YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY

BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

James G. Zupka, CPA, Inc.

Certified Public Accountants

Dave Yost · Auditor of State

Board of Directors
Youngstown Metropolitan Housing Authority
131 W Boardman Street
Youngstown, OH 44503

We have reviewed the *Independent Auditor's Report* of the Youngstown Metropolitan Housing Authority, Mahoning 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 Youngstown Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

February 11, 2016

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YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Youngstown Metropolitan Housing Authority
Youngstown, 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 business-type activities of the Youngstown Metropolitan Housing 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 Youngstown Metropolitan Housing Authority, as of June 30, 2015, and the changes in financial position, and cash flows thereof for the year 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 Standards Statement 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 9 and Schedules of the Authority's Proportionate Share of the Net Pension Liability and the Authority's Pension Contributions to the Ohio Public Employees Retirement System on pages 36 and 37 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 the 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 Authority'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 December 22, 2015, on our consideration of the Youngstown 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 Authority'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: 2016.02.01 13:32:34 -05'00'

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

December 22, 2015

As management of the Youngstown Metropolitan Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- Assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by $51,594,281 (net position), a decrease of net position of 12.5 percent.

- The Authority's cash and investment balance at June 30, 2015 was $8,195,360, representing an increase of $738,783, or 9.9 percent, from June 30, 2015.

- The Authority had total revenue of $19,972,201 and total expenditures of $24,682,173 for the year ended June 30, 2015, decreasing net position by $4,709,972 for the year.

- The Authority's capital outlays for the year were $2,954,981.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. These statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

REQUIRED FINANCIAL STATEMENTS

MD&A
Management Discussion and Analysis

Basic Financial Statements
Statement of Net Position
Statement of Revenues, Expenses, and Changes in Net Position
Statement of Cash Flows
Notes to the Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items for which resulting in cash flows occur in different fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *Combined Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The Authority has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

<u>Low-Income Public Housing</u> - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contribution Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD). HUD provides Operating Subsidy which enables the Authority to provide the housing at a rent that is based upon 30 percent of adjusted gross household income.

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

<u>Housing Choice Voucher Program (Section 8)</u> - HUD provides the Authority with vouchers to assist eligible families rent privately owned homes. A portion of the participant's rent is paid by the Authority to the landlord. The participant is responsible for paying the remaining portion. Applicants are chosen via a lottery.

The Authority's financial statements report on the functions of the Authority principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development.

The financial statements can be found on pages 10 through 12 of this report.

<u>Fund Financial Statements</u>

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely a proprietary fund.

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 13 through 35 of this report.

SUPPLEMENTARY INFORMATION

Financial Analysis of the Authority

The following table represents a condensed Statement of Net Position compared to the prior year.

Table 1 - Statement of Net Position

	2015 (thousands)	2014 (thousands)
Assets		
Current and Other Assets	$ 12,404	$ 8,217
Capital Assets, Net	48,003	53,170
Total Assets	60,407	61,387
Deferred Outflows of Resources	321	0
Total Assets and Deferred Outflows of Resources	$ 60,728	$ 61,387
Liabilities		
Current Liabilities	1,527	1,520
NonCurrent Liabilities	7,552	876
Total Liabilities	9,079	2,396
Deferred Inflows of Resources	55	0
Net Position		
Net Investment in Capital Assets	46,187	52,502
Unrestricted and Restricted Net Position	5,407	6,489
Total Net Position	51,594	58,991
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 60,728	$ 61,387

During 2015, total assets decreased by $659,063. The largest increases were from the Authority entering a Phase II Energy Performance Contract (EPC) which resulted in $1,436,197 in Capital Improvements being done. Increases were offset by reclassifying a note receivable from fixed assets in the amount of $3,800,000 to properly record the mixed finance development of AMP 9 and AMP 10.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by $51,594,281 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position (80 percent) reflects its investments in capital assets (e.g., buildings, machinery, and equipment). The Authority uses these capital assets to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority are available for future use to provide program services.

Statement of Revenues, Expenses, and Changes in Net Position

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position.

Table 2 - Statement of Revenues, Expenses, and Changes in Net Position

	2015 (thousands)	2014 (thousands)
Revenues		
Intergovernmental Revenue	$ 16,888	$ 18,676
Program Revenue	2,737	2,687
Other Revenue	347	734
Total Revenues	19,972	22,097
Expenses		
Operating Expenses	11,212	10,791
Depreciation Expense	4,185	4,166
Housing Assistance Payments	8,972	9,991
Other Expenditures	145	1
Loss on Disposition	168	0
Total Expenses	24,682	24,949
Prior Period Adjustment	(2,687)	0
Net Increase (Decrease)	$ (7,397)	$ (2,852)

The net position of the Authority decreased by $4,709,972 during the current fiscal year. The Authority receives its primary source of income from governmental revenues through HUD's Line-of-Credit Control System (eLOCCS). Allowable program expenses, with the exception of non-cash transactions (such as depreciation expense and changes in compensated absences) are drawn down from funds granted to the Authority. Governmental revenues, rental income, and charges for services were not sufficient to cover operating expenses incurred during fiscal year 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the Authority's investment in capital assets for its business-type activities was $54,086,896 (net of accumulated depreciation) as reflected in the following schedule.

Table 3 - Capital Assets

	2015	2014
Land	$ 3,336,699	$ 3,336,699
Buildings	118,976,006	121,803,511
Equipment - Administrative	1,210,783	1,220,075
Equipment - Dwellings	1,113,884	835,584
Accumulated Depreciation	(78,070,703)	(74,385,035)
Construction-in-Progress	1,436,217	358,974
Total	$48,002,886	$53,169,808

Capital Assets and Debt Administration

Major capital asset transactions during the current fiscal year include the following:

- Phase II Energy Performance Contract $1,436,217.

Additional information on the Authority's capital assets can be found in Note 6 on pages 20 and 21 of this report.

LONG-TERM DEBT

As of June 30, 2015, the Authority had $4,521,105 of long-term debt, an increase of $3,853,034, or 576.7 percent over the prior year. The Authority has bonds payable that were used to fund the energy efficiency Phase II project as well as refinance the remaining debt of Phase I's and bears interest at rates between 3 percent and 4 percent. As of June 30, 2015 the Authority had $2,655,029 of bond proceeds that have not yet been spent. The Authority also had $50,272 in a Debt Reserve Sinking Fund to pay off bonds that have not yet matured.

Additional information on the Authority's long-term debt can be found in Note 9 on page 31 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the 2016 fiscal year:

- In the past HUD has not fully funded the operating subsidy but has been funding around 90 percent of the eligible subsidy. For the 2013 year the funding percentage dropped down to 82 percent. This sequestration funding cut necessitated the Housing Authority to lay-off some employees. Proration increased to approximately 87 percent for the 2015 year, but this is still a significant difference compared to what the Authority is eligible for.

- The Authority's operating expenditures do not show any significant increases other than expected inflationary increases.

Future Events that will Financially Impact the Authority

Approximately 85 percent of the Authority's revenues come from governmental grants. For the last couple of years the funding has been much lower than it has been historically due to sequestration budget cuts, these cuts, while believed to be temporary, have resulted in the Authority reviewing where costs savings can be implemented and what alternative revenue sources can be found. The Authority had hoped that these cuts would be temporary and had been using reserves to offset an unbalanced budget. The funding has yet to increase and the Authority's reserves have decreased to the point they should not be used to offset deficit budgets. To address this the Authority implemented an early retirement incentive. While the program is not finalized it appears that approximately 20 percent- 25 percent of the Housing Authority's workforce will accept the early retirement incentive. The current portion of Compensated Absences has been increased to reflect the employees that the Housing Authority expects to retire. While this will negatively impact the 2015-2016 fiscal year, it should enable the Housing Authority to balance the budget going forward by not filling some of the open positions and the positions that will be filled will be at a lower cost. Additionally, the Authority will need to continue to develop alternative sources of income to avoid the risks inherent in being dependent on one primary source of revenue. HUD has encouraged public housing authorities to become more entrepreneurial in their operations to protect against decreasing funding and/or other unforeseen circumstances. Without taking such actions, the Authority could face uncertainty in the future.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Youngstown Metropolitan Housing Authority, 131 West Boardman Street, Youngstown, Ohio 44503, or call (330) 744-2161.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
JUNE 30, 2015

	2015
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 3,013,310
Restricted Cash and Cash Equivalents	3,176,647
Investments	2,005,403
Receivables, Net of Allowance	173,792
Inventory	39,125
Prepaid Expenses and Other Assets	75,878
Total Current Assets	8,484,155
Capital Assets	
Non-Depreciable Capital Assets	4,772,916
Depreciable Capital Assets, Net	43,229,970
Total Capital Assets	48,002,886
Other Noncurrent Assets	
Notes Receivable	3,916,022
Other Assets	3,607
Total Other Noncurrent Assets	3,919,629
DEFERRED OUTFLOWS OF RESOURCES	
Pension	321,094
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 60,727,764
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 157,518
Accrued Compensated Absences	437,167
Tenant Security Deposits	174,034
Accrued Wages and Payroll Taxes	240,333
Current Portion of Long-Term Debt	466,105
Other Current Liabilities	51,138
Total Current Liabilities	1,526,295
Noncurrent Liabilities	
Noncurrent Liabilities - Other	159,085
Accrued Compensated Absences	231,396
Long-Term Debt - Net of Current Portion	4,055,000
Net Pension Liability	3,106,462
Total Noncurrent Liabilities	7,551,943
Total Liabilities	9,078,238
DEFERRED INFLOWS OF RESOURCES	
Pension	55,245
NET POSITION	
Net Investment in Capital Assets	46,187,082
Restricted	87,089
Unrestricted	5,320,110
Total Net Position	51,594,281
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 60,727,764

See accompanying notes to the basic financial statements

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	2015
Operating Revenues	
Government Grants	$ 15,552,535
Tenant Revenue	2,737,529
Other Revenue	293,797
Total Operating Revenues	18,583,861
Operating Expenses	
Administrative	4,563,142
Tenant and Protective Services	437,318
Utilities	2,342,172
Maintenance	3,168,293
General and Other Insurance	700,322
Housing Assistance Payments	8,972,373
Total Operating Expenses Before Depreciation	20,183,620
Income (Loss) Before Depreciation	(1,599,759)
Depreciation	(4,185,203)
Operating Income (Loss)	(5,784,962)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	52,792
Interest Expense	(145,470)
Loss on Disposition of Capital Assets	(167,880)
Total Non-Operating Revenues (Expenses)	(260,558)
Income (Loss) Before Contributions	(6,045,520)
Capital Grants	1,335,548
Prior Period Adjustments	(2,686,698)
Change in Net Position	(7,396,670)
Total Net Position, Beginning of Year	58,990,951
Net Position, End of Year	$ 51,594,281

See accompanying notes to the basic financial statements.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	2015
Cash Flows from Operating Activities	
Cash Received from HUD/Other Governments	$15,593,355
Cash Received From Tenants	2,777,475
Cash Received Other Sources	284,095
Cash Payments for Housing Assistance Payments	(8,972,373)
Cash Payments for Administrative	(4,627,675)
Cash Payments for Other Operating Expenses	(6,975,342)
Net Cash Provided by Operating Activities	(1,920,465)
Cash Flows from Capital and Related Financing Activities	
Cash from Asset Sale	19,743
Interest and Principal Payments on Debt	(1,032,436)
Acquisition of Capital Assets and Other Assets	(2,895,411)
Proceeds from Debt	4,740,000
Capital Grants Received	1,706,479
Net Cash (Used) by Capital and Other Related Financing Activities	2,538,375
Cash Flows from Investing Activities	
Investment Income	52,792
Purchase of Investments	(2,925)
Proceeds from Notes Receivable	68,081
Net Cash Provided by Investing Activities	117,948
Net Increase (Decrease) in Cash and Cash Equivalents	735,858
Cash and Cash Equivalents, Beginning	5,454,099
Cash and Cash Equivalents, Ending	$ 6,189,957
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Net Operating Income (Loss)	$ (5,784,962)
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	4,185,203
(Increase) Decrease in:	
HUD Receivable	(27,380)
Accounts Receivables	30,164
Prepaid Expenses and Other Assets	(8,724)
Deferred Outflows	(163,042)
Increase (Decrease) in:	
Accounts Payable	(371,039)
Other Current Liabilities	49,173
Accrued Wages/Payroll Taxes	17,938
Net Pension Liability	70,165
Tenant Security Deposits	80
Deferred Inflows	55,245
Non-Current Liabilities - Other	26,714
Net Cash Used by Operating Activities	$ (1,920,465)

* Non-cash increase to Net Pension Liability of $2,877,657 and $190,959 to Notes Receivable are not reflected in the amounts reported. In addition, $3,686,488 previously reported as capital assets have been transferred to notes receivable.

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity and Programs

The Youngstown Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The Authority participates in the Section 8 Moderate Rehab, Substantial Rehab, and Housing Choice Voucher programs provided by HUD. In these section 8 programs, rental assistance is provided to families based on the families' ability to pay in accordance with HUD regulations. Under the Housing Choice Voucher program, the rental assistance is tied to the tenant family. The rental assistance, in general, is provided to help the family pay rent wherever they choose to live. Under the Mod. Rehab and Substantial Rehab Program the rental assistance is tied to the dwelling unit selected by HUD. A tenant family becomes eligible for rental assistance when they rent the unit selected by HUD. The Authority also participates in the Public Housing program. Under this program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

B. Summary of Significant Accounting Policies

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

C. Reporting Entity

The accompanying general purpose financial statements comply with the provision of GASB 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.

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

C. **Reporting Entity** (Continued)

Section 2100 indicates that the reporting entity consists of **a)** the primary government, **b)** organizations for which the primary government is financially accountable, and **c)** other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

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

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

D. **Fund Accounting**

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.

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

E. **Proprietary Fund Types**

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

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

F. **Measurement Focus/Basis of Accounting**

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

G. **Interprogram Balances**

Receivables and payables resulting from short-term interprogram loans are classified as "Inter-program Due from/to" in respective program financial statements. These amounts are eliminated in the Authority's Statement of Net Position in the basic financial statements.

H. **Investments**

Investments are restricted by the provisions of the HUD Regulations. Investments are valued at market value. The Authority has cash deposits and investments totaling $8,195,360 at June 30, 2015. Interest income earned in fiscal year 2015 totaled $52,792.

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

I. **Capital Assets**

Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority capitalizes all assets with a cost of $1,000 or more. See Note 6 for useful lives for depreciation purposes.

J. **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.

K. **Compensated Absences**

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability. Information regarding compensated absences is detailed in Note 11.

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

L. **Budgetary Accounting**

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is adopted by the Board of the Authority.

M. **Estimates**

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

N. **Pensions**

For purposes of measuring the net position 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.

O. **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 government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 8.

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 statements of net position (see Note 8).

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT**

For fiscal year 2015, the Authority implemented the Governmental 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*. GASB 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position:

Adjustments:	
Net Pension Liability (OPERS Tradition Plan)	$ (3,036,297)
Net Pension Asset (OPERS Combined Plan)	588
Deferred Outflow - Payment Subsequent to Measurement Date	158,052
Total GASB 68 Prior Period Adjustment	(2,877,657)
Other Adjustment - Record Arlington Development Note Receivable	190,959
Total Prior Period Adjustments	$ (2,686,698)

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.

NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

At fiscal year end, the carrying amount of the Authority's deposits were $3,534,928 and the bank balance was $3,623,563. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2015, $800,273 of the Authority's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority or by pooled collateral. Included in the carrying value of the Authority's deposits is $500 in petty cash.

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Authority's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against 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
The Authority has a formal investment policy. The Authority had investments comprised of U.S. Government Securities (AAA - Moody's) with a market value of $4,660,432 at June 30, 2015.

Interest Rate Risk
The Authority's investment policy limits investments to 5 years but does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Authority staggers maturity dates of investments to avoid losses from rising interest rates.

Credit Risk
Any deposits of the Authority exceeding the $800,273 FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as provided by the Ohio Revised Code.

Concentration of Credit Risk
The Authority does not limit the amount of funds that may be on deposit with any one financial institution; however, as was mentioned in the preceding, all deposits exceeding the $800,273 FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as permitted by the Ohio Revised Code.

A reconciliation of cash and investments as shown in the statement of net position at June 30, 2015 to the deposits and investments included in this note is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	$ 6,189,957	$ 2,005,403
Bank of Ozarks - Unspent Debt Proceeds	(2,655,029)	2,655,029
Per GASB Statement No. 3	$ 3,534,928	$ 4,660,432

* Includes Restricted Cash and Cash Equivalents

NOTE 4: **RESTRICTED CASH**

The restricted cash balance as of June 30, 2015 represents cash on hand for the following:

	Restricted Cash
Tenant Security Deposits	$ 174,034
Restricted HCV HAP Equity	87,089
FSS Escrow Funds	159,085
Other Restricted Cash	51,138
Unspent Debt Proceeds	2,705,301
Total Restricted Cash	$ 3,176,647

NOTE 5: INSURANCE COVERAGE

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

To protect against risks to which the Authority is exposed, the Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI). OHAPCI is an insurance risk pool comprised of three Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

	Deductible	Coverage Limits
Property	$ 2,500	$ 250,000,000 (per occurrence)
General Liability	0	2,000,000
Automobile Physical Damage/Liability	500/500	ACV/2,000,000
Public Officials	0	2,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority provides employee group health care benefits via a partially self-funded plan administered by Enterprise Group Planning, Inc. Excess loss coverage for the plan is provided by QBE Insurance Corporation. There was no significant reduction in coverages and settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 6: CAPITAL ASSETS

The following is a summary of the Authority's capital assets.

	2015
Capital Assets Not Depreciated	
Land	$ 3,336,699
Construction in Progress	1,436,217
Total Capital Assets Not Depreciated	4,772,916
Capital Assets Being Depreciated	
Buildings and Building Improvements	118,976,006
Furniture and Equipment	2,324,667
Total Capital Assets Being Depreciated	121,300,673
Less: Accumulated Depreciation	(78,070,703)
Subtotal Capital Assets Being Depreciated	43,229,970
Total Capital Assets	$48,002,886

NOTE 6: **CAPITAL ASSETS** (Continued)

The Authority capitalizes all assets with a cost of $1,000 or more. The Authority uses the straight line method of depreciation. The following is a list of useful lives for depreciation purposes:

Buildings	15 to 40 years
Equipment	7 years
Computer Equipment	3 years
Vehicles	5 years
Maintenance Equipment	7 years

The following is a summary of changes in capital assets:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets Not Depreciated				
Land	$ 3,336,699	$ 0	$ 0	$ 3,336,699
Construction in Progress	358,974	1,436,217	(358,974)	1,436,217
Total Capital Assets Not Depreciated	3,695,673	1,436,217	(358,974)	4,772,916
Capital Assets Being Depreciated				
Buildings and Building Improvements	121,803,511	1,476,314	(4,303,819)	118,976,006
Furniture, Equipment, and Machinery	2,055,659	338,835	(69,827)	2,324,667
Total Capital Assets Being Depreciated	123,859,170	1,815,149	(4,373,646)	121,300,673
Accumulated Depreciation				
Buildings and Improvements	(72,786,301)	(4,004,083)	430,417	(76,359,967)
Furniture and Equipment	(1,598,734)	(181,120)	69,118	(1,710,736)
Total Accumulated Depreciation	(74,385,035)	(4,185,203)	499,535	(78,070,703)
Depreciable Assets, Net	49,474,135	(2,370,054)	(3,874,111)	43,229,970
Total Capital Assets, Net	$ 53,169,808	$ (933,837)	$(4,233,085)	$48,002,886

* Included in deletions is an amount of $3,686,488 (net of accumulated depreciation) that was transferred to notes receivable relating to the Village of Arlington I and II.

NOTE 7: **MIXED FINANCE CONSTRUCTION LOAN**

The Authority advanced funds to a development partner in conjunction with multi-lender mixed finance arrangements for construction of the Village at Arlington and Village at Arlington II developments. Repayment is subject to the projects realizing surplus cash flows. The loans are secured by the property. The Notes bear interest at 1 percent. At June 30, 2015, the Note Receivable and Interest Receivable balance is $3,801,566. Due to the uncertainty of the projects generating surplus cash that would trigger a repayment obligation, no portion is considered to be current.

The following is a summary of Notes Receivable at June 30, 2015:

Note Receivable Village at Arlington I	$ 1,950,000
Interest on Note Receivable	29,685
Note Receivable Village at Arlington II	1,820,365
Interest on Note Receivable	1,516
Other Notes Receivable	114,456
Total Notes Receivable	$3,916,002

NOTE 8: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability

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

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

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.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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.

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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.

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 contribution rates 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.

Member and employer contributions 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 determined 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 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 $436,262 for the Traditional Plan and $4,629 for the Combined Plan. Total contractually required contributions, including contributions for the Member-Directed Plan and post-retirement health care was $453,767. The full amount was contributed during the fiscal year.

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	Traditional	Combined	Total
Proportionate Share of the Net Pension Liability (Asset)	$ 3,106,462	$ (2,157)	$ 3,104,305
Proportion of the Net Pension Liability	0.025756%	0.005605%	
Pension Expense	$ 339,165	$ 1,434	$ 340,599

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			
Net difference between projected and			
actual earnings on pension plan investments	$ 165,751	$ 133	$ 165,884
Authority Contributions Subsequent to the Measurement Date	153,451	1,759	155,210
Total Deferred Outflows of Resources	$ 319,202	$ 1,892	$ 321,094
Deferred Inflows of Resources			
Difference between Expected and Actual Experience	$ 54,574	$ 671	$ 55,245
Total Deferred Inflows of Resources	$ 54,574	$ 671	$ 55,245

$155,210 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 Net Deferred Outflow of Resources	Combined Plan Net Deferred Inflow of Resources	Total
Fiscal Year Ending June 30:			
2016	$ 16,257	$ (45)	$ 16,212
2017	16,257	(45)	16,212
2018	37,225	(45)	37,180
2019	41,438	(45)	41,393
2020	0	(78)	(78)
Thereafter	0	(280)	(280)
Total	$ 111,177	$ (538)	$ 110,639

NOTE 8: **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.

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:

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

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.

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.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Pension Plan	$5,714,999	$3,106,462	$ 909,444
Combined Plan	$ 280	$ 2,157	$ (4,092)

NOTE 9: **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.

NOTE 9: **POST-EMPLOYMENT BENEFITS** (Continued)

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.

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 was 1.0 percent for calendar year 2013. Effective January 1, 2014, the portion of the employer contributions allocated to healthcare was raised to 2.0 percent.

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 year ended June 30, 2015, 2014, and 2013 which were used to fund post-employment benefits were $47,985, $86,006, and $137,212, respectively.

Changes to the healthcare plan were adopted by the OPERS Board in September, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate 4.0 percent of employer contributions toward the healthcare fund after the end of the transition period.

NOTE 10: LONG-TERM DEBT

A summary of the Authority's debt is as follows:

	Balance at 6/30/2014	Additions	Deletions	Balance at 6/30/2015	Due Within One Year
Long-Term Debt					
Primary Government					
PNC Bank, 12/01/04, 5.16%, $2,722,385	$ 668,071	$ 0	$(668,071)	$ 0	$ 0
Bank of the Ozarks, 8/12/14, 3% - 4%	0	4,740,000	(218,895)	4,521,105	466,105
Compensated Absences	675,306	402,360	(409,103)	668,563	437,167
Total Long-Term Debt Obligation	$ 1,343,377	$5,142,360	$(1,296,069)	$ 5,189,668	$ 903,272

Long-term debt for Low-Rent Public Housing program consists of a $4,740,000 bond issue through the Bank of the Ozarks. The bonds bear interest at varying amounts from 3%-4% with the final maturity date of 11/30/2024. The Bond proceeds are being used to finance a Phase II Energy Performance contract and to pay off the remaining balance on the PNC loan at June 30, 2015 there were $2,655,029 of bond proceeds that were unexpended. The Authority had $50,272 of funds held in a debt service reserve fund pending the next bond maturity date. The bonds mature as follows:

Year Ended June 30	Principal	Interest	Total
2015-2016	$ 466,105	$ 141,193	$ 607,298
2016-2017	426,667	128,118	554,785
2017-2018	440,833	115,180	556,013
2018-2019	455,833	101,867	557,700
2019-2020	466,667	88,118	554,785
Thereafter	2,265,000	206,570	2,471,570
	$ 4,521,105	$ 781,046	$ 5,302,151

NOTE 11: COMPENSATED ABSENCES

Full time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation days exceeding those earned in the current year may not be carried over into the next calendar year. Generally, upon termination after one year of service, employees are entitled to be paid all accrued vacation. The following schedule details earned annual leave based on length of service for employees hired prior to September 1, 2013:

NOTE 11: **COMPENSATED ABSENCES** (Continued)

The following schedule details earned annual leave based on length of service:

Management		Maintenance and Administration	
1-5 years	2 weeks	1-5 years	2 weeks
6-10 years	3 weeks	6-10 years	3 weeks
11-15 years	4 weeks	11-15 years	4 weeks
16-20 years	5 weeks	16-20 years	5 weeks
21 years and over	6 weeks	21 years and over	6 weeks

Employees hired after September 1, 2013 earn annual leave as follows:

Management		Maintenance and Administration	
1-7 years	2 weeks	1-7 years	2 weeks
8-14 years	3 weeks	8-14 years	3 weeks
15-24 years	4 weeks	15-24 years	4 weeks
25 years and over	5 weeks	25 years and over	5 weeks

Sick leave accrued to full time, permanent employees to specified maximums. Sick leave may be cumulative without limit. However, management employees with 7 years or more of service, upon termination of employment, may receive 100 percent of their accumulated sick leave, up to a maximum of 75 days. Maintenance and administrative employees with 7 or more years of service, upon termination of employment, may receive 50 percent of their accumulated sick leave, up to a maximum of 75 days.

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service requirement is accrued to the extent that it is considered to be probably that the conditions for compensation will be met in the future.

NOTE 11: **COMPENSATED ABSENCES** (Continued)

The estimated liability for compensated absences at June 30, 2015, based on the vesting method is detailed as follows:

	Current Accrued Compensated Absences	Long-Term Accrued Compensated Absences	Total Accrued Compensated Absences
Public Housing	$ 186,121	$ 131,501	$ 317,622
Central Office	192,587	83,327	275,914
Section 8 - Rental Voucher	58,459	16,568	75,027
	$ 437,167	$ 231,396	$ 668,563

NOTE 12: **INTERPROGRAM RECEIVABLES AND PAYABLES**

The following balances at June 30, 2015 represent individual fund interprogram receivables and payables:

Program	Interfund Receivables	Interfund Payables
Total AMPs	$ 4,067	$ 625
Resident Opportunity	0	23,164
Local Grants	0	3,126
Housing Counseling	0	17,169
SRO Program	0	768
Central Office	44,853	17,816
Section 8 Voucher	13,748	0
Total	$ 62,668	$ 62,668

These interprogram receivables and payables have been eliminated in the Statement of Net Position.

NOTE 13: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority. The Authority has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenses disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 14: **CONSTRUCTION COMMITMENTS**

The Authority had the following material capital or construction commitment at June 30, 2015:

	Contract Amount	Balance Outstanding June 30, 2014
Amedia Facade Renovations	$ 1,142,538	$ 57,127
Rockford Exterior Renovations	$ 255,000	$ 194,342

NOTE 15. **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During the fiscal year, the Authority adopted the following GASB statements.

For 2015, the Authority has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68.*

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. 69, *Government Combinations and Disposals of Government Operations,* is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The provisions of this statement are effective for periods beginning after December 15, 2013, and the implementation of this statements did not result in any change in the Authority's financial statements.

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 are to be applied simultaneously with the provisions of Statement 68, and have been implemented by the Authority.

NOTE 16: **SUBSEQUENT EVENT**

The Housing Authority offered a $10,000 Early Retirement Incentive to all PERS retirement eligible employees. Employees must submit an intent to retirement by October 1, 2015, and file an irrevocable notice to retire by December 1, 2015. All employees that choose early retirement must retire by January 1, 2016. To date 17 employees have submitted an intent to retire and of these employees 7 have also filed their irrevocable notice to retire. Th reflect the large number of pending retirements the current portion of compensated absences was adjusted for the employees expected to retire.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
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)

Traditional Plan	2015	2014
Authority's Proportion of the Net Pension Liability/Asset	0.025756%	0.025756%
Authority's Proportionate Share of the Net Pension Liability	$3,106,462	$3,036,297
Authority's Covered-Employee Payroll	$3,635,517	$3,676,033
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	85.45%	82.60%
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	0.005605%	0.005605%
Authority's Proportionate Share of the Net Pension Liability/(Asset)	$(2,157)	$(588)
Authority's Covered-Employee Payroll	$38,575	$5,300
Authority's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Employee Payroll	(5.59)%	(11.09)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%

(1) Information prior to 2014 is not available.

Amounts presented as of the Authority's fiscal year end.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE 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	$ 436,262	$ 441,124	$ 473,197	$ 468,083	[1]	[1]	[1]	[1]	[1]	[1]
Combined Plan	4,629	636	0	1,141	[1]	[1]	[1]	[1]	[1]	[1]
Total Required Contributions	$ 440,891	$ 441,760	$ 473,197	$ 469,224	$ 349,242	$ 498,688	$ 488,657	$ 493,070	$ 310,039	$ 347,373
Contribution In Relation to the Contractually Required Contributions	(440,891)	(441,760)	(473,197)	(469,224)	(349,242)	(498,688)	(488,657)	(493,070)	(310,039)	(347,373)
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered-Employee Payroll										
Traditional Plan	$ 3,635,517	$ 3,676,033	$ 3,639,977	$ 4,680,830	[1]	[1]	[1]	[1]	[1]	[1]
Combined Plan	38,575	5,300	0	14,352	[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 2012 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.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Project Total	14.169 Housing Counseling Assistance Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program
111 Cash - Unrestricted	1,658,332	-	-	242,850	619,853	-
113 Cash - Other Restricted	59,966	-	-	186,208	-	-
114 Cash - Tenant Security Deposits	166,873	-	-	-	7,161	-
115 Cash - Restricted for Payment of Current Liabilities	50,272	-	-	-	-	-
100 Total Cash	1,935,443	-	-	429,058	627,014	-
122 Accounts Receivable - HUD Other Projects	725	17,169	30,786	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126 Accounts Receivable - Tenants	130,486	-	-	-	365	-
126.1 Allowance for Doubtful Accounts -Tenants	-24,691	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	106,520	17,169	30,786	-	365	-
131 Investments - Unrestricted	1,881,544	-	-	-	-	-
132 Investments - Restricted	2,655,029	-	-	-	-	-
142 Prepaid Expenses and Other Assets	64,185	-	-	3,354	759	-
143 Inventories	37,125	-	-	-	2,000	-
144 Inter Program Due From	4,067	-	-	13,748	-	-
150 Total Current Assets	6,683,913	17,169	30,786	446,160	630,138	-
161 Land	3,226,199	-	-	-	88,000	-
162 Buildings	116,185,160	-	-	-	2,414,824	-
163 Furniture, Equipment & Machinery - Dwellings	1,113,884	-	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	187,293	-	-	193,125	29,902	-
166 Accumulated Depreciation	-75,669,693	-	-	-183,689	-1,462,950	-
167 Construction in Progress	1,436,217	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	46,479,060	-	-	9,436	1,069,776	-
171 Notes, Loans and Mortgages Receivable - Non-Current	105,206	-	-	-	-	-
174 Other Assets	1,142	-	-	284	39	-
180 Total Non-Current Assets	46,585,408	-	-	9,720	1,069,815	-
200 Deferred Outflow of Resources	170,027			42,226	5,824	
290 Total Assets and Deferred Outflow of Resources	53,439,348	17,169	30,786	498,106	1,705,777	-

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Project Total	14.169 Housing Counseling Assistance Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program
312 Accounts Payable <= 90 Days	129,039	-	-	3,010	2,548	-
321 Accrued Wage/Payroll Taxes Payable	114,361	-	7,622	29,631	3,366	-
322 Accrued Compensated Absences - Current Portion	186,121	-	-	48,813	9,646	-
341 Tenant Security Deposits	166,873	-	-	-	7,161	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	466,105	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-
347 Inter Program - Due To	625	17,169	23,164	-	768	-
310 Total Current Liabilities	1,063,124	17,169	30,786	81,454	23,489	-
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	4,055,000	-	-	-	-	-
353 Non-current Liabilities - Other	59,966	-	-	99,119	-	-
354 Accrued Compensated Absences - Non Current	131,501	-	-	16,242	326	-
357 Accrued Pension and OPEB Liabilities	1,644,942	-	-	408,522	56,345	-
350 Total Non-Current Liabilities	5,891,409	-	-	523,883	56,671	-
300 Total Liabilities	6,954,533	17,169	30,786	605,337	80,160	-
400 Deferred Inflow of Resources	29,248			7,274	1,002	
508.4 Net Investment in Capital Assets	44,663,256	-	-	9,436	1,069,776	-
511.4 Restricted Net Position	-	-	-	87,089	-	-
512.4 Unrestricted Net Position	1,792,311	-	-	-211,030	554,839	-
513 Total Equity - Net Assets / Position	46,455,567	-	-	-114,505	1,624,615	-
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	53,439,348	17,169	30,786	498,106	1,705,777	-

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	State/Local	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	30,138	117,585	344,552	3,013,310		3,013,310
113 Cash - Other Restricted	-	-	51,138	297,312		297,312
114 Cash - Tenant Security Deposits	-	-	-	174,034		174,034
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	50,272		50,272
100 Total Cash	30,138	117,585	395,690	3,534,928	-	3,534,928
122 Accounts Receivable - HUD Other Projects	-	-	-	48,680		48,680
124 Accounts Receivable - Other Government	3,515	-	-	3,515		3,515
125 Accounts Receivable - Miscellaneous	-	15,437	-	15,437		15,437
126 Accounts Receivable - Tenants	-	-	-	130,851		130,851
126.1 Allowance for Doubtful Accounts -Tenants	-	-	-	-24,691		-24,691
120 Total Receivables, Net of Allowances for Doubtful Accounts	3,515	15,437	-	173,792	-	173,792
131 Investments - Unrestricted	-	-	123,859	2,005,403		2,005,403
132 Investments - Restricted	-	-	-	2,655,029		2,655,029
142 Prepaid Expenses and Other Assets	-	-	7,580	75,878		75,878
143 Inventories	-	-	-	39,125		39,125
144 Inter Program Due From	-	-	44,853	62,668	-62,668	-
150 Total Current Assets	33,653	133,022	571,982	8,546,823	-62,668	8,484,155
161 Land	-	-	22,500	3,336,699		3,336,699
162 Buildings	9,656	-	366,366	118,976,006		118,976,006
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	1,113,884		1,113,884
164 Furniture, Equipment & Machinery - Administration	-	-	800,463	1,210,783		1,210,783
166 Accumulated Depreciation	-	-	-754,371	-78,070,703		-78,070,703
167 Construction in Progress	-	-	-	1,436,217		1,436,217
160 Total Capital Assets, Net of Accumulated Depreciation	9,656	-	434,958	48,002,886	-	48,002,886
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	3,810,816	3,916,022		3,916,022
174 Other Assets	-	-	2,142	3,607		3,607
180 Total Non-Current Assets	9,656	-	4,247,916	51,922,515	-	51,922,515
200 Deferred Outflow of Resources			103,017	321,094		321,094
290 Total Assets and Deferred Outflow of Resources	43,309	133,022	4,922,915	60,790,432	-62,668	60,727,764

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	State/Local	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	-	-	22,921	157,518		157,518
321 Accrued Wage/Payroll Taxes Payable	-	-	85,353	240,333		240,333
322 Accrued Compensated Absences - Current Portion	-	-	192,587	437,167		437,167
341 Tenant Security Deposits	-	-	-	174,034		174,034
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	-	466,105		466,105
345 Other Current Liabilities	-	-	51,138	51,138		51,138
347 Inter Program - Due To	3,126	-	17,816	62,668	-62,668	-
310 Total Current Liabilities	3,126	-	369,815	1,588,963	-62,668	1,526,295
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	4,055,000		4,055,000
353 Non-current Liabilities - Other	-	-	-	159,085		159,085
354 Accrued Compensated Absences - Non Current	-	-	83,327	231,396		231,396
357 Accrued Pension and OPEB Liabilities	-	-	996,653	3,106,462		3,106,462
350 Total Non-Current Liabilities	-	-	1,079,980	7,551,943	-	7,551,943
300 Total Liabilities	3,126	-	1,449,795	9,140,906	-62,668	9,078,238
400 Deferred Inflow of Resources			17,721	55,245		55,245
508.4 Net Investment in Capital Assets	9,656	-	434,958	46,187,082		46,187,082
511.4 Restricted Net Position	-	-	-	87,089		87,089
512.4 Unrestricted Net Position	30,527	133,022	3,020,441	5,320,110		5,320,110
513 Total Equity - Net Assets / Position	40,183	133,022	3,455,399	51,594,281	-	51,594,281
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	43,309	133,022	4,922,915	60,790,432	-62,668	60,727,764

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	Project Total	14.169 Housing Counseling Assistance Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program
70300 Net Tenant Rental Revenue	2,337,454	-	-	-	144,875	-
70400 Tenant Revenue - Other	243,907	-	-	-	623	-
70500 Total Tenant Revenue	2,581,361	-	-	-	145,498	-
70600 HUD PHA Operating Grants	5,984,544	14,015	165,821	9,247,679	120,431	-
70610 Capital Grants	1,335,548	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-
71100 Investment Income - Unrestricted	12,849	-	-	24	750	-
71400 Fraud Recovery	-	-	-	3,436	-	-
71500 Other Revenue	83,393	-	-	30,272	1,081	-
71600 Gain or Loss on Sale of Capital Assets	-117,171	-	-	-	-	-
70000 Total Revenue	9,880,524	14,015	165,821	9,281,411	267,760	-
91100 Administrative Salaries	643,010	8,538	95,687	426,403	31,203	-
91200 Auditing Fees	18,326	-	-	5,368	743	-
91300 Management Fee	961,925	-	-	265,632	6,300	-
91310 Book-keeping Fee	110,107	-	-	-	3,952	-
91400 Advertising and Marketing	2,524	-	-	-	20	-
91500 Employee Benefit contributions - Administrative	407,727	5,477	70,134	295,459	20,479	-
91600 Office Expenses	14,889	-	-	7,204	742	-
91700 Legal Expense	50,335	-	-	147	-	-
91800 Travel	7,252	-	-	1,094	1,499	-
91900 Other	803,170	-	-	63,222	14,255	-
91000 Total Operating - Administrative	3,019,265	14,015	165,821	1,064,529	79,193	-
92000 Asset Management Fee	147,080	-	-	-	-	-
92400 Tenant Services - Other	14,708	-	-	-	117	-
92500 Total Tenant Services	14,708	-	-	-	117	-

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	Project Total	14.169 Housing Counseling Assistance Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program
93100 Water	310,530	-	-	176	7,686	-
93200 Electricity	865,913	-	-	4,430	37,225	-
93300 Gas	580,949	-	-	1,322	1,335	-
93600 Sewer	488,903	-	-	280	10,480	-
93000 Total Utilities	2,246,295	-	-	6,208	56,726	-
94100 Ordinary Maintenance and Operations - Labor	1,043,787	-	-	-	26,378	-
94200 Ordinary Maintenance and Operations - Materials and Other	363,333	-	-	2,227	4,118	-
94300 Ordinary Maintenance and Operations Contracts	956,776	-	-	5,619	24,175	-
94500 Employee Benefit Contributions - Ordinary Maintenance	659,393	-	-	-	17,312	-
94000 Total Maintenance	3,023,289	-	-	7,846	71,983	-
95200 Protective Services - Other Contract Costs	410,048	-	-	-	12,000	-
95000 Total Protective Services	410,048	-	-	-	12,000	-
96110 Property Insurance	204,461	-	-	-	2,338	-
96120 Liability Insurance	-	-	-	8,148	-	-
96130 Workmen's Compensation	24,082	-	-	6,658	997	-
96100 Total insurance Premiums	228,543	-	-	14,806	3,335	-
96210 Compensated Absences	22,794	-	-	5,486	-	-
96300 Payments in Lieu of Taxes	49,766	-	-	-	14	-
96400 Bad debt - Tenant Rents	192,212	-	-	-	1,505	-
96800 Severance Expense	10,321	-	-	-	-	-
96000 Total Other General Expenses	275,093	-	-	5,486	1,519	-
96720 Interest on Notes Payable (Short and Long Term)	145,470					
96700 Total Interest Expense and Amortization Cost	145,470	-	-	-	-	-
96900 Total Operating Expenses	9,509,791	14,015	165,821	1,098,875	224,873	-
97000 Excess of Operating Revenue over Operating Expenses	370,733	-	-	8,182,536	42,887	-

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	Project Total	14.169 Housing Counseling Assistance Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program
97200 Casualty Losses - Non-capitalized	123,653	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	8,972,373	-	-
97400 Depreciation Expense	4,070,638	-	-	13,403	40,162	-
90000 Total Expenses	13,704,082	14,015	165,821	10,084,651	265,035	-
10010 Operating Transfer In	363,753	-	-	-	-	-
10020 Operating transfer Out	-363,753	-	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-3,823,558	-	-	-803,240	2,725	-
11020 Required Annual Debt Principal Payments	683,752	-	-	-	-	-
11030 Beginning Equity	55,140,128	-	-	1,067,167	1,674,085	49,271
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-4,861,003	-	-	-378,432	-52,195	-49,271
11170 Administrative Fee Equity	-	-	-	-201,594	-	-
11180 Housing Assistance Payments Equity	-	-	-	87,089	-	-
11190 Unit Months Available	15,003	-	-	26,556	528	-
11210 Number of Unit Months Leased	14,904	-	-	22,136	526	-

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	State/Local	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	-	-	10,670	2,492,999		2,492,999
70400 Tenant Revenue - Other	-	-	-	244,530		244,530
70500 Total Tenant Revenue	-	-	10,670	2,737,529	-	2,737,529
70600 HUD PHA Operating Grants	-	-	-	15,532,490		15,532,490
70610 Capital Grants	-	-	-	1,335,548		1,335,548
70710 Management Fee	-	-	1,168,843	1,168,843	-1,168,843	-
70720 Asset Management Fee	-	-	212,094	212,094	-212,094	-
70730 Book Keeping Fee	-	-	114,059	114,059	-114,059	-
70740 Front Line Service Fee	-	-	165,035	165,035	-165,035	-
70750 Other Fees	-	-	116,308	116,308	-116,308	-
70700 Total Fee Revenue	-	-	1,776,339	1,776,339	-1,776,339	-
70800 Other Government Grants	20,045	-	-	20,045		20,045
71100 Investment Income - Unrestricted	-	12	39,157	52,792		52,792
71400 Fraud Recovery	-	-	-	3,436		3,436
71500 Other Revenue	10,500	17,414	147,701	290,361		290,361
71600 Gain or Loss on Sale of Capital Assets	-	-	-50,709	-167,880		-167,880
70000 Total Revenue	30,545	17,426	1,923,158	21,580,660	-1,776,339	19,804,321
91100 Administrative Salaries	2,275	803	927,903	2,135,822		2,135,822
91200 Auditing Fees	-	10	-	24,447		24,447
91300 Management Fee	-	-	-	1,233,857	-1,233,857	-
91310 Book-keeping Fee	-	-	-	114,059	-114,059	-
91400 Advertising and Marketing	-	-	4,823	7,367		7,367
91500 Employee Benefit contributions - Administrative	-	566	517,057	1,316,899		1,316,899
91600 Office Expenses	179	14	5,941	28,969		28,969
91700 Legal Expense	-	-	-	50,482		50,482
91800 Travel	57	2	25,333	35,237		35,237
91900 Other	9,425	119	190,036	1,080,227	-116,308	963,919
91000 Total Operating - Administrative	11,936	1,514	1,671,093	6,027,366	-1,464,224	4,563,142
92000 Asset Management Fee	-	-	-	147,080	-147,080	-
92400 Tenant Services - Other	-	-	-	14,825		14,825
92500 Total Tenant Services	-	-	-	14,825	-	14,825

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	State/Local	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	-	-	1,134	319,526		319,526
93200 Electricity	-	8	22,762	930,338		930,338
93300 Gas	-	2	6,963	590,571		590,571
93600 Sewer	-	-	2,074	501,737		501,737
93000 Total Utilities	-	10	32,933	2,342,172	-	2,342,172
94100 Ordinary Maintenance and Operations - Labor	-	-	108,723	1,178,888		1,178,888
94200 Ordinary Maintenance and Operations - Materials and Other	-	4	31,583	401,265		401,265
94300 Ordinary Maintenance and Operations Contracts	-	11	29,319	1,015,900	-165,035	850,865
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	60,570	737,275		737,275
94000 Total Maintenance	-	15	230,195	3,333,328	-165,035	3,168,293
95200 Protective Services - Other Contract Costs	-	-	445	422,493		422,493
95000 Total Protective Services	-	-	445	422,493	-	422,493
96110 Property Insurance	-	-	-	206,799		206,799
96120 Liability Insurance	-	15	32,517	40,680		40,680
96130 Workmen's Compensation	-	13	11,067	42,817		42,817
96100 Total insurance Premiums	-	28	43,584	290,296	-	290,296
96210 Compensated Absences	-	-	-	28,280		28,280
96300 Payments in Lieu of Taxes	-	-	565	50,345		50,345
96400 Bad debt - Tenant Rents	-	-	-	193,717		193,717
96800 Severance Expense	-	-	3,710	14,031		14,031
96000 Total Other General Expenses	-	-	4,275	286,373	-	286,373
96720 Interest on Notes Payable (Short and Long Term)				145,470		145,470
96700 Total Interest Expense and Amortization Cost	-	-	-	145,470	-	145,470
96900 Total Operating Expenses	11,936	1,567	1,982,525	13,009,403	-1,776,339	11,233,064
97000 Excess of Operating Revenue over Operating Expenses	18,609	15,859	-59,367	8,571,257	-	8,571,257

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30,2015

	State/Local	14.856 Lower Income Housing Assistance Program Section 8 Moderate	COCC	Subtotal	ELIM	Total
97200 Casualty Losses - Non-capitalized	-	-	-	123,653		123,653
97300 Housing Assistance Payments	-	-	-	8,972,373		8,972,373
97400 Depreciation Expense	-	-	61,000	4,185,203		4,185,203
90000 Total Expenses	11,936	1,567	2,043,525	26,290,632	-1,776,339	24,514,293
10010 Operating Transfer In	-	-	-	363,753	-363,753	-
10020 Operating transfer Out	-	-	-	-363,753	363,753	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	18,609	15,859	-120,367	-4,709,972	-	-4,709,972
11020 Required Annual Debt Principal Payments	-	-	-	683,752		683,752
11030 Beginning Equity	643,468	117,163	299,669	58,990,951		58,990,951
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-621,894	-	3,276,097	-2,686,698		-2,686,698
11170 Administrative Fee Equity	-	-	-	-201,594		-201,594
11180 Housing Assistance Payments Equity	-	-	-	87,089		87,089
11190 Unit Months Available	-	720	-	42,807		42,807
11210 Number of Unit Months Leased	-	720	-	38,286		38,286

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

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Funds Expended
U.S. Department of Housing and Urban Development		
Direct Awards		
Public and Indian Housing Operating Subsidy	14.850	$ 5,222,092
Housing Counseling Assistance Program	14.169	14,015
Resident Opportunity and Support Services	14.870	165,821
Capital Fund Program	14.872	2,098,000
Section 8 Programs:		
Housing Choice Voucher	14.871	9,247,679
Project Based - New Construction - PHA Owned	14.182	120,431
Total Direct Awards		16,868,038
Pass Through from the City of Youngstown		
HOME Investment Partnership Program	14.239	20,045
TOTAL ALL PROGRAMS		$ 16,888,083

This schedule is prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
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
Youngstown Metropolitan Housing Authority
Youngstown, 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 business-type activities of the Youngstown 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 Authority's basic financial statements and have issued our report thereon dated December 22, 2015, wherein we noted that during the year ended June 30, 2015, the Authority adopted Governmental Standards Statement 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 Youngstown Metropolitan Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Youngstown Metropolitan Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

James G. Zupka, CPA, President

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

December 22, 2015

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
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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
Youngstown Metropolitan Housing Authority
Youngstown, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Youngstown Metropolitan Housing Authority'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 Authority's major federal programs for the year ended June 30, 2015. The Authority'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 Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Authority's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Youngstown Metropolitan Housing Authority, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Authority's internal control over compliance.

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

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

December 22, 2015

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
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): Housing Choice Voucher - CFDA #14.871	
2015(viii)	Dollar Threshold: Type A\B Programs	Type A: > $506,642 Type B: > all others
2015(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

The audit report for the fiscal year ending June 30, 2014 contained no audit findings.

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Dave Yost • Auditor of State

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY

MAHONING 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 23, 2016

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