HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
Single Audit
For the Year Ended December 31, 2012

Perry & Associates
Certified Public Accountants, A.C.

Dave Yost • Auditor of State

Board of Commissioners
Hocking Metropolitan Housing Authority
33601 Pine Ridge Drive
Logan, Ohio 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, 2012 through December 31, 2012. 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

July 26, 2013

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HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

June 19, 2013

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 business-type activities of the **Hocking Metropolitan Housing Authority**, Hocking County, Ohio (the Authority), as of and for the year ended December 31, 2012, 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 respective financial position of the business-type activities of the Hocking Metropolitan Housing Authority, Hocking County, Ohio, as of December 31, 2012, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2012 the Hocking Metropolitan Housing Authority adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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 certificates presented on page 27 and the supplemental financial data schedules presented on pages 28 through 31 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of federal awards expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The actual modernization cost certificates, supplemental financial data schedules and schedule of federal awards expenditures are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and 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 June 19, 2013, 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.

Respectfully submitted,

Perry & Associates CPA's A.C.

Perry & Associates
Certified Public Accountants, A.C.

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED

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 years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- Net assets were $4,632,542 and $4,677,729 for 2012 and 2011, respectively. The Authority-wide statements reflect a decrease in total net assets of $45,187 (or 0.9%), during 2012. This decrease is reflective of the year's activities.

- The business-type activity revenue increased by $203,526 (or 7.7%) during 2012, and was $2,827,992 and $2,624,466 for 2012 and 2011, respectively.

- The total expenses of all Authority programs increased by $7,531 (or 0.3%) during 2012. Total expenses were $2,873,179 and $2,865,648 for 2012 and 2011, 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 Basic Financial Statements ~

The focus is on both the Authority as a whole (authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

<u>Basic Financial Statements</u>

The basic 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 Statement of Net Position, 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, equal "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 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:

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 do 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 Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and 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, investing activities, non-capital financing activities, and capital and related financing activities.

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

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 Authority 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. The Authority receives no operating subsidy, but does receive maintenance and operating funding through the Capital Grant Program.

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 – 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. The initial grant for this program ended June 30, 2011. HUD changed the format of this program to a one-year annual contract. The Authority was awarded a new grant effective June 28, 2011 through June 27 of 2012. A second one year renewal was granted for the period of July, 2012 – June 2013. The Authority will continue to apply annually to renew this program.

Other Business (O'Neill) – Hocking Metropolitan Authority owns 20 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 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 retains a receivable from Hocking Housing Management, Inc. This was for funding advanced for the American Dream program operating by the Authority. Hocking Metropolitan Housing is accruing interest on this account. As the contractor that owed the original note to Hocking Housing Management has successfully filed for bankruptcy, it has become doubtful that the Authority will be able to repay this debt. The Authority began to write off this debt as uncollectible in 2010. The Authority will write off the remaining debt in 2013.

State/Local (Ohio Housing Finance Agency) – The Authority was awarded a grant from the Ohio Housing Finance Agency to provide homeownership counseling and down payment assistance using Individual Development Accounts. Initial grant is for 3-year period in the amount of $85,000. The Authority has assisted several households with this program. The Authority has billed OHFA for administrative services for managing the homeownership cases. The Authority has a small amount of funds on hand held in a segregated account at Century Bank for this program. Due to the changing real estate market and changes of staff, the Authority does not expect to full utilize the total grant funds available. Project spend out was extended to December of 2012 or until all funds are expended, whichever comes first.

State/Local (Help Me Grow) – The Help Me Grow Program was transferred to the Hocking County Developmental Development agency in 2009. The Authority maintained a reserve account to cover all unemployment claims that resulted from the reduction of program funding. The Authority's unemployment liability was completed in December 2011 and all remaining Help Me Grow Funds transferred to the Hocking County DD program in January 2012.

Youth Build – The Authority partnered with Sojourners Care Network of Vinton County to operate a Youth Build program. The purpose of the program is to assist high school drop-outs between the age of 16 and 26 complete their GED and learn construction trades. Sojourners Care Network was responsible for all training aspects of the project. They received their funding from HUD. The Authority was responsible for obtaining the land, providing all of the construction materials and marketing the home upon its completion. The Authority obtained a 2-year interest only construction loan from Chase Bank. Construction began on the home in June of 2011. The home was completed in September of 2012. The Authority has listed the home with a local realtor. If there is no buyer by the end of July 2013, the property will be converted to a rental to pay the debt associated with the project.

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.

TABLE 1
STATEMENT OF NET POSITION

	2012	2011
Current and Other Assets	$ 459,517	$ 512,644
Capital Assets	4,268,461	4,373,738
Notes, Loans & Mortgages Receivable - NonCurrent	1,650,114	1,585,713
Total Assets	$ 6,378,092	$ 6,472,095
Current Liabilities	$ 360,635	$ 352,885
Long-Term Liabilities	1,384,915	1,441,481
Total Liabilities	1,745,550	1,794,366
Net Position:		
Net Investment in Capital Assets	3,755,583	3,908,797
Restricted	18,874	39,000
Unrestricted	858,085	729,932
Total Net Position	4,632,542	4,677,729
Total Liabilities and Net Position	$ 6,378,092	$ 6,472,095

For more detailed information see the Statement of Net Position.

Major Factors Affecting the Statement of Net Position

The current assets decreased by $53,127. The decrease was mainly due to a reduction in the NRA of the Voucher program. Capital assets decreased by $105,277. This was due to depreciation expense exceeding the capital assets acquired during 2012. Current liabilities increased by $7,750.

TABLE 2

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, 2012	$ 729,932	$ 39,000	$ 3,908,797
Results of Operation	(45,187)		-
Adjustments:			
Current Year Depreciation Expense	264,037	-	(264,037)
Capital Expenditures and CIP	(158,758)	-	158,758
Current Year Additional Debt- Land	71,018	-	(71,018)
Current Year Debt Repayment	(23,083)		23,083
Transfer to Restricted HAP	20,126	(20,126)	-
Ending Balance - December 31, 2012	$ 858,085	$ 18,874	$ 3,755,583

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.

TABLE 3

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.

	2012	2011
Revenues		
Total Tenant Revenues	$ 570,091	$ 544,432
Operating Subsidies	2,044,228	1,966,111
Capital Grants	82,733	15,975
Investment Income	66,484	68,166
Other Revenues	64,456	29,782
Total Revenues	**2,827,992**	**2,624,466**

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)

	2012	2011
Expenses		
Administrative	$ 573,876	$ 492,828
Tenant Services	11,568	19,877
Utilities	179,344	180,843
Maintenance	269,335	337,318
General and Interest Expenses	186,375	188,756
Housing Assistance Payments	1,388,644	1,315,575
Depreciation	264,037	330,451
Total Expenses	**2,873,179**	**2,865,648**
Net Increases (Decreases)	**$ (45,187)**	**$ (241,182)**

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

Total revenue increased by $203,526 for the year. The increase was due to funding from HUD in the capital fund program. Total expenses increased by $7,531.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had $4,268,461 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of $105,277 from the end of last year.

TABLE 4

Capital Assets at Year-End (Net of Depreciation)

The following reconciliation summarizes the change in Capital Assets.

	2012	2011
Land and Land Rights	$ 1,029,804	$ 998,619
Buildings	9,236,672	9,159,911
Equipment	164,344	158,374
Leasehold Improvement	1,465,156	1,465,156
Construction in Progress	100,074	55,232
Accumulated Depreciation	(7,727,589)	(7,463,554)
Total	$ 4,268,461	$ 4,373,738

TABLE 5

CHANGE IN CAPITAL ASSETS

Beginning Balance - January 1, 2012	$ 4,373,738
Current Year Additions	158,758
Current Year Depreciation Expense	(264,035)
Ending Balance - December 31, 2012	$ 4,268,461

Current Year Additions are summarized as follows:	
Windows/Doors/Siding Replacement	$ 76,761
Youth Build Additions	44,842
Land acquisition	31,185
Office equipment	5,970
Total 2012 Additions	$ 158,758

DEBT ADMINISTRATION

The Authority has secured tax-exempt debt to finance its non-federal business activities. The Authority has two types of debt in place. Long-term debt, which is self-amortized over a fixed term, is used for financing income-generating apartments. Short-term debt, which is interest only with a balance due at the end of its term, is used for construction financing of the single-family homes to be sold. The 15 open market apartments are used to secure the debt. The other debt is a Capital Lease, which is used to finance the acquisition of a Satellite TV System. Income for business operation is sufficient to meet debt expenses.

During FY 2007, The Authority refinanced two of its duplex properties. The Authority used earned development fees to reduce debt to $40,000 on each property and re-amortized to a thirty-year note. The debt is with PNC Bank (formerly National City Bank) through the Federal Home Loan Community Assistance Program.

During FY 2008, the Authority secured $225,000 of short term financing to purchase and rehabilitate five units to be used to house mental health clients. The authority was awarded a $100,000 grant from the Ohio Department of Mental Health. These funds were used to reduce the mortgage principal upon completion of the rehabilitation.

During FY 2011 the Authority converted a construction loan of 825 W. Third Street to a 15-year fully amortizing loan. The loan is with Hocking Valley Bank.

During FY 2011, a Youth Build project began and a construction loan was obtained from Chase Bank to complete this project.

Beginning Balance - January 1, 2012	$	1,526,438
Current Year Loans Proceeds		71,018
Current Year Loan Retirements		(53,914)
Ending Balance - December 31, 2012	$	1,543,542

The loan in the Business Activity is the only capital related debt.

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
HOCKING COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2012

Assets		
Current Assets:		
Cash and Cash Equivalents	$	161,050
Restricted Cash and Cash Equivalents		33,445
Investments		95,871
Receivables, Net		100,550
Inventories, Net		17,861
Prepaid Expenses and Other Assets		50,740
Total Current Assets		459,517
Noncurrent Assets:		
Capital Assets:		
Nondepreciable Capital Assets		1,129,878
Depreciable Capital Assets, Net of Accumulated Depreciation		3,138,583
Total Capital Assets		4,268,461
Other Noncurrent Assets		1,650,114
Total Noncurrent Assets		5,918,575
Total Assets	$	6,378,092
Liabilities		
Current Liabilities:		
Accounts Payable	$	3,963
Accrued Liabilities		62,740
Accrued Compensated Absences - Current Portion		15,334
Intergovernmental Payable		50,377
Tenant Security Deposits		40,789
Deferred Revenue		11,929
Bonds, Notes, and Loans Payable - Current Portion		175,503
Total Current Liabilities		360,635
Long Term Liabilities:		
Bonds, Notes, and Loans Payable		1,368,039
Accrued Compensated Absences		6,735
Other Long Term Liabilities		10,141
Total Long Term Liabilities		1,384,915
Total Liabilities		1,745,550
Net Position:		
Net Investment In Capital Assets		3,755,583
Restricted		18,874
Unrestricted		858,085
Total Net Position		4,632,542
Total Liabilities and Net Position	$	6,378,092

See accompanying notes to the basic financial statements.

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Operating Revenues:		
Tenant Revenue	$	570,091
Government Operating Grants		2,044,228
Other Revenue		64,456
Total Operating Revenues		2,678,775
Operating Expenses:		
Administrative		573,876
Tenant Services		11,568
Utilities		179,344
Maintenance		269,335
General		112,206
Housing Assistance Payments		1,388,644
Depreciation		264,037
Total Operating Expenses		2,799,010
Operating Income/(Loss)		(120,235)
Other Non-Operating Revenues(Expenses):		
HUD Capital Grants		82,733
Interest and Investment Revenue		66,484
Interest Expense		(74,169)
Total Other Non-Operating Revenues(Expenses)		75,048
Change in Net Position		(45,187)
Net Position, Beginning of the Year		4,677,729
Net Position, End of Year	$	4,632,542

See accompanying notes to the basic financial statements

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:		
Tenant Revenue Received	$	548,250
Operating Grants Received		2,000,328
Other Revenue Received		64,456
General and Administrative Expenses Paid		(1,192,839)
Housing Assistance Payments		(1,388,644)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		31,551
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Earned		2,081
(Purchase) Sale of Investments		27,949
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		30,030
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Debt Principal Payment		(53,914)
Capital Grant Funds Received		82,733
Loan Proceeds		71,018
Capital Assets Purchased		(158,758)
Interest Paid on Debt		(74,169)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		(133,090)
Net Increase (Decrease) in Cash and Cash Equivalents		(71,509)
Cash and Cash Equivalents at Beginning of Year		266,004
Cash and Cash Equivalents at End of Year	$	194,495
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net Operating Income (Loss)	$	(120,235)
Adjustments:		
Depreciation		264,037
(Increase) Decrease in :		
Receivables, Net		(23,891)
Inventories, Net		(6,137)
Prepaid Expenses and Other Assets		(16,303)
Increase (Decrease) in:		
Accounts Payable		(37,036)
Accrued Liabilities		28,222
Intergovernmental Payable		(38,130)
Tenant Security Deposits		2,050
Deferred Revenue		(5,770)
Accrued Compensated Absences		(15,206)
Other Long Term Liabilities		(50)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$	31,551

See accompanying notes to the basic financial statements

NOTE 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 generally accepted accounting principles (GAAP) as applied to government 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 Hocking Metropolitan Housing 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 provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, 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 of the Authority over which the Authority is financially accountable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the 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.

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

Basis of Presentation

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

Proprietary Fund Types

Proprietary funds are used to account for the Authority’s ongoing activities, which are similar to those found in the private sector. The following is the proprietary fund type:

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

Change in Accounting Principles

For 2012, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. GASB Statement No. 63 provides guidance for reporting deferred outflows or resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the Authority’s 2012 financial statements; however, there was no material effect on beginning net position/fund balance.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs

The following are the various programs which are included in the single enterprise fund:

A. 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.

B. 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.

C. 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.

D. Shelter Plus 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.

E Other Business (O'Neill)
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.

F. State/Local (Ohio Housing Finance Agency)
The Authority was awarded a grant from the Ohio Housing Finance Agency to provide homeownership counseling and down payment assistance using Individual Development Accounts. Initial grant is for 3-year period in the amount of $85,000. The Authority has assisted several households with this program. The Authority has billed OHFA for administrative services for managing the homeownership cases. The Authority has a small amount of funds on hand held in a segregated account at Century Bank for this program. Due to the changing real estate market and changes of staff, the Authority does not expect to full utilize the total grant funds available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Youth Build

The Authority partnered with Sojourners Care Network of Vinton County to operate a Youth Build program. The purpose of the program is to assist high school drop-outs between the age of 16 and 26 complete their GED and learn construction trades. Sojourners Care Network was responsible for all training aspects of the project. They received their funding from HUD. The Authority was responsible for obtaining the land, providing all of the construction materials and marketing the home upon its completion. The Authority obtained a 2-year interest only construction loan from Chase Bank. Construction began on the home in June of 2011. The home was completed in September of 2012. The Authority has listed the home with a local realtor. If there is no buyer by the end of July 2013, the property will be converted to a rental to pay the debt associated with the project.

H. Other (Help Me Grow)

The Authority has sought other resources in order to provide social services to their residents. The Authority has assumed administrative responsibility for the Help Me Grow program. Help Me Grow is a State of Ohio program targeted to coordinate services for families with at risk children under the age of 3. Program is funded from TANF, Medicaid Part C and State of Ohio General Revenue Funds. This program is to be the springboard for the development of a complete social service program for all of the Authority's clients.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2012 totaled $66,484.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of $500 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	40 years
Buildings Improvements	15 years
Furniture, Equipment and Machinery	3-7 years

Net Position

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

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.

Capital Contributions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

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 absence 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.

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:

	Balance 12/31/11	Increase	Decrease	Balance 12/31/12	Due Within a Year
Total Compensated Absence Liability	37,275	18,172	($33,379)	$22,068	$15,333

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.

Estimates

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

NOTE 2: 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 withdrawal 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 period of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the 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 certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

At fiscal year-end December 31, 2012, the carrying amount of the Authority's deposits totaled $290,366 and its bank balance was $342,623. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2012, $0 was exposed to custodial risk as discussed below.

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 bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 3: RESTRICTED CASH

Restricted cash balances as of December 31, 2012 of $33,445 represents the following:

	Cash
- Tenant security deposits	$14,571
- Cash on hand advance from HUD to be used for tenants housing assistance payments	18,874
Total	$33,445

NOTE 4: CAPITAL ASSETS

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Capital Assets Not Depreciated:				
Land	$ 998,619	$ 31,185	$ -	$ 1,029,804
Construction in Progress	55,232	44,842	-	100,074
Total Capital Assets Not Depreciated	1,053,851	76,027	-	1,129,878
Capital Assets Being Depreciated:				
Buildings	9,159,911	76,761	-	9,236,672
Furnt, Mach. & Equip.	158,374	5,970	-	164,344
Leasehold Improvement	1,465,156	-	-	1,465,156
Total Capital Assets Depreciated	10,783,441	82,731	-	10,866,172
Accumulated Depreciation:				
Buildings	(6,011,859)	(224,875)	-	(6,236,734)
Furniture, Mach., & Equip.	(120,500)	(6,808)	-	(127,308)
Leasehold Improvement	(1,331,195)	(32,352)	-	(1,363,547)
Total Accumulated Depreciation	(7,463,554)	(264,035)	-	(7,727,589)
Total Capital Assets Being Depreciated, Net	**3,319,887**	**(181,304)**	**-**	**3,138,583**
Total Capital Assets, Net	**$ 4,373,738**	**$(105,277)**	**$ -**	**$ 4,268,461**

NOTE 5: DEFINED BENEFIT PENSION PLANS

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans as described below:

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.

3. The Combined Plan – A cost sharing, multiple-employer defined pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Direct Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer rates were consistent across all three plans. The 2012 member contribution rates were 10.0% for members 14.0% for employers of covered payroll. The Authority's contribution for the years ended December 31, 2012, 2011, and 2010 were $44,465, $52,035 and $54,649, respectively. All required payments of contributions have been made through December 31, 2012. All required contributions for the two previous years have been paid.

NOTE 6: POSTEMPLOYMENT BENEFITS

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

NOTE 6: POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, the Authority contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contribution to the OPEB Plan.

OPERS Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding the post-employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2012, which were used to fund post-employment benefits, were $12,704.

The Health Care Prevention Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Members and employers contribution rates increased January 1 of each year from 2006 to 2008. These rates increased allowed additional funds to be allocated to the health care plan.

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

NOTE 7: 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, 2012 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.

NOTE 8: LONG-TERM DEBT

Hocking Metropolitan Housing Authority has several outstanding mortgages as of December 31, 2012. These loans were obtained to purchase property with the Board Funds and also to obtain an interest in the Pine Ridge to lease some of the units to public housing tenants.

	ORIGINAL LOAN BALANCE	INTEREST RATE	LIFE OF LOAN	12/31/12 BALANCE
CHASE:				
O'Neal Loan	$ 140,000	3.2500%	15 years	$ 53,698
Pine Ridge Loan	900,000	6.8600%	20 years	742,664
Walnut Street Property	121,890	4.6000%	20 years	108,483
Mental Health Property	100,000	0.0000%	40 years	100,000
Youthbuild *	50,110	3.49%	5 years	90,000
Olds McCarthur Property	31,128	7.75%	5 years	31,128
PNC:				
Orchard Street Property	40,000	7.74%	20 years	33,152
4th Street Property	40,000	7.74%	20 years	33,152
HOCKING VALLEY BANK:				
3rd Street Property	60,000	5.00%	1 year	52,571
Pine Ridge	288,000	0.00%	15 years	288,000
CITY OF LOGAN:	55,000	0.0000%	15 years	10,694
Total Outstanding Mortgages:				1,543,542
Less: Current Portion				175,503
Total Non-Current Mortgage Payable				$1,368,039

* Youthbuild loan had an additional $39,890 in note proceeds for 2012

The following is a summary of changes in long-term debt for the year ended December 31, 2012:

DESCRIPTION	BALANCE 12/31/11	ISSUED	RETIRED	BALANCE 12/31/12	DUE WITHIN A YEAR
Mortgage Loan Payable	$1,526,438	71,018	($53,914)	$1,543,542	$175,503

NOTE 8: LONG-TERM DEBT (CONTINUED)

Maturities of the debt over the next five years are as follows:

	Mortgage Payable		
Years	Principal	Interest	Total
2013	$ 175,503	$ 69,681	$ 245,184
2014	61,413	61,032	122,445
2015	122,294	55,431	177,725
2016	62,962	51,983	114,945
2017	66,636	66,929	133,565
2018-2022	632,469	174,197	806,666
2023-2027	359,765	56,109	415,874
2028-2032	12,500	-	12,500
2033-2037	12,500	-	12,500
2038-2042	12,500	-	12,500
2043-2047	12,500	-	12,500
2048-2052	12,500	-	12,500
Total	$ 1,543,542	$ 535,362	$ 2,078,904

NOTE 9: SUBSEQUENT EVENTS

There were no subsequent events noted through the date of the report, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

Supplemental Financial Data

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
ACTUAL MODERNIZATION COST CERTIFICATES
FOR THE YEAR ENDED DECEMBER 31, 2012

Modernization Project Number : OH-16-P032-501-09

Original Funds Approved:	$	242,987
Funds Disbursed:	$	242,987
Funds Expended (Actual Modernization Cost):	$	242,987
Amount to be Recaptured:	Not Applicable	
Excess of Funds Disbursed:	Not Applicable	

Modernization Project Number : OH-16-P032-501-10

Original Funds Approved:	$	241,718
Funds Disbursed:	$	241,718
Funds Expended (Actual Modernization Cost):	$	241,718
Amount to be Recaptured:	Not Applicable	
Excess of Funds Disbursed:	Not Applicable	

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
FDS SCHEDULE
DECEMBER 31, 2012

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Help Me Grow	Business Activities	State/Local	COCC	ELIM	Total
111 Cash - Unrestricted	$90,736	$5,495	$309	$81	$0	$0	$64,429	$0	$161,050
113 Cash - Other Restricted	$0	$18,874	$0	$0	$0	$0	$0	$0	$18,874
114 Cash - Tenant Security Deposits	$14,571	$0	$0	$0	$0	$0	$0	$0	$14,571
100 Total Cash	$105,307	$24,369	$309	$81	$0	$0	$64,429	$0	$194,495
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects	$18,853	$0	$0	$0	$0	$0	$0	$0	$18,853
124 Accounts Receivable - Other Government	$0	$0	$0	$7,414	$0	$0	$0	$0	$7,414
125 Accounts Receivable - Miscellaneous	$0	$0	$6,429	$0	$47,521	$0	$4,930	$0	$58,880
126 Accounts Receivable - Tenants	$11,520	$0	$0	$0	$1,050	$0	$0	$0	$12,570
126.1 Allowance for Doubtful Accounts -Tenants	-$500	$0	$0	$0	$0	$0	$0	$0	-$500
127 Notes, Loans, & Mortgages Receivable - Current	$0	$0	$0	$0	$0	$0	$0	$0	$0
128 Fraud Recovery	$0	$3,333	$0	$0	$0	$0	$0	$0	$3,333
120 Total Receivables, Net of Allowances for Doubtful Accounts	$29,873	$3,333	$6,429	$7,414	$48,571	$0	$4,930	$0	$100,550
131 Investments - Unrestricted	$32,158	$4,859	$0	$0	$6,624	$0	$15,871	$0	$59,512
132 Investments - Restricted	$17,842	$10,141	$0	$0	$8,376	$0	$0	$0	$36,359
142 Prepaid Expenses and Other Assets	$33,507	$8,248	$0	$0	$2,972	$0	$6,013	$0	$50,740
143 Inventories	$19,195	$0	$0	$0	$566	$0	$0	$0	$19,761
143.1 Allowance for Obsolete Inventories	-$1,900	$0	$0	$0	$0	$0	$0	$0	-$1,900
144 Inter Program Due From	$219,101	$7,186	$0	$0	$0	$0	$39,115	-$265,402	$0
150 Total Current Assets	$455,083	$58,136	$6,738	$7,495	$67,109	$0	$130,358	-$265,402	$459,517
161 Land	$973,519	$0	$0	$0	$56,285	$0	$0	$0	$1,029,804
162 Buildings	$8,634,370	$0	$0	$0	$582,628	$0	$19,674	$0	$9,236,672
163 Furniture, Equipment & Machinery - Dwellings	$32,853	$0	$0	$0	$5,461	$0	$2,115	$0	$40,429
164 Furniture, Equipment & Machinery - Administration	$27,791	$30,124	$0	$0	$0	$0	$66,000	$0	$123,915
165 Leasehold Improvements	$1,459,634	$0	$0	$0	$5,522	$0	$0	$0	$1,465,156
166 Accumulated Depreciation	-$7,436,471	-$15,448	$0	$0	-$213,958	$0	-$61,712	$0	-$7,727,589
167 Construction in Progress	$0	$0	$0	$0	$100,074	$0	$0	$0	$100,074
160 Total Capital Assets, Net of Accumulated Depreciation	$3,691,696	$14,676	$0	$0	$536,012	$0	$26,077	$0	$4,268,461
171 Notes, Loans and Mortgages Receivable - Non-Current	$1,650,114	$0	$0	$0	$0	$0	$0	$0	$1,650,114
180 Total Non-Current Assets	$5,341,810	$14,676	$0	$0	$536,012	$0	$26,077	$0	$5,918,575
190 Total Assets	$5,796,893	$72,812	$6,738	$7,495	$603,121	$0	$156,435	-$265,402	$6,378,092

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
FDS SCHEDULE
DECEMBER 31, 2012

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Help Me Grow	Business Activities	State/Local	COCC	ELIM	Total
311 Bank Overdraft	$0	$0	$0	$0	$3,963	$0	$0	$0	$3,963
312 Accounts Payable <= 90 Days	$6,514	$240	$0	$0	$1,977	$0	$2,462	$0	$11,193
321 Accrued Wage/Payroll Taxes Payable	$8,276	$6,413	$0	$0	$0	$0	$9,913	$0	$24,602
322 Accrued Compensated Absences - Current Portion	$10,139	$2,466	$0	$0	$0	$0	$2,729	$0	$15,334
333 Accounts Payable - Other Government	$50,377	$0	$0	$0	$0	$0	$0	$0	$50,377
341 Tenant Security Deposits	$32,413	$0	$0	$0	$8,376	$0	$0	$0	$40,789
342 Deferred Revenues	$1,011	$0	$5,139	$0	$206	$0	$5,573	$0	$11,929
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	$0	$0	$0	$0	$142,517	$0	$0	$0	$142,517
344 Current Portion of Long-term Debt - Operator Borrowings	$32,986	$0	$0	$0	$0	$0	$0	$0	$32,986
345 Other Current Liabilities	$0	$0	$228	$0	$0	$0	$0	$0	$228
346 Accrued Liabilities - Other	$26,500	$0	$0	$0	$0	$0	$217	$0	$26,717
347 Inter Program - Due To	$46,141	$0	$1,371	$7,495	$2,497	$0	$207,898	-$265,402	$0
310 Total Current Liabilities	$214,357	$9,119	$6,738	$7,495	$159,536	$0	$228,792	-$265,402	$360,635
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$0	$0	$370,361	$0	$0	$0	$370,361
352 Long-term Debt, Net of Current - Operator Borrowings	$997,678	$0	$0	$0	$0	$0	$0	$0	$997,678
353 Non-current Liabilities - Other	$0	$10,141	$0	$0	$0	$0	$0	$0	$10,141
354 Accrued Compensated Absences - Non Current	$6,735	$0	$0	$0	$0	$0	$0	$0	$6,735
350 Total Non-Current Liabilities	$1,004,413	$10,141	$0	$0	$370,361	$0	$0	$0	$1,384,915
300 Total Liabilities	$1,218,770	$19,260	$6,738	$7,495	$529,897	$0	$228,792	-$265,402	$1,745,550
508.1 Invested In Capital Assets, Net of Related Debt	$3,691,696	$14,676	$0	$0	$23,134	$0	$26,077	$0	$3,755,583
511.1 Restricted Net Assets	$0	$18,874	$0	$0	$0	$0	$0	$0	$18,874
512.1 Unrestricted Net Assets	$886,427	$20,002	$0	$0	$50,090	$0	-$98,434	$0	$858,085
513 Total Equity/Net Assets	$4,578,123	$53,552	$0	$0	$73,224	$0	-$72,357	$0	$4,632,542
600 Total Liabilities and Equity/Net Assets	$5,796,893	$72,812	$6,738	$7,495	$603,121	$0	$156,435	-$265,402	$6,378,092
70300 Net Tenant Rental Revenue	$402,635	$0	$0	$0	$128,113	$0	$0	$0	$530,748
70400 Tenant Revenue - Other	$37,263	$0	$0	$0	$2,080	$0	$0	$0	$39,343
70500 Total Tenant Revenue	$439,898	$0	$0	$0	$130,193	$0	$0	$0	$570,091
70600 HUD PHA Operating Grants	$531,690	$1,300,646	$211,892	$0	$0	$0	$0	$0	$2,044,228
70610 Capital Grants	$82,733	$0	$0	$0	$0	$0	$0	$0	$82,733
70710 Management Fee	$0	$0	$0	$0	$0	$0	$136,625	-$136,625	$0
70720 Asset Management Fee	$0	$0	$0	$0	$0	$0	$30,840	-$30,840	$0
70730 Book Keeping Fee	$0	$0	$0	$0	$0	$0	$33,107	-$33,107	$0
70700 Total Fee Revenue	$0	$0	$0	$0	$0	$0	$200,572	-$200,572	$0
70800 Other Government Grants	$0	$0	$0	$21,653	$0	$0	$10,862	$0	$32,515
71100 Investment Income - Unrestricted	$65,781	$55	$0	$0	$384	$0	$209	$0	$66,429
71400 Fraud Recovery	$0	$5,567	$0	$0	$0	$0	$0	$0	$5,567
71500 Other Revenue	$32,287	$2,302	$0	$0	$489	$0	$21,163	-$29,867	$26,374
72000 Investment Income - Restricted	$0	$55	$0	$0	$0	$0	$0	$0	$55
70000 Total Revenue	$1,152,389	$1,308,625	$211,892	$21,653	$131,066	$0	$232,806	-$230,439	$2,827,992

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
FDS SCHEDULE
DECEMBER 31, 2012

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Help Me Grow	Business Activities	State/Local	COCC	ELIM	Total
91100 Administrative Salaries	$78,506	$42,218	$7,957	$0	$8,123	$0	$92,265	$0	$229,069
91200 Auditing Fees	$3,789	$5,246	$0	$0	$571	$0	$1,096	$0	$10,702
91300 Management Fee	$99,200	$25,148	$0	$0	$12,277	$0	$0	-$136,625	$0
91310 Book-keeping Fee	$14,543	$16,765	$0	$0	$1,799	$0	$0	-$33,107	$0
91400 Advertising and Marketing	$2,009	$0	$0	$0	$0	$0	$0	$0	$2,009
91500 Employee Benefit contributions - Administrative	$86,399	$22,109	$4,469	$0	$6,054	$0	$48,174	$0	$167,205
91600 Office Expenses	$19,583	$5,800	$800	$0	$3,285	$0	$10,901	$0	$40,369
91700 Legal Expense	$4,738	$2,353	$813	$0	$2,181	$0	$110	$0	$10,195
91800 Travel	$2,471	$5,566	$34	$0	$5,672	$0	$4,447	$0	$18,190
91810 Allocated Overhead	$0	$0	$0	$0	$0	$0	$0	$0	$0
91900 Other	$73,555	$13,904	$1,859	$2,105	$4,206	$84	$424	$0	$96,137
91000 Total Operating - Administrative	$384,793	$139,109	$15,932	$2,105	$44,168	$84	$157,417	-$169,732	$573,876
92000 Asset Management Fee	$30,840	$0	$0	$0	$0	$0	$0	-$30,840	$0
92400 Tenant Services - Other	$2,573	$0	$0	$0	$0	$0	$8,995	$0	$11,568
92500 Total Tenant Services	$2,573	$0	$0	$0	$0	$0	$8,995	$0	$11,568
93100 Water	$30,185	$0	$0	$0	$4,631	$0	$287	$0	$35,103
93200 Electricity	$106,693	$0	$0	$0	$10,318	$0	$4,256	$0	$121,267
93300 Gas	$4,782	$0	$0	$0	$5,918	$0	$0	$0	$10,700
93600 Sewer	$2,880	$0	$0	$0	$0	$0	$0	$0	$2,880
93800 Other Utilities Expense	$0	$0	$0	$0	$9,394	$0	$0	$0	$9,394
93000 Total Utilities	$144,540	$0	$0	$0	$30,261	$0	$4,543	$0	$179,344
94100 Ordinary Maintenance and Operations - Labor	$73,701	$0	$0	$0	$0	$0	$0	$0	$73,701
94200 Ordinary Maintenance and Operations - Materials and Other	$46,325	$427	$0	$0	$913	$0	$4,803	$0	$52,468
94300 Ordinary Maintenance and Operations Contracts	$126,688	$7,206	$0	$0	$26,005	$0	$13,134	-$29,867	$143,166
94000 Total Maintenance	$246,714	$7,633	$0	$0	$26,918	$0	$17,937	-$29,867	$269,335
96110 Property Insurance	$27,326	$0	$0	$0	$0	$0	$2,652	$0	$29,978
96130 Workmen's Compensation	$1,202	$753	$0	$0	$0	$0	$2,543	$0	$4,498
96140 All Other Insurance	$0	$923	$0	$0	$3,351	$0	$0	$0	$4,274
96100 Total insurance Premiums	$28,528	$1,676	$0	$0	$3,351	$0	$5,195	$0	$38,750
96200 Other General Expenses	$0	$0	$0	$0	$1,101	$0	$0	$0	$1,101
96210 Compensated Absences	$2,400	$5,200	$0	$0	$0	$0	$16,000	$0	$23,600
96300 Payments in Lieu of Taxes	$26,170	$0	$0	$0	$0	$0	$0	$0	$26,170
96400 Bad debt - Tenant Rents	$22,581	$0	$0	$0	$4	$0	$0	$0	$22,585
96000 Total Other General Expenses	$51,151	$5,200	$0	$0	$1,105	$0	$16,000	$0	$73,456
96710 Interest of Mortgage (or Bonds) Payable	$56,687	$0	$0	$0	$17,482	$0	$0	$0	$74,169
96700 Total Interest Expense and Amortization Cost	$56,687	$0	$0	$0	$17,482	$0	$0	$0	$74,169
96900 Total Operating Expenses	$945,826	$153,618	$15,932	$2,105	$123,285	$84	$210,087	-$230,439	$1,220,498
97000 Excess of Operating Revenue over Operating Expenses	$206,563	$1,155,007	$195,960	$19,548	$7,781	-$84	$22,719	$0	$1,607,494
97300 Housing Assistance Payments	$0	$1,171,106	$195,960	$19,548	$0	$0	$0	$0	$1,386,614
97350 HAP Portability-In	$0	$2,030	$0	$0	$0	$0	$0	$0	$2,030
97400 Depreciation Expense	$238,942	$2,775	$0	$0	$20,152	$0	$2,168	$0	$264,037
90000 Total Expenses	$1,184,768	$1,329,529	$211,892	$21,653	$143,437	$84	$212,255	-$230,439	$2,873,179

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
FDS SCHEDULE
DECEMBER 31, 2012

	Project Total	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Help Me Grow	Business Activities	State/Local	COCC	ELIM	Total
10010 Operating Transfer In	$0	$0	$0	$0	$0	$0	$29,874	$0	$29,874
10020 Operating transfer Out	-$29,874	$0	$0	$0	$0	$0	$0	$0	-$29,874
10093 Transfers between Program and Project - In	$108,376	$0	$0	$0	$0	$0	$0	$0	$108,376
10094 Transfers between Project and Program - Out	-$108,376	$0	$0	$0	$0	$0	$0	$0	-$108,376
10100 Total Other financing Sources (Uses)	-$29,874	$0	$0	$0	$0	$0	$29,874	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$62,253	-$20,904	$0	$0	-$12,371	-$84	$50,425	$0	-$45,187
11030 Beginning Equity	$4,585,292	$74,456	$0	$0	$85,595	$84	-$67,698	$0	$4,677,729
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$55,084	$0	$0	$0	$0	$0	-$55,084	$0	$0
11170 Administrative Fee Equity	$0	$34,678	$0	$0	$0	$0	$0	$0	$34,678
11180 Housing Assistance Payments Equity	$0	$18,874	$0	$0	$0	$0	$0	$0	$18,874
11190 Unit Months Available	2148	3672	360	$0	240	$0	$0	$0	6420
11210 Number of Unit Months Leased	2119	3361	360	$0	240	$0	$0	$0	6080
11270 Excess Cash	$94,803	$0	$0	$0	$0	$0	$0	$0	$94,803
11620 Building Purchases	$76,761	$0	$0	$0	$0	$0	$0	$0	$76,761
11640 Furniture & Equipment - Administrative Purchases	$5,972	$0	$0	$0	$0	$0	$0	$0	$5,972

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	2012 FEDERAL EXPENDITURES
DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:		
Shelter Plus Care	14.238	$ 211,892
Public and Indian Housing	14.850	374,983
Public Housing Capital Fund Program	14.872	239,440
Housing Choice Vouchers	14.871	1,300,646
TOTAL - FEDERAL AWARDS EXPENDITURES		$ 2,126,961

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

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures, the “schedule,” is a summary of the activity of the Authority’s federal award programs. The schedule has been prepared on the accrual basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

Perry & Associates

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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*

June 19, 2013

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 business-type activities of the **Hocking Metropolitan Housing Authority,** Hocking County, (the Authority) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 19, 2013, wherein we noted the Authority has adopted Governmental Accounting Standards Board Statement No. 63.

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 Standards*.

Purpose of this Report

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

Respectfully Submitted,

Perry & Associates CPA's A.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 19, 2013

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

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited the **Hocking Metropolitan Housing Authority's** (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Hocking Metropolitan Authority's major federal program for the year ended December 31, 2012. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for each of the Authority's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 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 Hocking Metropolitan Housing 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, 2012.

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 OMB Circular A-133, 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 compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Perry & Associates CPA's A.C.

Perry & Associates
Certified Public Accountants, A.C.

HOCKING METROPOLITAN HOUSING AUTHORITY
HOCKING COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE OF AUDIT FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other 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 internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Housing Choice Vouchers CFDA # 14.871
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

HOCKING 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
AUGUST 8, 2013