COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Board of Commissioners
Columbiana Metropolitan Housing Authority
325 Moore Street
East Liverpool, Ohio 43920

We have reviewed the *Independent Auditor's Report* of the Columbiana Metropolitan Housing Authority, Columbiana County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2014 through June 30, 2015. 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 Columbiana Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

January 28, 2016

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Columbiana Metropolitan Housing Authority
East Liverpool, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

We have audited the accompanying financial statements of the of the Columbiana Metropolitan Housing Authority, Ohio (the Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Columbiana Metropolitan Housing Authority, Ohio, as of June 30, 2015, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2015, the Authority adopted Governmental Accounting Standards No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No 68*, and restated its net position at July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 and Schedules of the Authority's Proportionate Share of the Net Position Liability and the Authority's Contributions Ohio Public Employees Retirement System Pension Contributions on pages 38 and 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of the Columbiana Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Columbiana Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
Date: 2015.12.14 15:54:02 -05'00'

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

November 20, 2015

The Columbiana 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 issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The Authority's total revenues increased by $478,011 during 2015, and were $5,356,962 and $4,878,951 for 2015 and 2014, respectively. This increase in large part is due to an uptick in operating and capital grants.

- The Authority's net position decreased by $117,632 during 2015. Increased costs of maintenance materials, operations and contracts were a factor, but the primary cause in the large reduction was reduced operating subsidies from HUD.

- The total expenses of all Authority-wide programs decreased by $91,736. Total expenses were $5,474,594 in 2015 compared to $5,566,330 in 2014. A contributing factor to the decrease was a reduction in HAP expense.

USING THIS ANNUAL REPORT

The following outlines the format of this report:

MD&A
- Management Discussion and Analysis -

Basic Financial Statements
- Authority-wide Financial Statements -
- Fund Financial Statements -
- Notes to the Financial Statements -

Other Required Supplementary Information
- Required Supplementary Information (other than MD&A)

The focus is on both the Authority as a whole (authority-wide) and the major individual programs. Both perspectives (authority-wide and major funds) 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.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated, 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 and deferred outflow of resources, minus liabilities and deferred inflow of resources 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 the "Unrestricted Net Position" 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:

> 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 Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
>
> Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position". This account resembles the old operating reserves account.

The Authority-wide 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 capital 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, and from capital and related financing activities.

Financial Statements

Traditional users of governmental financial statements will find the financial statements presentation more familiar. The focus is now on major funds, rather than fund types. The Authority consists of exclusively enterprise funds. The enterprise fund utilizes the full accrual basis of accounting. The enterprise fund method of accounting is similar to accounting utilized by private sector accounting.

THE AUTHORITY'S PROGRAMS

Business-Type Programs

Conventional Public Housing - 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 percent of adjusted gross household income.

Capital Fund Program (CFP) - This is the 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 the Authority's units.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with 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 Annual Contribution funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income.

State and Local Program - The State and Local Program includes the Authority's contracts with the City of Salem and the City of East Liverpool, and Columbiana Mental Health Board. Under these contracts the Authority administers a voucher program for the Cities of East Liverpool and the City of Salem. The Authority's contract with the Mental Health Board is to provide housing quality inspections.

Shelter Plus Care Program - Under the Shelter Plus Care Program, the Authority administers contracts with independent landlords that own the property and property owned and managed by Columbiana County Mental Health Board. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides annual contributions funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income. Columbiana MHA administers three SPC programs.

Component Unit – Represents programs administered by a non-profit affiliate to augment our After School Program which had been funded by HUD (DEP) in the past.

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior fiscal year. The Authority is engaged in only business-type activities. A restatement of the 2014 assets, deferred outflows, liabilities and net position was necessary for the implementation of GASB Statement No. 68.

Table 1 - Condensed Statement of Net Position Compared to Prior Year

	2015	Restated 2014
Assets and Deferred Outflows		
Current and Other Assets	$ 2,394,278	$ 1,159,700
Capital Assets	10,681,423	10,347,808
Deferred Outflows of Resources	85,348	51,732
Total Assets and Deferred Outflows	$ 13,161,049	$ 11,559,240
Liabilities and Deferred Inflows		
Current Liabilities	$ 599,285	$ 288,842
Noncurrent Liabilities	2,419,094	1,025,616
Deferred Inflows Of Resources	15,520	0
Total Liabilities and Deferred Inflows	3,033,899	1,314,458
Net Position		
Net Investment in Capital Assets	10,071,804	10,083,093
Restricted	39,886	0
Unrestricted	15,460	161,689
Total Net Position	10,127,150	10,244,782
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 13,161,049	$ 11,559,240

For more detail information see the Statement of Net Position presented elsewhere in this report.

Major Factors Affecting the Statement of Net Position

During 2015, total assets increased by $1,568,193 and total liabilities increased by $1,703,921. The increase in the liability is explained by a new equipment lease loan with PNC Bank for a second phase of an EPC with Honeywell International. The increase in total assets is primarily the result of an increase in cash, unspent debt proceeds related to the new equipment lease loan.

Net position decreased by $117,632. The primary cause of the reduction is a reduction in operating subsidies received from HUD. Net Position of the Authority decreased $687,379 in 2014.

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 in only business-type activities.

Table 2 - Statement of Revenue, Expenses, andChanges in Net Position

	2015	2014
Revenues		
Total Tenant Revenues	$ 727,317	$ 760,526
Operating Subsidies	4,389,143	4,014,023
Capital Grants	200,088	16,493
Investment Income	4,837	5,208
Other Revenues	35,577	82,701
Total Revenues	5,356,962	4,878,951
Expenses		
Administrative	952,088	946,201
Tenant Services	13,140	73,858
Utilities	531,667	545,418
Maintenance	953,294	800,147
Protective Services	93,123	80,729
Insurance and General Expenses	179,345	179,003
Housing Assistance Payaments	2,082,958	2,245,298
Depreciation	668,979	695,676
Total Expenses	5,474,594	5,566,330
Change in Net Position	$ (117,632)	$ (687,379)

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

Total revenues increased in 2015 in the amount of $478,011. This is a result of the infusion of more Operating Subsidy and Capital Grant funds during the period.

Total expenses decreased $91,736 in 2015. Significant increases occurred in some areas (Administration and Maintenance) while there was a drop in Housing Assistance Payments and Depreciation.

The Authority restated net position which reduced Net Position by $736,210. This was the result of the implementation of GASB Statement No. 68. GASB Statement No. 68 has been prominently cited throughout this MD&A because implementation of the new accounting standard has had a very big impact on the financial statements of the Authority. The implementation of GASB Statement No. 68 will have a similar impact on the financial statements of almost all units of government in Ohio. Essentially what it requires of Columbiana MHA is to report on its financial statements what is determined to be its share of the unfunded pension liability of the Ohio Public Employees Retirement System (OPERS). Despite that the very large Net Pension Liability reported by Columbiana MHA (more than $807,000) does not represent a true liability of the Authority in terms of if operations ceased today there is no invoice in that amount to be paid. The concept behind the standard is that ultimately for OPERS to resolve the unfunded pension liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of Columbiana MHA are participants in OPERS and that Columbiana MHA makes retirement contributions to OPERS on behalf of all its employees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year end, the Authority had $10,681,423 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions, and depreciation) of $333,615 from the end of last fiscal year.

Table 3 - Condensed Statement of Changes in Capital Assets

	2015	2014
Land	$ 1,063,304	$ 1,064,304
Construction in Progress	809,831	-
Buildings and Leasehold Improvements	29,174,031	28,989,243
Equipment	993,478	987,028
Accumulated Depreciation	(21,359,521)	(20,692,767)
Total	$ 10,681,123	$ 10,347,808

The following reconciliation summarizes the change in capital assets, which is presented in detail in Note 3 of the financial statements.

Table 4 - Changes in Capital Assets

Beginning Balance - June 30, 2014	$ 10,347,808
Current year Additions	1,016,369
Current Year Disposals	(13,775)
Current year Depreciation Expense	(668,979)
Ending Balance - June 30, 2015	$ 10,681,423

The current year additions were primarily capital improvements to the structures and systems.

Debt Outstanding

The Authority extended its Energy Performance Contracting Capital Lease Agreement in the period increasing debt to make physical improvements designed to reduce energy consumption in coming periods. The following is a summary of changes in debt in the period:

Table 5 - Condensed Statement of Changes in Debt Outstanding

	2015
Beginning Balance	$ 264,715
Current Year Principal Payments	(278,628)
Other Adjustments to Current Balance	1,667,198
Ending Balance	$ 1,653,285

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

The Columbiana 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

The individual to be contacted regarding this report is Bernard Bennett, Executive Director of the Columbiana Metropolitan Housing Authority. Specific requests may be submitted to Bernard Bennett, Executive Director, Columbiana Metropolitan Housing Authority, 325 Moore Street, East Liverpool, Ohio 43920.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS		
Current Assets		
Cash and Cash Equivalents:	$	1,139,324
Restricted Cash and Cash Equivalents		1,142,877
Receivables, Net		3,892
Prepaid Expenses and Other Assets		61,541
Inventory		42,266
Total Current Assets		2,389,900
Non-Current Assets		
Non-Depreciable Capital Assets		1,873,435
Depreciable Capital Assets, Net		8,807,988
Net Pension Asset (See Note 7)		4,378
Total Non-Current Assets		10,685,801
DEFERRED OUTFLOWS OF RESOURCES		85,348
TOTAL ASSETS AND DEFRRED OUTFLOWS OF RESOURCES	$	13,161,049
LIABILITIES		
Current Liabilities		
Accounts Payable	$	284,406
Accrued Liabilities		15,067
Tenant Security Deposits		59,325
Intergovernmental Payable		41,994
Prepaid Rent		255
Other Current Liabilities		86,013
Current Portion - Mortgages Payable		112,225
Total Current Liabilities		599,285
Non-Current Liabilities		
Mortgages Payable, Net of Current Portion		1,541,060
Accrued Compensated Absences		70,663
Net Pension Liability (See Note 7)		807,371
Total Non-Current Liabilities		2,419,094
TOTAL LIABILITIES		3,018,379
DEFERRED INFLOWS OF RESOURCES		15,520
NET POSITION		
Net Investment in Capital Assets		10,071,804
Restricted		39,886
Unrestricted Net Position		15,460
TOTAL NET POSITION		10,127,150
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$	13,161,049

See accompanying notes to the basic financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenue	
Tenant Rental Revenue	$ 727,317
Government Operating Grants	4,389,143
Other Revenue	41,234
Total Operating Revenue	5,157,694
Operating Expenses	
Administrative	952,088
Tenant Services	13,140
Utilities	531,667
Maintenance	953,294
Protective Services	93,123
Insurance and General Expense	164,511
Housing Assistance Payments	2,082,958
Depreciation Expense	668,979
Total Operating Expenses	5,459,760
Operating Income	(302,066)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	4,837
Interest Expense	(14,834)
Loss on Disposition	(5,657)
Total Non-Operating Revenues (Expenses)	(15,654)
(Loss) Before Capital Contributions and Grants	(317,720)
Capital Grants	200,088
Change In Net Position	(117,632)
Total Net Position - Beginning of Year, Restated	10,244,782
Total Net Position - End of Year	$ 10,127,150

See accompanying notes to the basic financial statements.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities	
Cash Received- HUD Operating Subsidies and Grants	$ 4,382,995
Cash Received from Tenants and Other Sources	795,491
Cash Payments for Housing Assistance Payments	(2,082,958)
Cash Payments for Administrative Costs	(1,028,209)
Cash Payments for Other Operating Expenses	(1,407,782)
Net Cash Provided (Used) by Operating Activities	659,537
Cash Flows from Capital and Related Financing Activities	
Capital Additions	(1,016,369)
Capital Grants	200,088
Interest Expense	(16,374)
Repayment of Long-Term Debt	(278,628)
New Long-Term Debt	1,667,198
Disposition of Capital Assets	8,118
Net Cash Provided (Used) by Capital and Related Financing Activities	564,033
Cash Flows from Investing Activities	
Investment Income	4,837
Net Cash Provided (Used) by Investing Activities	4,837
Increase in Cash and Cash Equivalents	1,228,407
Cash and Cash Equivalents - Beginning of Year	1,053,794
Cash and Cash Equivalents - End of Year	$ 2,282,201
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ (302,066)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Depreciation	668,979
(Increase) Decrease in:	
Accounts Receivable	1,567
Prepaid Expenses	1,417
Inventory	(5,970)
Other Non-Current Assets	(4,378)
Deferred Outflows of Resources	(85,348)
Increase (Decrease) in:	
Accounts Payable	263,798
Intergovernmental	(6,148)
Compensated Absences	(36,767)
Security Deposits	6,397
Other Current Liabilities	84,673
Accrued Wages and Payroll Taxes	(13,553)
Prepaid Rents	255
Other Non-Current Liabilities *	71,161
Deferred Inflow of Resources	15,520
Net Cash Provided (Used) by Operating Activities	$ 659,537

* Non-cash increase to Net Pension Liability of $789,135 not reflected in reported amount.

See accomnpanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Columbiana 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 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 Authority was created under the Ohio Revised Code Section 3735.27 for the purpose of engaging in the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. The Authority contracts with HUD to provide low and moderate income persons with safe and sanitary housing through rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61), 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 a 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.

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

Reporting Entity (Continued)
It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing 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. The 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.

Component Unit
The accompanying financial statements present the Housing Program Limited Corporation, a component unit of the Authority, over which the Authority exercises significant control, as a blended entity.

The Housing Program Limited Corporation (the Corporation) is a not-for-profit corporation under the IRS ruling 501c(3). The Corporation was created by the Authority to operate its after school program and to be eligible to apply for other funding for which the not-for-profit organization may be eligible. The Board Members of the Corporation consist of the Executive Director, and other staff members of the Authority.

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.

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

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

Basis of Presentation (Continued)
Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

Measurement Focus
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 net position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Enterprise Fund
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.

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

Conventional Public Housing and Capital Fund Programs
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 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical (i.e. capital) and management improvements to the Authority's properties. Funds are provided by formula allocation and based on size and age of the units.

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

Programs (Continued)

Central Office Cost Center (COCC)
The Authority owns and operates more than 250 dwelling rentals and established a COCC to account for non-project specific costs. These costs are funded from management fees, asset management fees, and bookkeeping fees charged to other Authority programs.

Housing Choice Voucher Program
Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants’ rent at 30 percent of household income.

Shelter Plus Care Program and Supporting Housing for Persons with Disabilities
These programs are designed to provide rental assistance for targeted populations and the Authority often can link the rental assistance provided to supporting services for those receiving the rental assistance. The Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants’ rent at 30 percent of household income.

State and Local Fund
The Authority administered a contract with the City of Salem and the City of Liverpool to provide rental assistance services to their clients. The Authority administers contracts with independent landlords that own the property. This funding enables the Authority to structure a lease that sets the participants’ rent at 30 percent of household income.

Accounting and Reporting for Nonexchange Transactions
The Authority 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.

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

Accounting and Reporting for Nonexchange Transactions (Continued)
The Authority 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 unearned revenue and the provider of those resources would record an advance.

The Authority receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

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, and certificates of deposit regardless of original maturity.

Investments
Investments are restricted by the provisions of the HUD regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2015 totaled $4,837.

Receivables - Net of Allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the fiscal year. The allowance for doubtful accounts was $412 at June 30, 2015.

Prepaid Expenses
Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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 fiscal year in which the services are consumed.

Inventory
The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and uses the first-in, first-out (FIFO) flow assumption in determining 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 charges as expenditures when used. The allowance for obsolete inventory was $1,008 at June 30, 2015.

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

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 a purchase price of $500 or more per unit; and property betterment and additions costing $2,500 and more. Depreciation is calculated using the straight-line method over the estimated useful lives of three years to forty years. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

Due From/To Other Programs

On the basic financial statements, inter-program receivables and payables listed on the FDS are eliminated.

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 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 liability.

The following is a summary of changes in the compensated absence liability.

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Compensated Absences	$ 119,383	$ 64,229	$ (100,996)	$ 82,616	$ 11,953

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

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

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 balances 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 its use by internal or external restrictions.

Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grant from HUD and other miscellaneous revenue.

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, depreciation, bad debt, and housing assistance payments.

Capital Grant
This represents grants provided by HUD that the Authority spends on capital assets.

Income Taxes
No provision for income taxes is recorded as the Authority is a non-profit, tax exempt entity under the Internal Revenue Code.

Budgetary Accounting
The Authority annually prepares its budget as prescribed by HUD. This budget is submitted to HUD, when applicable, and once approved, is adopted by the Board of the Authority.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets 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 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements 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 statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 7.

In addition to liabilities, the statements of financial position report 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 include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 7).

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For fiscal year 2015, the Authority implemented the Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68.*

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION** (Continued)

The objective of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No.27,* is to improve accounting and financial reporting by state and local governments for pensions. The provisions of this Statement are effective for periods beginning after June 15, 2014, and have been implemented by the Authority.

The objective of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68,* is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement should be applied simultaneously with the provisions of Statement No. 68, and have been implemented by the Authority.

A net position restatement is required in order to implement GASB Statement No. 68 and 71 as follows:

Net Position as previously stated	$ 10,980,992
Adjustments:	
Net Pension Liability (OPERS Tradition Plan)	(789,135)
Net Pension Asset (OPERS Combined Plan)	1,193
Deferred Outflow - Payment Subsequent to Measurement Date	51,732
Restated Net Position at July 1, 2015	$ 10,244,782

Other than employer contributions subsequent to the measurement date, the Authority made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

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

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.

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.

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

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by the 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 June 30, 2015, the carrying amount of the Authority's deposits totaled $2,282,201 (including $100 petty cash and $1,043,666 deposits held in trust) and its bank balance was $1,312,143. Based on the criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2015, $706,502 was covered by the Federal Depository Insurance Corporation.

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 percent 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: **DEPOSITS AND INVESTMENTS** (Continued)

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivision 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. However, it is the Authority's practice to limit its investments to three years or less.

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 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 held no investments at June 30, 2015.

Restricted Cash

A summary of restricted cash of the Authority is as follows:

Unspent Debt Proceeds	$ 1,043,666
HCV/HAP Equity	39,886
Tenant Security Deposits	59,325
Total Restricted Cash	$ 1,142,877

NOTE 4: CAPITAL ASSETS

The following is a summary of capital assets:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets Not Being Depreciated				
Land	$ 1,064,304	$ 0	$ (700)	$ 1,063,604
Construction-in-Progress	0	809,831	0	809,831
Total Capital Assets Not Being Depreciated	1,064,304	809,831	(700)	$ 1,873,435
Capital Assets Being Depreciated				
Buildings and Improvements	25,749,360	200,088	(15,300)	25,934,148
Furniture, Equipment, and Machinery				
Dwelling	304,406	0	0	304,406
Administration	682,622	6,450	0	689,072
Leasehold Improvements	3,239,883	0	0	3,239,883
Total Capital Assets Being Depreciated	29,976,271	206,538	(15,300)	30,167,509
Accumulated Depreciation				
Buildings and Improvements	(19,834,244)	(616,923)	2,224	(20,448,943)
Furniture, Equipment, and Machinery	(858,522)	(52,056)	0	(910,578)
Total Accumulated Depreciation	(20,692,766)	(668,979)	2,224	(21,359,521)
Depreciable Assets, Net	9,283,505	(462,441)	(13,076)	8,807,988
Total Capital Assets, Net	$ 10,347,809	$ 347,390	$ (13,776)	$ 10,681,423

NOTE 5: LONG-TERM DEBT

Lease/Purchase Agreement – PNC Equipment Finance

The Authority entered into a second phase energy performance contract (EPC) with Honeywell International Inc., on April 21, 2015 for $1,667,198. This amount included a payoff of $141,252 to Citicorp North America for the initial EPC. The term of the agreement is 112 monthly payments at a fixed interest rate of 3.24 percent. The outstanding balance as of June 30, 2015 is $1,653,285.

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Additions	Retired	Balance June 30, 2015	Due In One Year
PNC Equipment Finance	$ 264,715	$ 1,667,198	$ (278,628)	$ 1,653,285	$ 112,225

Debt maturities for the next five years are estimated as follows:

Year Ended June 30	Principal	Interest	Total
2016	$ 112,225	$ 52,128	$ 164,353
2017	146,883	47,789	194,672
2018	158,628	42,858	201,486
2019	171,002	37,536	208,538
2020	184,032	31,804	215,836
2024	880,515	61,245	941,760
Total	$ 1,653,285	$ 273,360	$ 1,926,645

NOTE 6: **RISK MANAGEMENT**

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. There was no significant reduction in coverage and no settlements exceeded insurance coverage during the past three years.

NOTE 7: **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 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (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 – Ohio Public Employees Retirement System (OPERS)

Plan Description – OPERS is a cost-sharing, multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642, by calling (800) 222-7377, or by visiting the OPERS Web site at www.opers.org.

OPERS administers three retirement plans, as described below:

- The Traditional Pension Plan (TP) - a defined benefit plan;

- The Member-Directed Plan (MD) - a defined benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings;

- The Combined Plan (CO) – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula benefit similar in nature to the Traditional Pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed plan.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

Pension Benefits – All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension and Combined plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

Pension Benefits (Continued)

Disability Benefits – OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Contributions – The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

Contributions (Continued)
Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for fiscal year ended June 30, 2015. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

Plan members were required to contribute 10 percent of their annual covered salary. The Authority was required to contribute 14 percent, a portion of which is set aside for funding post-retirement health care coverage. The Authority’s contractually required contributions to OPERS for fiscal year 2015 were $96,479 for the Traditional Plan and $5,793 for the Combined Plan. Total contractually required contributions, including contributions for post-retirement health care, was $119,317. The full amount was contributed during the fiscal year.

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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	Traditional	Combined	Total
Proportionate Share of the Net Pension Liability (Asset)	$ 807,371	$ (4,378)	$ 802,993
Proportion of the Net Pension Liability (Asset)	0.006694%	0.011370%	$ -
Pension Expense	$ 88,149	$ 2,909	$ 91,058

At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional	Combined	Total
Deferred Outflows of Resources			
Difference between expected and actual experience	$43,079	$267	$ 43,346
Authority contributions subsequent to the measurement date	39,203	2,799	42,002
Total Deferred Outflows of Resources	$82,282	$3,066	$85,348
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$14,184	$1,336	$15,520
Total Deferred Inflows of Resources	$14,184	$1,336	$15,520

$42,002 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan	Combined Plan	Total
Fiscal Year Ending June 30:			
2016	$4,225	($92)	$4,133
2017	4,225	(92)	4,133
2018	9,675	(92)	9,583
2019	10,770	(92)	10,678
2020	0	(159)	(159)
Thereafter	0	(542)	(542)
Total	$28,895	($1,069)	$27,826

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., future employment, mortality, cost trends). Actuarially determined amounts are subject to continual review and potential modifications, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Actuarial Information	Traditional Pension Plan	Combined Plan
Valuation Date	December 31, 2014	December 31, 2014
Experience Study	5 year Period Ended December 31, 2010	5 year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)	4.25% - 8.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% 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% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	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 %

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.

Discount Rate The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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 8.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate.

Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Plan	$ 1,485,332	$ 807,371	$ 236,365
Combined Plan	$ 569	$ (4,378)	$ (8,300)

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NOTE 8: **POST-EMPLOYMENT BENEFITS**

A. **Plan Description**

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

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

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

B. **Funding Policy**

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

NOTE 8: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Funding Policy** (Continued)

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

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0 percent for the period July 1, 2014 to June 30, 2015.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage 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 years ended June 30, 2015, 2014 and 2013 which were used to fund post-employment benefits were $17,045, $13,099 and $23,497, respectively.

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 9: **RESTRICTED NET POSITION**

Restricted net position represents unspent funding provided by HUD to the Authority for the purpose of making rental assistance payments under the Section 8 Housing Choice Voucher Program. As of June 30, 2015 the Authority had a restricted net position of $39,886.

NOTE 10: CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs 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 recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at June 30, 2015.

Litigations

In the normal course of operations, the Authority may be subject to litigations and claims. At June 30, 2014, the Authority was not aware of any such matters.

NOTE 11: NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Authority's federal award programs. The Schedule has been prepared on the accrual basis of accounting.

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

Traditonal Plan	2015	2014
Authority's Proportion of the Net Pension Liability/(Asset)	0.006694%	0.006694%
Authority's Proportionate Share of the Net Pension Liability	$ 807,371	$ 789,135
Authority's Covered-Employee Payroll	$ 803,992	$ 840,592
Authority's Proportionate Share of the Net Pension Liability as a percentage of its Coverd Employee Payroll	100.42%	93.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

Combined Plan	2015	2014
Authority's Proportion of the Net Pension Liability/(Asset)	0.011370%	0.011370%
Authority's Proportionate Share of the Net Pension Liability/ (Asset)	$ (4,378)	$ (1,193)
Authority's Covered-Employee Payroll	$ 48,275	$ 39,825
Authority's Proportionate Share of the Net Pension Liability/ (Asset) as a percentage of its Coverd Employee Payroll	-9.07%	-3.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2013 is not available.

Amounts presented as of the Authority's measurement date which is the December 31, 2014 and 2013.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contributions										
Traditional Plan	$ 96,479	$ 100,871	$ 107,994	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Combined Plan	5,793	4,779	4,792	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Total Required Contributions	$ 102,272	$ 105,650	$ 112,786	$ 135,153	$ 139,234	$ 137,282	$ 141,451	$ 137,116	$ 124,919	$ 122,729
Contribution In Relation to the Contractually Required Contributions	(102,272)	(105,650)	(112,786)	(135,153)	(139,234)	(137,282)	(141,451)	(137,116)	(124,919)	(122,729)
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered-Employee Payroll										
Traditional Plan	$ 803,992	$ 840,592	$ 830,723	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Combined Plan	$ 48,275	$ 39,825	$ 36,862	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Contributions as a Percentage of Covered-Employee Payroll										
Traditonal Plan	12.00%	12.00%	13.00%	10.00%	10.00%	9.00%	8.50%	7.00%	7.77%	9.04%
Combined Plan	12.00%	12.00%	13.00%	7.95%	7.95%	9.77%	9.27%	8.10%	7.77%	9.04%

[1] – Information prior to 2013 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan and other post employment benefits in addition to the Traditional and Combined plans.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	State/Local	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	637,795	105,030	105,956	39,928			250,615	1,139,324		1,139,324
112 Cash - Restricted - Modernization and Development	1,043,666							1,043,666		1,043,666
113 Cash - Other Restricted		39,886						39,886		39,886
114 Cash - Tenant Security Deposits	59,325							59,325		59,325
100 Total Cash	1,740,786	144,916	105,956	39,928	-	-	250,615	2,282,201	-	2,282,201
126 Accounts Receivable - Tenants	4,304							4,304		4,304
126.1 Allowance for Doubtful Accounts -Tenants	-412							-412		-412
120 Total Receivables, Net of Allowances for Doubtful Accounts	3,892	-	-	-	-	-	-	3,892	-	3,892
142 Prepaid Expenses and Other Assets	58,191	1,782		266			1,302	61,541		61,541
143 Inventories	20,136						23,138	43,274		43,274
143.1 Allowance for Obsolete Inventories	-1,008							-1,008		-1,008
144 Inter Program Due From							69,361	69,361	-69,361	-
150 Total Current Assets	1,821,997	146,698	105,956	40,194	-	-	344,416	2,459,261	-69,361	2,389,900
161 Land	1,063,604						-	1,063,604		1,063,604
162 Buildings	25,934,148						-	25,934,148		25,934,148
163 Furniture, Equipment & Machinery - Dwellings	304,406							304,406		304,406
164 Furniture, Equipment & Machinery - Administration	566,119	94,653					28,300	689,072		689,072
165 Leasehold Improvements	3,239,883							3,239,883		3,239,883
166 Accumulated Depreciation	-21,245,058	-94,653					-19,810	-21,359,521		-21,359,521
167 Construction in Progress	809,831							809,831		809,831
160 Total Capital Assets, Net of Accumulated Depreciation	10,672,933	-	-	-	-	-	8,490	10,681,423	-	10,681,423
174 Other Assets	1,637	646		118			1,977	4,378		4,378
180 Total Non-Current Assets	10,674,570	646	-	118	-	-	10,467	10,685,801	-	10,685,801
200 Deferred Outflow of Resources	31,914	12,585		2,307			38,542	85,348		85,348
290 Total Assets and Deferred Outflow of Resources	12,528,481	159,929	105,956	42,619	-	-	393,425	13,230,410	-69,361	13,161,049

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2015

	Project Total	14.871 Housing Choice Vouchers	Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	State/Local	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	278,430	1,077		161			4,738	284,406		284,406
321 Accrued Wage/Payroll Taxes Payable	2,874						240	3,114		3,114
322 Accrued Compensated Absences - Current Portion	6,609	1,561					3,783	11,953		11,953
325 Accrued Interest Payable	1,340							1,340		1,340
333 Accounts Payable - Other Government	35,781						6,213	41,994		41,994
341 Tenant Security Deposits	59,325							59,325		59,325
342 Unearned Revenue	255							255		255
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	112,225							112,225		112,225
345 Other Current Liabilities	76,058						8,615	84,673		84,673
347 Inter Program - Due To		58,241		11,120				69,361	-69,361	-
310 Total Current Liabilities	572,897	60,879	-	11,281	-	-	23,589	668,646	-69,361	599,285
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,541,060							1,541,060		1,541,060
354 Accrued Compensated Absences - Non Current	40,379	8,848					21,436	70,663		70,663
357 Accrued Pension and OPEB Liabilities	301,896	119,056		21,826			364,593	807,371		807,371
350 Total Non-Current Liabilities	1,883,335	127,904	-	21,826	-	-	386,029	2,419,094	-	2,419,094
300 Total Liabilities	2,456,232	188,783	-	33,107	-	-	409,618	3,087,740	-69,361	3,018,379
400 Deferred Inflow of Resources	5,803	2,289		419			7,009	15,520		15,520
508.4 Net Investment in Capital Assets	10,063,314						8,490	10,071,804		10,071,804
511.4 Restricted Net Position	-	39,886						39,886		39,886
512.4 Unrestricted Net Position	3,132	-71,029	105,956	9,093			-31,692	15,460		15,460
513 Total Equity - Net Assets / Position	10,066,446	-31,143	105,956	9,093	-	-	-23,202	10,127,150	-	10,127,150
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	12,528,481	159,929	105,956	42,619	-	-	393,425	13,230,410	-69,361	13,161,049

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

	Project Total	14.871 Housing Choice Vouchers	Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	State/Local	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	696,859							696,859		696,859
70400 Tenant Revenue - Other	30,458							30,458		30,458
70500 Total Tenant Revenue	727,317	-	-	-	-	-	-	727,317	-	727,317
70600 HUD PHA Operating Grants	2,013,612	1,819,932		210,673	334,110	-		4,378,327		4,378,327
70610 Capital Grants	200,088							200,088		200,088
70710 Management Fee							419,365	419,365	-419,365	-
70720 Asset Management Fee							51,713	51,713	-51,713	-
70730 Book Keeping Fee							41,767	41,767	-41,767	-
70700 Total Fee Revenue	-	-	-	-	-	-	512,845	512,845	-512,845	-
70800 Other Government Grants						10,816		10,816		10,816
71100 Investment Income - Unrestricted	4,512	30	21	2			1	4,566		4,566
71400 Fraud Recovery		7,774						7,774		7,774
71500 Other Revenue	29,769		2,842	755			94	33,460		33,460
71600 Gain or Loss on Sale of Capital Assets							-5,657	-5,657		-5,657
72000 Investment Income - Restricted		271						271		271
70000 Total Revenue	2,975,298	1,828,007	2,863	211,430	334,110	10,816	507,283	5,869,807	-512,845	5,356,962
91100 Administrative Salaries	207,721	77,117		13,305			234,191	532,334		532,334
91200 Auditing Fees	5,624	6,264		749			1,800	14,437		14,437
91300 Management Fee	348,524	36,000		12,000	21,858	983		419,365	-419,365	-
91310 Book-keeping Fee	41,767							41,767	-41,767	-
91400 Advertising and Marketing	3,508	674		66			741	4,989		4,989
91500 Employee Benefit contributions - Administrative	150,454	30,336		5,356			108,179	294,325		294,325
91600 Office Expenses	23,720	8,647		1,968			9,718	44,053		44,053
91700 Legal Expense	6,875	1,190		47				8,112		8,112
91800 Travel	1,359						2,663	4,022		4,022
91900 Other	2,979	2,914		804			43,119	49,816		49,816
91000 Total Operating - Administrative	792,531	163,142	-	34,295	21,858	983	400,411	1,413,220	-461,132	952,088
92000 Asset Management Fee	51,713							51,713	-51,713	-
92400 Tenant Services - Other	10,829		2,311					13,140		13,140
92500 Total Tenant Services	10,829	-	2,311	-	-	-	-	13,140	-	13,140

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

	Project Total	14.871 Housing Choice Vouchers	Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	State/Local	COCC	Subtotal	ELIM	Total
93100 Water	138,942						155	139,097		139,097
93200 Electricity	224,090						2,648	226,738		226,738
93300 Gas	59,068						1,313	60,381		60,381
93400 Fuel	1,934						348	2,282		2,282
93600 Sewer	103,059						110	103,169		103,169
93000 Total Utilities	527,093	-	-	-	-	-	4,574	531,667	-	531,667
94100 Ordinary Maintenance and Operations - Labor	349,523						16,854	366,377		366,377
94200 Ordinary Maintenance and Operations - Materials and Other	189,861						4,254	194,115		194,115
94300 Ordinary Maintenance and Operations Contracts	176,894	7,996		1,162			5,246	191,298		191,298
94500 Employee Benefit Contributions - Ordinary Maintenance	199,009						2,495	201,504		201,504
94000 Total Maintenance	915,287	7,996	-	1,162	-	-	28,849	953,294	-	953,294
95200 Protective Services - Other Contract Costs	43,123							43,123		43,123
95300 Protective Services - Other	50,000							50,000		50,000
95000 Total Protective Services	93,123	-	-	-	-	-	-	93,123	-	93,123
96110 Property Insurance	121,300	544		81			956	122,881		122,881
96130 Workmen's Compensation	-7,838							-7,838		-7,838
96100 Total insurance Premiums	113,462	544	-	81	-	-	956	115,043	-	115,043
96200 Other General Expenses	5,861		1,430	168			138	7,597		7,597
96210 Compensated Absences	8,137	952						9,089		9,089
96300 Payments in Lieu of Taxes	15,199							15,199		15,199
96400 Bad debt - Tenant Rents	17,583							17,583		17,583
96000 Total Other General Expenses	46,780	952	1,430	168	-	-	138	49,468	-	49,468
96710 Interest of Mortgage (or Bonds) Payable	3							3		3
96720 Interest on Notes Payable (Short and Long Term)	14,831							14,831		14,831
96700 Total Interest Expense and Amortization Cost	14,834	-	-	-	-	-	-	14,834	-	14,834
96900 Total Operating Expenses	2,565,652	172,634	3,741	35,706	21,858	983	434,928	3,235,502	-512,845	2,722,657
97000 Excess of Operating Revenue over Operating Expenses	409,646	1,655,373	-878	175,724	312,252	9,833	72,355	2,634,305	-	2,634,305

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

	Project Total	14.871 Housing Choice Vouchers	Component Unit - Blended	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	State/Local	COCC	Subtotal	ELIM	Total
97300 Housing Assistance Payments		1,552,929		207,944	312,252	9,833		2,082,958		2,082,958
97400 Depreciation Expense	662,683	80					6,216	668,979		668,979
90000 Total Expenses	3,228,335	1,725,643	3,741	243,650	334,110	10,816	441,144	5,987,439	-512,845	5,474,594
10010 Operating Transfer In	267,011							267,011	-267,011	-
10020 Operating transfer Out	-267,011							-267,011	267,011	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-253,037	102,364	-878	-32,220	-	-	66,139	-117,632	-	-117,632
11020 Required Annual Debt Principal Payments	112,325							112,325		112,325
11030 Beginning Equity	10,594,770	-24,944	106,834	61,215			243,117	10,980,992		10,980,992
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-275,287	-108,563		-19,902			-332,458	-736,210		-736,210
11170 Administrative Fee Equity		-71,029						-71,029		-71,029
11180 Housing Assistance Payments Equity		39,886						39,886		39,886
11190 Unit Months Available	5,748	5,844		900	743	32		13,267		13,267
11210 Number of Unit Months Leased	5,569	4,352		887	743	32		11,583		11,583

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ *Pass-Through Grantor/* Program Title	**Federal CFDA Number**	**Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Public Housing Programs		
Low Rent Public Housing Program	14.850	$ 1,636,420
Capital Fund Program	14.872	577,280
Total Public Housing Programs		2,213,700
Section 8 Programs		
Shelter Plus Care Program	14.238	334,110
Supportive Housing Program	14.181	210,673
Section 8 Housing Choice Voucher Program	14.871	1,819,932
Total Section 8 Programs		2,364,715
Total Direct Programs		4,578,415
Pass-Through Programs:		
Pass-Through City of Salem		
HOME Investment Partnership Program	14.239	2,020
Pass-Through City of East Liverpool		
HOME Investement Partnership Program	14.239	8,796
Total Pass-Through Programs		10,816
Total U.S. Department of Housing and Urban Development		4,589,231
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 4,589,231

This schedule is prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
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Garfield Hts., Ohio 44125

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

Board of Directors
Columbiana Metropolitan Housing Authority
East Liverpool, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Columbiana Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Columbiana Metropolitan Housing Authority, Ohio's basic financial statements, and have issued our report thereon dated November 20, 2015, wherein we noted that during the year ended June 30, 2015, the Authority adopted Governmental Accounting Standards No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, and restated its net position at July 1, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James G. Zupka, CPA, President

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Date: 2015.12.14 15:55:09 -05'00'

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

November 20, 2015

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

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

Board of Directors
Columbiana Metropolitan Housing Authority
East Liverpool, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Columbiana Metropolitan Housing Authority, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Columbiana Metropolitan Housing Authority, Ohio's major federal programs for the year ended June 30, 2015. Columbiana Metropolitan Housing Authority, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Columbiana Metropolitan Housing Authority, Ohio's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Columbiana Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Columbiana Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Columbiana Metropolitan Housing Authority, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Columbiana Metropolitan Housing Authority Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Columbiana Metropolitan Housing Authority, Ohio's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

November 20, 2015

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & §.505
JUNE 30, 2015

1. SUMMARY OF AUDITOR'S RESULTS

2015(i)	Type of Financial Statement Opinion	Unmodified
2015(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2015(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2015(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2015(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2015(iv)	Were there any significant deficiencies in internal control reported for major federal programs	No
2015(v)	Type of Major Programs' Compliance Opinion	Unmodified
2015(vi)	Are there any reportable findings under §.510(a)?	No
2015(vii)	Major Programs (list):	
	Shelter Plus Care - CFDA# 14.238	
	Public Housing - CFDA 14.850	
2015(viii)	Dollar Threshold: Type A\B Programs	Type A: $300,000 Type B: All Others
2015(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
COLUMBIANA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The prior period 2014 had no findings. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrence in this audit period.

Dave Yost • Auditor of State

METROPOLITAN HOUSING AUTHORITY

COLUMBIANA 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
FEBRUARY 9, 2016