performs property management services to other community agencies servicing special needs populations. Properties developed under this program are developed to be available to low and moderate-income families. The rent does not exceed 30% of income for families at 50% of median income for Hocking County. The Authority homeownership and home development for sale is also included in this activity.

Shelter Plus Care Program and Continuum of Care Program
Hocking Metropolitan Housing Authority was awarded a Shelter Plus Care Grant in June of 2006. The Shelter Plus Care Program provides rental assistance to disabled individuals that have been identified as homeless. The Authority provides housing services in cooperation with other community service agencies that provide case management services.

Accounting and Reporting for Non-exchange Transactions
Non-exchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).

- Imposed non-exchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).

- Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).

- Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions. GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

- Purpose restrictions specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

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

Cash and Cash Equivalents
For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Receivables – net of allowance
Total receivables at December 31, 2016 are $113,400. This amount is net of the allowance for doubtful accounts of $27,722. Bad debts are provided on the allowance method based on management's evaluation of the probability of collecting the outstanding tenant receivable balances at the end of the year.

Prepaid Expenses
Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Property and Equipment
Property and equipment is recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. The capitalization policy amount is $5,000.

Useful Lives:	Buildings	27.5 – 40 years
	Buildings and Leasehold Improvements	15
	Furniture and Equipment	7
	Autos	5

Depreciation is recorded on the straight-line method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2015 totaled $65,044.

Net Position

Net positions represent the difference between assets and liabilities. Net investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net positions are recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

Operating Revenues and Expenses

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day to day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue. Operating expenses are those expenses that are generated from the primary activity of the proprietary fund.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The Board of Commissioners adopts the budget through passage of a budget resolution.

Inventories

The Authority's inventory is comprised of maintenance materials and supplies. Inventories are stated at cost. The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expense when used. The allowance for obsolete inventory was $1,650 at December 31, 2016.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: **(1)** the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee. **(2)** It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

The following is a summary of changes in compensated absence liability:

	Beginning Balance 12/31/15	Earned	Used	Ending Balance 12/31/16	Due in One Year
Compensated absences payable	$ 27,388	$ 25,778	$ (20,956)	$ 32,210	$ 24,856

Unearned Revenue
Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

Classifications
Some items in the financial statements have been classified differently than the FDS Schedules in the supplementary financial data.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 7.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension. Deferred inflows of resources related to pension are reported in Note 7.

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

2. IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

For fiscal year 2016, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application.* GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

2. IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS - CONTINUED

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Authority.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports for state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Authority.

GASB Statement No. 76, identified - in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Authority.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the Authority.

3. DEPOSITS AND INVESTMENTS

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

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

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

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

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

The carrying amount of the Authority's deposits was $365,969 including $100 petty cash, at December 31, 2016. The corresponding bank balances were $412,960. Based on the criteria described in GASB Statement

3. DEPOSITS AND INVESTMENTS – CONTINUED:

No. 40, "Deposits and Investment Risk Disclosure," as of December 31, 2016, $412,960 was covered by federal depository insurance, while $-0- was exposed to custodial risk.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository banks and pledged as a pool of collateral against all the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

In accordance with the Ohio Revised Code and HUD regulations, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based 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.

Interest Rate Risk – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority's depository agreement and investment policy specifically requires compliance with HUD requirements.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority's practice to do business with more than one depository.

The Authority's non-negotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB Statement No. 3 purposes. Therefore, the categories described above do not apply.

4. RESTRICTED CASH

Restricted cash balances as of December 31, 2016 of $196,899 which is made up of the following:

Tenant security deposits	$	49,138
Compensating bank balance - LT debt		50,061
Section 8 2016 restricted HAP		3,626
Section 8 2017 restricted HAP		94,074
TOTAL RESTRICTED CASH	$	196,899

5. CAPITAL ASSETS

A summary of capital assets at December 31, 2016, is as follows:

	Balance 12/31/15	Additions	Disposals/ Reclassifications	Balance 12/31/16
CAPITAL ASSETS, NOT BEING DEPRECIATED				
Land	$1,193,148	$ 52,826	$ (11,000)	$ 1,234,974
Construction in progress	32,460	21,853	-	54,313
Total	1,225,608	74,679	(11,000)	1,289,287
CAPITAL ASSETS, BEING DEPRECIATED				
Buildings and improvements	11,503,561	282,697	(56,278)	11,729,980
Furniture and equipment	217,173	9,418	-	226,591
Leasehold improvements	1,469,351	-	-	1,469,351
Total	13,190,085	292,115	(56,278)	13,425,922
ACCUMULATED DEPRECIATION				
Buildings and improvements	(7,002,168)	(300,447)	1,044	(7,301,571)
Furniture and equipment	(151,682)	(15,004)	-	(166,686)
Leasehold improvements	(1,420,869)	(25,205)	-	(1,446,074)
Total	(8,574,719)	(340,656)	1,044	(8,914,331)
TOTAL CAPITAL ASSETS, NET	$5,840,974	$ 26,138	$ (66,234)	$ 5,800,878

6. OTHER NON-CURRENT ASSETS

These assets consist of the following:

Description	Balance 12/31/15	Additions	Decrease	Balance 12/31/16
Note Receivable - Pine Ridge Apts	$1,288,000	$ -	$ -	$ 1,288,000
Accrued interest receivable - Note receivable - Pine Ridge Apts	684,113	-	64,400	619,713
Loan costs	-	12,667	-	12,667
Totals	$1,972,113	$ 12,667	$ 64,400	$ 1,920,380

The loan costs were incurred in connection with a major refinancing of debt that occurred on December 29, 2016, and will be amortized over the twenty-year life of the new loan.

7. LONG-TERM DEBT

Hocking Metropolitan Housing Authority has several outstanding mortgages as of December 31, 2016. These loans were obtained to purchase property with the Board Funds and also to obtain an interest in the Pine Ridge Development to lease some of the units to public housing tenants.

	Original Balance	Interest Rate	Maturity Date	12/31/2016 Balance
Chase:				
Pine Ridge Loan	$ 900,000	6.86%	March 2027	$ 596,258
Mental Health Property	100,000	0.00%	2047	100,000
FCN:				
Energy Performance	1,416,383	4.69%	May 2028	1,259,376
Vinton County Bank:				
Youthbuild, HMHA Rentals	728,000	2.75%	March 2033	608,156
Century National Bank:				
Refinancing of old debt	400,000	3.375%	December 2026	400,000
Fairfield Board of Development Disabillities:				
2550 Lancaster-Thornville Rd.	161,292	0.00%	September 2031	161,292
Other:				
Pine Ridge	288,000	0.00%	2026	288,000
Total Outstanding Mortgages:				3,413,082
Less: Current Portion				158,028
Total Non-Current Mortgages Payable				$ 3,255,054

The following is a summary of changes in long-term debt for the year ended December 31, 2016:

Description	Balance 12/31/15	Additions	Retired	Balance 12/31/16	Due Within One Year
Loans payable	$3,383,177	$561,292	$ 531,387	$3,413,082	$ 158,028

7. LONG-TERM DEBT - CONTINUED

Maturities of the debt are as follows:

Years	Principal	Interest	Totals
2017	$ 158,028	$ 120,335	$ 278,363
2018	169,004	112,931	281,935
2019	180,592	105,018	285,610
2020	192,832	96,564	289,396
2021	205,808	87,488	293,296
2022-2026	1,522,907	566,266	2,089,173
2027-2031	703,407	223,326	926,733
2032-2036	180,504	11,552	192,056
2037-2041	-	-	-
2042-2046	-	-	-
2047 and thereafter	100,000	-	100,000
Totals	$ 3,413,082	$ 1,323,480	$ 4,736,562

8. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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 Statement No. 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.

8. DEFINED BENEFIT PENSION PLAN – CONTINUED:

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

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 System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

8. DEFINED BENEFIT PENSION PLAN – CONTINUED:

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will 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%
2016 Actual Contribution Rates:	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	2.0%
Total Employer	14.0%
Employee	10.0%

The Authority's contractually required traditional plan contribution was $51,519 for 2016.

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

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 on contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

8. DEFINED BENEFIT PENSION PLAN – CONTINUED:

Net Pension Liability	Traditional
Proportionate Share of the Net Pension Liability Prior Measurement Date	$ 355,415
Proportionate Share of the Net Pension Liability Current Measurement Date	505,434
Change in Proportionate Share	$ 150,019
Proportion of the Net Pension Liability	0.002918%
Pension Expense	$ 71,018

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

Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 148,566
Changes in proportion and differences between Authority contributions and proportionate share of contributions	(34,951)
Authority contributions subsequent to the measurement date	51,319
Total deferred outflows of resources	$ 164,934
Deferred Inflows of Resources	
Net difference between expected and actual experience	$ 9,766
Changes in proportion and differences between Authority contributions and proportionate share of contributions	8,847
Total deferred inflows of resources	$ 18,613

$51,319 reported as deferred outflows of resources related to pension resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to how pension will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	
2017	$ 34,868
2018	37,818
2019	33,621
Total	$ 106,307

8. DEFINED BENEFIT PENSION PLAN – CONTINUED:

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salry Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

8. DEFINED BENEFIT PENSION PLAN – CONTINUED:

Asset Class	Target Allocation for 2015	Weighted Average Long-Term Expected Real Rate of Return
Fixed income	23.00%	2.31%
Domestic equities	19.90%	5.84%
Real estate	10.00%	4.25%
Private equity	10.00%	9.25%
International equities	19.10%	7.40%
Other investments	18.00%	4.59%
TOTAL	100.00%	5.28%

Discount Rate The total pension liability was calculated using the discount rate of 8 percent. The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on 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 Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate 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 1-percentage-point lower (7 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Authority's proportionate share of the net pension liability	$ 805,280	$ 505,434	$ 252,524

<u>Changes Between Measurement Date and Report Date</u>

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

9. POST EMPLOYMENT BENEFITS:

A. 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 No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible recipients. Authority to establish and amend healthcare 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 writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377, or byvisitinghttps://www.opers.org/investments/cafr.shtml.

B. 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.

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 14.00% 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-Director 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 percent 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.

9. POST EMPLOYMENT BENEFITS - CONTINUED:

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 percent. The portion of actual Authority contributions for the year ended December 31, 2016, 2015 and 2014 which were used by OPERS to fund post-employment benefits were $8,353, $7,216, and $7,239, respectively.

10. FDS SCHEDULE SUBMITTED TO HUD

For the fiscal year ended December 31, 2016, the Authority electronically submitted an unaudited balance sheet summary, revenue and expense summary, and other data to HUD as required on the GAAP basis.

11. ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

12. INSURANCE AND RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 2016 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

13. CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2016.

HOCKING METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABLILITY
Year Ended December 31, 2016

	2015	2014	2013
Authority's Proportion of the Net Pension Liability	0.002918%	0.002882%	0.002882%
Authority's Proportionate Share of the Net Pension Liability	$505,434	$355,327	$347,600
Authority's Covered Employee Payroll	$360,824	$361,951	$348,500
Authority's Proportionate Share of the Net Pension Liability As a Percentage of its Covered Employee Payroll	140.08%	98.17%	99.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	89.19%

(1) Information prior to 2013 is not available.
(2) Amounts presented as of the Authority's measurement date which is the prior year end.

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HOCKING METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S OHIO PUBLIC
EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required employer contribution	$59,872	$50,838	$49,785	$47,101	$44,070	$52,035	$54,649	$66,346	$73,632	$71,926
Contributions in Relation to the Contractually Required Contribution	(59,872)	(50,838)	(49,785)	(47,101)	(44,070)	(52,035)	(54,649)	(66,346)	(73,632)	(71,926)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Authority Covered-Employee Payroll	$429,962	$360,824	$361,951	$348,500	$326,370	$366,000	$391,375	$460,221	$535,178	$530,425
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Ohio Public Employees' Retirement System

Factors that significantly affect trends in the amounts reported in the schedules are presented below.

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2016 and 2015.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2016 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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HOCKING METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	2016 FEDERAL EXPENDITURES
DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Shelter Plus Care	14.238	$ 311,724
Continuum of Care Progam	14.267	23,207
Public and Indian Housing	14.850	473,348
Section 8 Housing Choice Vouchers	14.871	1,227,657
Public Housing Capital Fund	14.872	311,295
Total U.S. Department of Housing and Urban Development		2,347,231
TOTAL - FEDERAL AWARDS EXPENDITURES		$ 2,347,231

The accompanying notes to this schedule are an integral part of this schedule.

HOCKING METROPOLITAN HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Hocking Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, 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 principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

HOCKING METROPOLITAN HOUSING AUTHORITY
ACTUAL MODERNIZATION COST CERTIFICATE
FOR THE YEAR ENDED DECEMBER 31, 2016

Modernization Project Number : OH-16-P032-501-14

1 The Program Costs are as Follows:

Funds Approved	$	216,581
Funds Expended		216,581
Excess (Deficiency) of Funds Approved	$	-
Funds Advanced	$	216,581
Funds Expended		216,581
Excess (Deficiency) of Funds Advanced	$	-

2 All costs have been paid and there are no oustanding obligations.

3 The Final Financial Status Report was signed and Filed.

4 The final costs on the certification agree to the Authority's records.

HOCKING METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULE

DECEMBER 31, 2016

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$23,132	$51,521	$5,619	$0	$21,241	$23,115	$44,442	$169,070	$0	$169,070
113 Cash - Other Restricted	$50,061	$97,700	$0	$0	$0	$0	$0	$147,761	$0	$147,761
114 Cash - Tenant Security Deposits	$35,971	$0	$0	$0	$13,167	$0	$0	$49,138	$0	$49,138
100 Total Cash	$109,164	$149,221	$5,619	$0	$34,408	$23,115	$44,442	$365,969	$0	$365,969
124 Accounts Receivable - Other Government	$0	$0	$0	$3,069	$12,972	$0	$0	$16,041	$0	$16,041
125 Accounts Receivable - Miscellaneous	$3,134	$0	$0	$0	$57,509	$0	$28,614	$89,257	$0	$89,257
126 Accounts Receivable - Tenants	$8,476	$0	$0	$0	$1,745	$0	$0	$10,221	$0	$10,221
126.1 Allowance for Doubtful Accounts -Tenants	-$2,119	$0	$0	$0	$0	$0	$0	-$2,119	$0	-$2,119
128 Fraud Recovery	$0	$24,550	$1,103	$0	$0	$0	$0	$25,653	$0	$25,653
128.1 Allowance for Doubtful Accounts - Fraud	$0	-$24,550	-$1,103	$0	$0	$0	$0	-$25,653	$0	-$25,653
120 Total Receivables, Net of Allowances for Doubtful Accounts	$9,491	$0	$0	$3,069	$72,226	$0	$28,614	$113,400	$0	$113,400
131 Investments - Unrestricted	$10,000	$0	$0	$0	$0	$0	$15,871	$25,871	$0	$25,871
142 Prepaid Expenses and Other Assets	$34,840	$1,684	$0	$0	$21,818	$0	$5,969	$64,311	$0	$64,311
143 Inventories	$7,058	$0	$0	$0	$0	$0	$0	$7,058	$0	$7,058
143.1 Allowance for Obsolete Inventories	-$1,650	$0	$0	$0	$0	$0	$0	-$1,650	$0	-$1,650
144 Inter Program Due From	$221,296	$0	$0	$0	$199,421	$0	$19,517	$440,234	-$440,234	$0
150 Total Current Assets	$390,199	$150,905	$5,619	$3,069	$327,873	$23,115	$114,413	$1,015,193	-$440,234	$574,959
161 Land	$973,519	$0	$0	$0	$261,455	$0	$0	$1,234,974	$0	$1,234,974
162 Buildings	$10,320,077	$0	$0	$0	$1,390,229	$0	$19,674	$11,729,980	$0	$11,729,980
163 Furniture, Equipment & Machinery - Dwellings	$49,455	$0	$0	$0	$46,832	$0	$13,715	$110,002	$0	$110,002
164 Furniture, Equipment & Machinery - Administration	$27,792	$22,796	$0	$0	$0	$0	$66,000	$116,588	$0	$116,588
165 Leasehold Improvements	$1,459,634	$0	$0	$0	$9,717	$0	$0	$1,469,351	$0	$1,469,351
166 Accumulated Depreciation	-$8,424,378	-$17,230	$0	$0	-$391,365	$0	-$81,357	-$8,914,330	$0	-$8,914,330
167 Construction in Progress	$0	$0	$0	$0	$500	$0	$53,813	$54,313	$0	$54,313
160 Total Capital Assets, Net of Accumulated Depreciation	$4,406,099	$5,566	$0	$0	$1,317,368	$0	$71,845	$5,800,878	$0	$5,800,878
171 Notes, Loans and Mortgages Receivable - Non-Current	$1,907,713	$0	$0	$0	$0	$0	$0	$1,907,713	$0	$1,907,713
174 Other Assets	$0	$0	$0	$0	$12,667	$0	$0	$12,667	$0	$12,667
180 Total Non-Current Assets	$6,313,812	$5,566	$0	$0	$1,330,035	$0	$71,845	$7,721,258	$0	$7,721,258
200 Deferred Outflow of Resources	$51,909	$22,010	$0	$0	$33,275	$0	$57,742	$164,936	$0	$164,936
290 Total Assets and Deferred Outflow of Resources	$6,755,920	$178,481	$5,619	$3,069	$1,691,183	$23,115	$244,000	$8,901,387	-$440,234	$8,461,153

HOCKING METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULE

DECEMBER 31, 2016

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
312 Accounts Payable <= 90 Days	$8,608	$4,798	$1,650	$2,917	$2,654	$1,300	$5,225	$27,152	$0	$27,152
321 Accrued Wage/Payroll Taxes Payable	$6,240	$1,059	$0	$0	$1,467	$0	$8,490	$17,256	$0	$17,256
322 Accrued Compensated Absences - Current Portion	$4,168	$2,175	$809	$152	$3,271	$0	$14,281	$24,856	$0	$24,856
333 Accounts Payable - Other Government	$29,648	$0	$0	$0	$0	$0	$0	$29,648	$0	$29,648
341 Tenant Security Deposits	$35,971	$0	$0	$0	$13,167	$0	$0	$49,138	$0	$49,138
342 Unearned Revenue	$26,383	$0	$3,160	$0	$35,583	$21,815	$0	$86,941	$0	$86,941
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$69,856	$0	$0	$0	$43,954	$0	$0	$113,810	$0	$113,810
344 Current Portion of Long-term Debt - Operating Borrowings	$44,218	$0	$0	$0	$0	$0	$0	$44,218	$0	$44,218
346 Accrued Liabilities - Other	$26,834	$0	$0	$0	$3,784	$0	$757	$31,375	$0	$31,375
347 Inter Program - Due To	$124,057	$0	$0	$0	$199,709	$0	$116,468	$440,234	-$440,234	$0
310 Total Current Liabilities	$375,983	$8,032	$5,619	$3,069	$303,589	$23,115	$145,221	$864,628	-$440,234	$424,394
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$1,189,520	$0	$0	$0	$1,225,493	$0	$0	$2,415,013	$0	$2,415,013
352 Long-term Debt, Net of Current - Operating Borrowings	$840,041	$0	$0	$0	$0	$0	$0	$840,041	$0	$840,041
354 Accrued Compensated Absences - Non Current	$7,354	$0	$0	$0	$0	$0	$0	$7,354	$0	$7,354
357 Accrued Pension and OPEB Liabilities	$159,071	$67,448	$0	$0	$101,967	$0	$176,948	$505,434	$0	$505,434
350 Total Non-Current Liabilities	$2,195,986	$67,448	$0	$0	$1,327,460	$0	$176,948	$3,767,842	$0	$3,767,842
300 Total Liabilities	$2,571,969	$75,480	$5,619	$3,069	$1,631,049	$23,115	$322,169	$4,632,470	-$440,234	$4,192,236
400 Deferred Inflow of Resources	$5,861	$108,479	$0	$0	$3,756	$0	$6,517	$124,613	$0	$124,613
508.4 Net Investment in Capital Assets	$3,146,723	$5,566	$0	$0	$47,921	$0	$71,845	$3,272,055	$0	$3,272,055
511.4 Restricted Net Position	$0	$3,626	$0	$0	$0	$0	$0	$3,626	$0	$3,626
512.4 Unrestricted Net Position	$1,031,367	-$14,670	$0	$0	$8,457	$0	-$156,531	$868,623	$0	$868,623
513 Total Equity - Net Assets / Position	$4,178,090	-$5,478	$0	$0	$56,378	$0	-$84,686	$4,144,304	$0	$4,144,304
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$6,755,920	$178,481	$5,619	$3,069	$1,691,183	$23,115	$244,000	$8,901,387	-$440,234	$8,461,153
70300 Net Tenant Rental Revenue	$415,289	$0	$0	$0	$302,524	$0	$0	$717,813	$0	$717,813
70400 Tenant Revenue - Other	$29,668	$0	$0	$0	$6,612	$0	$0	$36,280	$0	$36,280
70500 Total Tenant Revenue	$444,957	$0	$0	$0	$309,136	$0	$0	$754,093	$0	$754,093
70600 HUD PHA Operating Grants	$613,312	$1,227,657	$311,724	$0	$0	$23,207	$0	$2,175,900	$0	$2,175,900
70610 Capital Grants	$171,331	$0	$0	$0	$0	$0	$0	$171,331	$0	$171,331
70710 Management Fee	$0	$0	$0	$0	$0	$0	$160,240	$160,240	-$160,240	$0
70720 Asset Management Fee	$0	$0	$0	$0	$0	$0	$24,600	$24,600	-$24,600	$0
70730 Book Keeping Fee	$0	$0	$0	$0	$0	$0	$39,044	$39,044	-$39,044	$0
70740 Front Line Service Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
70750 Other Fees	$0	$0	$0	$0	$0	$0	$9,578	$9,578	$0	$9,578
70700 Total Fee Revenue	$0	$0	$0	$0	$0	$0	$233,462	$233,462	-$223,884	$9,578
70800 Other Government Grants	$0	$0	$0	$7,267	$140,908	$0	$22,096	$170,271	$0	$170,271
71100 Investment Income - Unrestricted	$64,682	$42	$0	$0	$258	$0	$62	$65,044	$0	$65,044
71400 Fraud Recovery	$0	$3,729	$508	$0	$0	$0	$0	$4,237	$0	$4,237
71500 Other Revenue	$46,379	$1,465	$0	$0	$7,683	$0	$71,973	$127,500	-$37,240	$90,260
71600 Gain or Loss on Sale of Capital Assets	$0	$0	$0	$0	-$17,463	$0	$0	-$17,463	$0	-$17,463
70000 Total Revenue	$1,340,661	$1,232,893	$312,232	$7,267	$440,522	$23,207	$327,593	$3,684,375	-$261,124	$3,423,251

HOCKING METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULE

DECEMBER 31, 2016

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
91100 Administrative Salaries	$43,293	$44,809	$11,484	$208	$51,325	$0	$116,116	$267,235	$0	$267,235
91200 Auditing Fees	$3,016	$4,640	$580	$0	$2,436	$0	$1,133	$11,805	$0	$11,805
91300 Management Fee	$99,506	$24,308	$0	$0	$36,426	$0	$0	$160,240	-$160,240	$0
91310 Book-keeping Fee	$14,588	$16,205	$2,720	$0	$5,341	$190	$0	$39,044	-$39,044	$0
91400 Advertising and Marketing	$375	$250	$0	$0	$13	$0	$0	$638	$0	$638
91500 Employee Benefit contributions - Administrative	$16,263	$31,984	$3,571	$146	$50,210	$0	$41,353	$143,527	$0	$143,527
91600 Office Expenses	$21,369	$7,503	$454	$0	$9,197	$0	$16,500	$55,023	$0	$55,023
91700 Legal Expense	$2,162	$200	$11	$0	$165	$0	$214	$2,752	$0	$2,752
91800 Travel	$1,891	$382	$0	$0	$207	$0	$678	$3,158	$0	$3,158
91900 Other	$69,654	$12,985	$13,920	$25	$12,460	$1,500	$13,459	$124,003	$0	$124,003
91000 Total Operating - Administrative	$272,117	$143,266	$32,740	$379	$167,780	$1,690	$189,453	$807,425	-$199,284	$608,141
92000 Asset Management Fee	$24,600	$0	$0	$0	$0	$0	$0	$24,600	-$24,600	$0
92400 Tenant Services - Other	$1,244	$0	$0	$0	$0	$0	$0	$1,244	$0	$1,244
92500 Total Tenant Services	$1,244	$0	$0	$0	$0	$0	$0	$1,244	$0	$1,244
93100 Water	$19,933	$0	$0	$0	$11,257	$0	$491	$31,681	$0	$31,681
93200 Electricity	$90,763	$0	$0	$0	$41,548	$0	$4,105	$136,416	$0	$136,416
93300 Gas	$5,354	$0	$0	$0	$10,946	$0	$0	$16,300	$0	$16,300
93600 Sewer	$2,888	$0	$0	$0	$0	$0	$0	$2,888	$0	$2,888
93800 Other Utilities Expense	$0	$0	$0	$0	$1,425	$0	$0	$1,425	$0	$1,425
93000 Total Utilities	$118,938	$0	$0	$0	$65,176	$0	$4,596	$188,710	$0	$188,710
94100 Ordinary Maintenance and Operations - Labor	$82,029	$0	$0	$0	$33,280	$0	$26,960	$142,269	$0	$142,269
94200 Ordinary Maintenance and Operations - Materials and Other	$76,687	$851	$0	$0	$26,784	$0	$1,139	$105,461	$0	$105,461
94300 Ordinary Maintenance and Operations Contracts	$166,482	$27,114	$0	$0	$101,906	$0	$14,402	$309,904	-$37,240	$272,664
94500 Employee Benefit Contributions - Ordinary Maintenance	$30,729	$0	$0	$0	$38,749	$0	$9,600	$79,078	$0	$79,078
94000 Total Maintenance	$355,927	$27,965	$0	$0	$200,719	$0	$52,101	$636,712	-$37,240	$599,472
96110 Property Insurance	$26,294	$0	$0	$0	$9,491	$0	$3,212	$38,997	$0	$38,997
96130 Workmen's Compensation	$2,503	$864	$211	$26	$1,660	$0	$2,878	$8,142	$0	$8,142
96140 All Other Insurance	$0	$912	$0	$0	$0	$0	$1,106	$2,018	$0	$2,018
96100 Total insurance Premiums	$28,797	$1,776	$211	$26	$11,151	$0	$7,196	$49,157	$0	$49,157
96200 Other General Expenses	$252	$0	$0	$0	$6,076	$0	$0	$6,328	$0	$6,328
96210 Compensated Absences	$11,671	$1,251	$183	$152	$3,211	$0	$9,312	$25,780	$0	$25,780
96300 Payments in Lieu of Taxes	$29,648	$0	$0	$0	$0	$0	$0	$29,648	$0	$29,648
96400 Bad debt - Tenant Rents	$13,041	$0	$0	$0	$2,774	$0	$0	$15,815	$0	$15,815
96000 Total Other General Expenses	$54,612	$1,251	$183	$152	$12,061	$0	$9,312	$77,571	$0	$77,571
96710 Interest of Mortgage (or Bonds) Payable	$94,064	$0	$0	$0	$30,884	$0	$0	$124,948	$0	$124,948
96720 Interest on Notes Payable (Short and Long Term)	$0	$0	$0	$0	$4,660	$0	$0	$4,660	$0	$4,660
96700 Total Interest Expense and Amortization Cost	$94,064	$0	$0	$0	$35,544	$0	$0	$129,608	$0	$129,608
96900 Total Operating Expenses	$950,299	$174,258	$33,134	$557	$492,431	$1,690	$262,658	$1,915,027	-$261,124	$1,653,903
97000 Excess of Operating Revenue over Operating Expenses	$390,362	$1,058,635	$279,098	$6,710	-$51,909	$21,517	$64,935	$1,769,348	$0	$1,769,348
97300 Housing Assistance Payments	$0	$1,088,927	$279,098	$6,710	$0	$21,517	$0	$1,396,252	$0	$1,396,252
97350 HAP Portability-In	$0	$1,152	$0	$0	$0	$0	$0	$1,152	$0	$1,152
97400 Depreciation Expense	$272,009	$3,200	$0	$0	$56,145	$0	$9,302	$340,656	$0	$340,656
90000 Total Expenses	$1,222,308	$1,267,537	$312,232	$7,267	$548,576	$23,207	$271,960	$3,653,087	-$261,124	$3,391,963

HOCKING METROPOLITAN HOUSING AUTHORITY

FDS SCHEDULE

DECEMBER 31, 2016

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	14.267 Continuum of Care Program	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	$30,000	$0	$0	$0	$0	$0	$0	$30,000	-$30,000	$0
10020 Operating transfer Out	-$30,000	$0	$0	$0	$0	$0	$0	-$30,000	$30,000	$0
10091 Inter Project Excess Cash Transfer In	$49,476	$0	$0	$0	$0	$0	$0	$49,476	-$49,476	$0
10092 Inter Project Excess Cash Transfer Out	-$49,476	$0	$0	$0	$0	$0	$0	-$49,476	$49,476	$0
10093 Transfers between Program and Project - In	$108,376	$0	$0	$0	$0	$0	$0	$108,376	-$108,376	$0
10094 Transfers between Project and Program - Out	-$108,376	$0	$0	$0	$0	$0	$0	-$108,376	$108,376	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$118,353	-$34,644	$0	$0	-$108,054	$0	$55,633	$31,288	$0	$31,288
11020 Required Annual Debt Principal Payments	$114,074	$0	$0	$0	$0	$0	$0	$114,074	$0	$114,074
11030 Beginning Equity	$4,059,737	$29,166	$0	$0	$164,432	$0	-$140,319	$4,113,016	$0	$4,113,016
11170 Administrative Fee Equity	$0	-$9,104	$0	$0	$0	$0	$0	-$9,104	$0	-$9,104
11180 Housing Assistance Payments Equity	$0	$3,626	$0	$0	$0	$0	$0	$3,626	$0	$3,626
11190 Unit Months Available	1968	3672	360	$0	624	40	$0	6664	$0	6664
11210 Number of Unit Months Leased	1943	3251	360	$0	585	38	$0	6177	$0	6177
11270 Excess Cash	-$149,562	$0	$0	$0	$0	$0	$0	-$149,562	$0	-$149,562
11610 Land Purchases	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
11620 Building Purchases	$171,331	$0	$0	$0	$0	$0	$0	$171,331	$0	$171,331

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

August 30, 2017

Hocking Metropolitan Housing Authority
Hocking County
33601 Pine Ridge Drive
Logan, Ohio 43138

To the Board of Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Hocking Metropolitan Housing Authority,** Hocking County, (the Authority) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 30, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We did note certain matters not required in this report that we reported to the Authority's management in a separate letter dated August 30, 2017.

Purpose of this Report

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

Perry & Associates CPA's A.C.

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

August 30, 2017

Hocking Metropolitan Housing Authority
3526 Lake Avenue
Hocking, Ohio 44004

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

HOCKING METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	CFDA # 14.871 Housing Choice Vouchers
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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HOCKING COUNTY METROPOLITAN HOUSING AUTHORITY

HOCKING 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
OCTOBER 10, 2017