

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
Single Audit  
For the Year Ended December 31, 2011**

***Perry & Associates***  
Certified Public Accountants, A.C.





# Dave Yost • Auditor of State

Board of Commissioners  
Fairfield Metropolitan Housing Authority  
315 North Columbus Street  
Suite 200  
Lancaster, OH 43130

We have reviewed the *Independent Accountants' Report* of the Fairfield Metropolitan Housing Authority, Fairfield County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2011 through December 31, 2011. 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 Fairfield Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

June 14, 2012

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**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**INDEPENDENT ACCOUNTANTS' REPORT**

May 18, 2012

Fairfield Metropolitan Housing Authority  
Fairfield County  
315 North Columbus St., Suite 200  
Lancaster, OH 43130

To the Board of Commissioners:

We have audited the accompanying financial statements of the business-type activities of the **Fairfield Metropolitan Housing Authority**, Fairfield County, Ohio (the Authority), as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Fairfield Metropolitan Housing Authority as of December 31, 2011, and the respective changes in financial position and the cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 18, 2012, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the Authority's basic financial statements taken as a whole. The actual modernization cost certificates presented on page 22 and the supplemental financial data schedules presented on pages 23 through 25 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of federal awards expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The financial statements by program and the schedule of federal awards expenditures are management's responsibility, and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. These statements and schedule were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the supplemental financial data schedules presented on pages 23 through 25 to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Respectfully submitted,



**Perry & Associates**  
Certified Public Accountants, A.C.



**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
UNAUDITED**

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

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

**FINANCIAL HIGHLIGHTS**

The Authority’s programs for the single enterprise fund are: Conventional Public Housing, Capital Fund Program (CFP), Housing Choice Voucher Program, Family Unification Program and Other Business Activities (OBA).

- The revenue increased by \$15,465 (or .24%) during 2011, and was \$6,316,669 and \$6,301,204 for 2011 and 2010, respectively.
- The total expenses increased by \$230,120 (3.67%). Total expenses were \$6,494,875 and \$6,264,755 for 2011 and 2010, respectively.

**USING THIS ANNUAL REPORT**

The following graphic outlines the format of these financial statements:

<b>MD&amp;A</b> ~ Management Discussion and Analysis ~
<b>Basic Financial Statements</b> ~ Statement of Net Assets ~ ~ Statement of Revenues, Expenses and Changes in Net Assets ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~

The clearly preferable focus is on the Authority as a single enterprise fund. This format allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
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**BASIC FINANCIAL STATEMENTS**

The basic financial statements are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the Authority.

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

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

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

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

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets". This account resembles the old operating reserves account.

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

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

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

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

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

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

Family Unification Program (FUP) – This Program provides Section 8 rental assistance to families eligible for the Housing Choice Voucher program and whose lack of adequate housing has been determined from the local public welfare agency as the primary reason that the family's child(ren) may be placed in out-of-home care.

Shelter-Plus Care Grant – This Grant provides Tenant-based rental assistance under the Continuum of Care Homeless Assistance Program along with supportive services to the participants. A second grant was funded for participants and their families.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
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Resident Opportunity and Supportive Services - A grant funded by the Department of Housing and Urban Development that is intended to enable public housing residents to obtain self sufficiency and economic independence and move from welfare to work. A second ROSS grant was funded to coordinate activities and services for residents.

Other Business Activity (OBA) – Represents activities of the authority that include providing affordable housing for low-income people outside of the scope of the conventional and housing choice voucher programs and includes properties transferred to the Authority in 2007 from Lancaster Community Housing Corporation (Non-profit organization). This account also represents the non-profit organization which was defined by resolution during 2009 as an instrumentality of the Authority. The non-profit organization's new legal name is Fairfield Housing, Inc. effective June 10, 2009. The non-profit activity will be listed as an OBA for FDS purposes. On December 28, 2010 the Authority was certified as a HUD-Approved Housing Counseling Agency providing housing counseling and education through the Housing Solutions Program. Activity will be listed as an OBA for FDS purposes.

**BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET ASSETS**

The following table reflects the condensed Statement of Net Assets compared to prior year.

**TABLE 1  
STATEMENT OF NET ASSETS**

	2011	2010
<b>Current and other assets</b>	\$ 2,102,826	\$ 1,898,122
<b>Capital assets</b>	5,650,454	5,923,544
<b>TOTAL ASSETS</b>	7,753,280	7,821,666
<b>Current liabilities</b>	237,150	169,374
<b>Long-term liabilities</b>	104,461	64,417
<b>TOTAL LIABILITIES</b>	343,611	233,791
<b>Net Assets:</b>		
<b>Invested in capital assets, net of related debt</b>	5,650,454	5,923,544
<b>Restricted net assets</b>	534,724	731,367
<b>Unrestricted</b>	1,224,491	932,964
<b>TOTAL NET ASSETS</b>	\$ 7,409,669	\$ 7,587,875

**MAJOR FACTORS AFFECTING THE STATEMENT OF NET ASSETS**

During 2011, the reserve fund for Section 8 was increased by \$111,772 restricted and \$1,005 unrestricted included in the cash balance and net assets. Restricted assets decreased in the amount of \$308,415 for section 18(a) 2 (C) proceeds transferred to the Housing Solutions Program net assets. Escrow accounts increased by \$37,300 and are included in the cash balance and long-term liabilities. Other current assets and current liabilities increased by \$204,704 and \$67,776, respectively. Invested in capital assets net of related debt charges can be analyzed from Table 4 of the MD&A.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**TABLE 2  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

The following schedule compares the revenues and expenses for the current and previous year.

	<u>2011</u>	<u>2010</u>
<b>Revenues</b>		
Tenant Revenue - Rents and Other	\$ 271,098	\$ 283,150
Operating Subsidies and Grants	5,785,713	5,734,894
Capital Grants	124,432	278,001
Investment Income/Other Revenue	135,426	5,159
<b>TOTAL REVENUE</b>	<u>6,316,669</u>	<u>6,301,204</u>
<b>Expenses</b>		
Administrative	1,035,590	1,000,035
Tenant Services	1,515	30
Utilities	19,538	22,237
Maintenance	166,279	242,322
General	30,424	22,533
PILOT	20,760	17,323
Housing Assistance Payment	4,707,640	4,540,345
Depreciation	402,083	397,671
Other General Expenses	86,089	-
Bad Debt/Fraud Losses	24,957	22,259
<b>TOTAL EXPENSES</b>	<u>6,494,875</u>	<u>6,264,755</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ (178,206)</u>	<u>\$ 36,449</u>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

In 2011, the Authority received \$50,819 more in HAP, operating subsidies and grant funding, \$9,904 more from insurance proceeds, \$68,275 more in portability income and an increase in capital assets of \$76,029 and \$40,036 for rent, fraud and other revenue offset by decrease in ARRA in the amount of \$229,598, which accounts for most of the difference in total revenue between the years.

Total expenses net increase of \$230,120 is mostly due to the increase in HAP general expenses and administrative expenses offset by decreases in maintenance expenses.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of year-end, the Authority had \$5,650,454 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$273,090.

**TABLE 3  
CAPITAL ASSETS AT YEAR-END  
(NET OF DEPRECIATION)**

	2011	2010
Land and Land Rights	\$ 994,621	\$ 994,621
Buildings	10,070,311	10,070,311
Equipment - Administrative	402,816	398,255
Equipment - Dwellings	87,781	87,781
Leasehold Improvements	264,718	140,286
Accumulated Depreciation	(6,169,793)	(5,767,710)
<b>TOTAL</b>	<b>\$ 5,650,454</b>	<b>\$ 5,923,544</b>

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4  
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE – NET	\$ 5,923,544
Additions – Capital Funds	124,432
Additions – Public Housing	1,642
Additions – Section 8	2,919
Depreciation Expense	(402,083)
<b>ENDING BALANCE</b>	<b>\$ 5,650,454</b>
Depreciation Expense - Section 8	\$ 12,016
Depreciation Expense - Fairfield Housing, Inc.	3,241
Depreciation Expense - Capital funds	12,285
Depreciation Expense - OBA	12,680
Depreciation Expenses - PH	361,861
<b>TOTAL DEPRECIATION</b>	<b>\$ 402,083</b>

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**DEBT ADMINISTRATION**

During the year the Authority had no debt (bonds, notes, etc.) outstanding.

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding levels of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Market rates for rental housing

**IN CONCLUSION**

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

**FINANCIAL CONTACT**

If you have any questions regarding this report, you may contact Bruce Burns, Executive Director of the Fairfield Metropolitan Housing Authority at (740) 653-6618.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**  
**FAIRFIELD COUNTY**  
STATEMENT OF NET ASSETS  
AS OF DECEMBER 31, 2011

	<b>ENTERPRISE</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 901,454
Restricted Cash and Cash Equivalents	497,713
Investments	554,196
Accounts Receivable, Net of Allowance	93,840
Current Portion of Mortgage Receivable	1,867
Inventories, Net of Allowance	11,196
Prepaid Expenses and Other Assets	27,938
<b>Total Current Assets</b>	<b>2,088,204</b>
Noncurrent Assets:	
Capital Assets:	
Nondepreciable Capital Assets	994,621
Depreciable Capital Assets, Net of Accumulated Depreciation	4,655,833
<b>Total Capital Assets</b>	<b>5,650,454</b>
Mortgage Receivable	14,622
<b>Total Noncurrent Assets</b>	<b>5,665,076</b>
<b>Total Assets</b>	<b>\$ 7,753,280</b>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	\$ 73,357
Intergovernmental Payable	20,760
Accrued Wages & Payroll Taxes Payable	55,308
Current Portion of Compensated Absences	35,826
Tenant Security Deposits	47,840
Deferred Revenue	4,059
<b>Total Current Liabilities</b>	<b>237,150</b>
Long Term Liabilities:	
FSS Liability	62,604
Self Insurance Payable	39,112
Compensated Absences	4,745
<b>Total Long Term Liabilities</b>	<b>106,461</b>
<b>Total Liabilities</b>	<b>343,611</b>
<b>Net Assets:</b>	
Invested In Capital Assets, Net of Related Debt	5,650,454
Restricted	534,724
Unrestricted	1,224,491
<b>Total Net Assets</b>	<b>7,409,669</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,753,280</b>

See accompanying notes to the basic financial statements.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**  
**FAIRFIELD COUNTY**  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	ENTERPRISE
<b>Operating Revenues:</b>	
Tenant Rental Revenue	\$ 271,098
HUD PHA Operating Grants	5,785,713
Other Revenue	130,504
Total Operating Revenues	6,187,315
<b>Operating Expenses:</b>	
Administrative	1,035,590
Tenant Services	1,515
Utilities	19,538
Maintenance	166,279
Insurance	30,424
Payments in Lieu of Taxes	20,760
Housing Assistance Payments	4,707,640
Bad Debt	24,957
Depreciation	402,083
Other General Expenses	86,089
Total Operating Expenses	6,494,875
Operating Income/(Loss)	(307,560)
Other Non-Operating Revenues:	
HUD Capital Grants	124,432
Investment Income	4,922
Total Other Non-Operating Revenues	129,354
Change in Net Assets	(178,206)
Net Assets, Beginning of the Year	7,587,875
Net Assets, End of Year	\$ 7,409,669

See accompanying notes to the basic financial statements



**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**  
**FAIRFIELD COUNTY**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from HUD	\$ 5,766,077
Cash Received from Tenants	272,388
Cash Received from Other Revenue	130,970
Cash Payments for Housing Assistance Payments	(4,707,640)
Cash Payments for Other Operating Expenses	(1,265,657)
Cash Payments to HUD and Other Governments	(21,835)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	174,303
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Capital Grants Received for Capital Assets	124,432
Acquisition of Capital Assets	(128,993)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(4,561)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of Investments	(376,963)
Investment Income	4,922
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(372,041)
Net Increase (Decrease) in Cash and Cash Equivalents	(202,299)
Cash and Cash Equivalents at Beginning of Year	1,601,466
Cash and Cash Equivalents at End of Year	\$ 1,399,167
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Operating Loss	\$ (307,560)
Adjustments:	
Depreciation	402,083
(Increase) Decrease in :	
Accounts Receivable, Net of Allowance	(23,345)
Mortgage Receivable	466
Inventories, Net of Allowance	164
Prepaid Expenses and Other Assets	(7,325)
Increase (Decrease) in:	
Accounts Payable	59,305
Accrued Wages and Payroll Taxes	4,052
Accrued Compensated Absences	5,240
Intergovernmental Payable	(1,075)
Tenant Security Deposits	1,290
Self Insurance Payable	14,485
FSS Liability	22,814
Deferred Revenue	3,709
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 174,303

See accompanying notes to the basic financial statements

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

The financial statements of the Fairfield Metropolitan Housing Authority (the "Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989, to its business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the Authority's accounting policies are prescribed below.

The Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The Financial statements include:
  - A Management Discussion and Analysis (MD&A) section providing analysis of the Authority's overall financial position and results of operations.

Reporting Entity

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

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all actives considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consist 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 whether 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 or, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organizations.

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Basic of Presentation

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

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

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

Measurement Focus

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

Enterprise Fund

The Authority uses the proprietary fund to report on its financial position and the results of its operations for all of its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

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

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

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

Family Unification Program (FUP) – This Program provides Section 8 rental assistance to families eligible for the Housing Choice Voucher program and whose lack of adequate housing has been determined from the local public welfare agency as the primary reason the family's child(ren) may be placed in out-of-home care.

Shelter-Plus Care Grant (SPC) – This grant provides Tenant-based rental assistance under the Continuum of Care Homeless Assistance Program along with supportive-services to the participates. A second grant was funded for participates and their families.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Enterprise Fund (Continued)

Resident Opportunity and Supportive Services (ROSS) – A grant funded by HUD that is intended to enable Public Housing residents to obtain self-sufficiency and economic independence and move from Temporary Assistance to Needy Families (TANF) to work. A second grant funded to coordinate activities and services for residents.

Other Business Activity (OBA) – Represents activities of the Authority that include providing affordable housing for low-income people outside of the scope of the Conventional and Housing Choice Voucher Programs and includes properties transferred to the Authority in 2007 from Lancaster Community Housing Corporation renamed Fairfield Housing Incorporation (Non-Profit organization) in 2009 whose activity is also included. Other activity represented is a HUD-Approved Housing Counseling agency that provides housing counseling and education through the Housing Solutions Program.

Accounting and Reporting for Non-exchange Transactions

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

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earning or consumption).
- Imposed non-exchange revenues: result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e., property taxes and fines).
- Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires that recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).
- Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as government-mandated or voluntary non-exchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.
- Purpose restrictions specify the purpose for which resources are required to be used. (i.e., capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, PHA's that receive resources with purpose restrictions should report resulting net assets, equity, or fund balances as restricted.

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

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

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Deferred Revenue

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

Prepaid Expenses

Payments made to vendors for services that will benefit beyond December 31, 2011, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Investments

Investments are restricted by the provisions of the HUD Regulations (see Note 2). Investments are valued at market value. Interest income earned in fiscal year 2011 for all programs totaled \$4,922. Certificates of deposits with maturities greater than three months are considered investments.

Capital Assets

Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the asset. 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's capitalization policy is \$2,000. The following are the useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – nonresidential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15

Accrued Liabilities

All payables and accrued liabilities are reported in the basic financial statements.

Net Assets

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

Operating Revenues and Expenses

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

Cash and Cash Equivalents

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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 payment. 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 employee if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

The following is a summary of changes in compensated absences for the year ended December 31, 2011:

	<u>Balance</u> <u>12/31/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/11</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences Payable	<u>\$35,331</u>	<u>\$41,591</u>	<u>\$(36,351)</u>	<u>\$40,571</u>	<u>\$35,826</u>

Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is submitted to HUD and once approved is adopted by the Board of the Housing Authority.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimated 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.

Receivables – Net of Allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for receivables was \$1,175 at December 31, 2011.

Inventories

Inventories are stated at cost. The allowance for obsolete inventory was \$1,244 at December 31, 2011.

Due to/Due from Programs

These are eliminated for the basic financial statement.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**2. CASH AND INVESTMENTS**

Cash

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

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

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

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

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

Deposits

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

As of December 31, 2011 the carrying amount of the Authority's deposits totaled \$1,953,363 and its bank balance was \$1,958,990. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2011, \$1,633,028 was exposed to custodial risk as discussed above while \$325,962 was covered by Federal Deposit Insurance Corporation.

Investments

HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposits, repurchase agreements, money market deposits accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**2. CASH AND INVESTMENTS - CONTINUED**

Investments (Continued)

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A included investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name.

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

**3. CAPITAL ASSETS**

The following is a summary of capital assets:

	<u>Balance</u> <u>12/31/10</u>	<u>Net Additions/ Reclassifications</u>	<u>Balance</u> <u>12/31/11</u>
<b>CAPITAL ASSETS, NOT BEING DEPRECIATED</b>			
Land	\$ 994,621	\$ -	\$ 994,621
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	994,621	-	994,621
 <b>CAPITAL ASSETS BEING DEPRECIATED</b>			
Building and Improvements	\$10,210,597	\$ 124,432	\$ 10,335,029
Furniture and Equipment	<u>486,036</u>	<u>4,561</u>	<u>490,597</u>
Totals at Historical Costs	10,696,633	128,993	10,825,626
Less: Accumulated Depreciation	<u>(5,767,710)</u>	<u>(402,083)</u>	<u>(6,169,793)</u>
TOTAL DEPRECIABLE CAPITAL ASSETS, NET	<u>4,928,923</u>	<u>(273,090)</u>	<u>4,655,833</u>
TOTAL CAPITAL ASSETS	<u>\$ 5,923,544</u>	<u>\$ (273,090)</u>	<u>\$ 5,650,454</u>
 Accumulated Depreciation by Class:			
Building and Improvements			\$ 5,745,083
Furniture and Fixtures			<u>424,710</u>
TOTAL ACCUMULATED DEPRECIATION			<u>\$ 6,169,793</u>

**4. DEFINED BENEFIT PENSION PLAN**

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

- a. The Traditional Pension Plan (TP) – A cost-sharing, multiple-employer defined benefit pension plan.
- b. The Member-Directed Plan (MD) – A defined contribution plan in which the member invest both member and employer contributions (employer contributions vest over five years at 20% per year.) Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.



**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**4. DEFINED BENEFIT PENSION PLAN - CONTINUED**

- c. The Combined Plan (CO) – A cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invest employer contributions to provide a formula retirement 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.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to the OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Plan members are required to contribute 10 percent of their annual covered payroll to fund pension obligations and the Authority was required to contribute 14 percent of covered payroll during 2011. The Authority's required contributions, including the pickup portion for certain employees for the years ended December 31, 2011, 2010, 2009 were \$106,537, \$93,738 and \$96,640 respectively. All required payments of contributions have been made through December 31, 2011. All required contributions for the two previous years have been paid.

**5. POST-EMPLOYMENT BENEFITS**

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the Authority contributed at a rate of 14 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Active members do not make contribution to the OPEB Plan.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**5. POST-EMPLOYMENT BENEFITS - CONTINUED**

OPERS Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding the post-employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 4.0 percent during calendar year 2011. The OPERS Board of Trustees is also authorized to establish rules for payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2011, which were used to fund post-employment benefits, were \$38,126.

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

**6. RISK MANAGEMENT**

The Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. There was no significant reduction in coverage's and no settlements exceeded insurance coverage during the past three years.

**7. FDS SCHEDULE SUBMITTED TO HUD**

For the fiscal year ended December 31, 2011, the Authority electronically submitted an unaudited version of the balance sheet, statement of revenues, expenses and changes in net asset and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

**8. SUBSEQUENT EVENTS**

There were no subsequent events through May 18, 2012, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

## Supplemental Information

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
ACTUAL MODERNIZATION COST CERTIFICATES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

Modernization Project Number : OH16P070501-08

Original Funds Approved:	\$ 181,386
Funds Disbursed:	\$ 181,386
Funds Expended (Actual Modernization Cost):	\$ 181,386
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**  
**FAIRFIELD COUNTY**  
**FDS SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Project Total	14.871 Housing Choice Vouchers	1 Business Activities	14.858 Hope I	14.870 Resident Opportunity and Supportive Services	14.238 Shelter Plus Care	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$306,104	\$392,279	\$203,071				\$901,454		\$901,454
113 Cash - Other Restricted	\$8,705	\$441,168					\$449,873		\$449,873
114 Cash - Tenant Security Deposits	\$43,665		\$4,175				\$47,840		\$47,840
100 Total Cash	\$358,474	\$833,447	\$207,246	\$0	\$0	\$0	\$1,399,167	\$0	\$1,399,167
122 Accounts Receivable - HUD Other Projects	\$59,407	\$2,000			\$7,795		\$69,202		\$69,202
124 Accounts Receivable - Other Government		\$288					\$288		\$288
125 Accounts Receivable - Miscellaneous		\$411	\$2,800				\$3,211		\$3,211
126 Accounts Receivable - Tenants	\$2,362		\$53				\$2,415		\$2,415
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,175	\$0	\$0				-\$1,175		-\$1,175
127 Notes, Loans, & Mortgages Receivable - Current			\$1,867				\$1,867		\$1,867
128 Fraud Recovery		\$111,341					\$111,341		\$111,341
128.1 Allowance for Doubtful Accounts - Fraud		-\$91,856					-\$91,856		-\$91,856
129 Accrued Interest Receivable	\$76	\$243	\$95				\$414		\$414
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$60,670	\$22,427	\$4,815	\$0	\$7,795	\$0	\$95,707	\$0	\$95,707
131 Investments - Unrestricted	\$128,879	\$147,455	\$130,407				\$406,741		\$406,741
132 Investments - Restricted		\$147,455					\$147,455		\$147,455
142 Prepaid Expenses and Other Assets	\$19,745	\$5,013	\$2,463		\$717		\$27,938		\$27,938
143 Inventories	\$12,440						\$12,440		\$12,440
143.1 Allowance for Obsolete Inventories	-\$1,244						-\$1,244		-\$1,244
144 Inter Program Due From	\$4,818						\$4,818	-\$4,818	\$0
145 Assets Held for Sale									
150 Total Current Assets	\$583,782	\$1,155,797	\$344,931	\$0	\$8,512	\$0	\$2,093,022	-\$4,818	\$2,088,204
161 Land	\$895,931		\$98,690				\$994,621		\$994,621
162 Buildings	\$9,714,149		\$356,161				\$10,070,310		\$10,070,310
163 Furniture, Equipment & Machinery - Dwellings	\$87,781						\$87,781		\$87,781
164 Furniture, Equipment & Machinery - Administration	\$256,578	\$111,501	\$34,737				\$402,816		\$402,816
165 Leasehold Improvements	\$194,112		\$70,606				\$264,718		\$264,718
166 Accumulated Depreciation	-\$5,853,552	-\$97,302	-\$218,938				-\$6,169,792		-\$6,169,792
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,294,999	\$14,199	\$341,256	\$0	\$0	\$0	\$5,650,454	\$0	\$5,650,454
171 Notes, Loans, & Mortgages Receivable - Non-Current			\$13,222				\$13,222		\$13,222
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due			\$1,400				\$1,400		\$1,400
173 Grants Receivable - Non-Current									
174 Other Assets									
176 Investments in Joint Ventures									
180 Total Non-Current Assets	\$5,294,999	\$14,199	\$355,878	\$0	\$0	\$0	\$5,665,076	\$0	\$5,665,076
190 Total Assets	\$5,878,781	\$1,169,996	\$700,809	\$0	\$8,512	\$0	\$7,758,098	-\$4,818	\$7,753,280
312 Accounts Payable <= 90 Days	\$62,448	\$6,269	\$3,073		\$1,567		\$73,357		\$73,357
321 Accrued Wage/Payroll Taxes Payable	\$19,665	\$25,139	\$6,079		\$4,424		\$55,307		\$55,307
322 Accrued Compensated Absences - Current Portion	\$9,343	\$18,692	\$5,270		\$2,521		\$35,826		\$35,826
333 Accounts Payable - Other Government	\$20,760						\$20,760		\$20,760
341 Tenant Security Deposits	\$43,665		\$4,175				\$47,840		\$47,840
342 Deferred Revenues	\$4,024		\$35				\$4,059		\$4,059
347 Inter Program - Due To	\$4,818						\$4,818	-\$4,818	\$0
310 Total Current Liabilities	\$164,723	\$50,100	\$18,652	\$0	\$8,512	\$0	\$241,967	-\$4,818	\$237,149
353 Non-current Liabilities - Other	\$8,705	\$93,012					\$101,717		\$101,717
354 Accrued Compensated Absences - Non-Current	\$1,661	\$2,871	\$213				\$4,745		\$4,745
350 Total Non-Current Liabilities	\$10,366	\$95,883	\$213	\$0	\$0	\$0	\$106,462	\$0	\$106,462
300 Total Liabilities	\$175,089	\$145,983	\$18,865	\$0	\$8,512	\$0	\$348,429	-\$4,818	\$343,611
508.1 Invested In Capital Assets, Net of Related Debt	\$5,294,999	\$14,199	\$341,256				\$5,650,454		\$5,650,454
511.1 Restricted Net Assets		\$534,724					\$534,724		\$534,724
512.1 Unrestricted Net Assets	\$408,693	\$475,090	\$340,708	\$0	\$0	\$0	\$1,224,491		\$1,224,491
513 Total Equity/Net Assets	\$5,703,692	\$1,024,013	\$681,964	\$0	\$0	\$0	\$7,409,669	\$0	\$7,409,669
600 Total Liabilities and Equity/Net Assets	\$5,878,781	\$1,169,996	\$700,809	\$0	\$8,512	\$0	\$7,758,098	-\$4,818	\$7,753,280

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**  
**FAIRFIELD COUNTY**  
**FDS SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

	Project Total	14-871 Housing Choice Vouchers	1 Business Activities	14.858 Hope I	14.870 Resident Opportunity and Supportive Services	14.238 Shelter Plus Care	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$218,007		\$45,535				\$263,542		\$263,542
70400 Tenant Revenue - Other	\$4,820		\$2,736				\$7,556		\$7,556
70500 Total Tenant Revenue	\$222,827	\$0	\$48,271	\$0	\$0	\$0	\$271,098		\$271,098
70600 HUD PHA Operating Grants	\$295,183	\$5,249,443			\$87,909	\$117,624	\$5,750,159		\$5,750,159
70610 Capital Grants	\$124,432						\$124,432		\$124,432
70800 Other Government Grants			\$35,554				\$35,554		\$35,554
71100 Investment Income - Unrestricted	\$1,730	\$1,158	\$957				\$3,845		\$3,845
71400 Fraud Recovery	\$12,745	\$27,348					\$40,093		\$40,093
71500 Other Revenue	\$10,344	\$74,474	\$5,593				\$90,411		\$90,411
72000 Investment Income - Restricted		\$1,077					\$1,077		\$1,077
70000 Total Revenue	\$667,261	\$5,353,500	\$90,375	\$0	\$87,909	\$117,624	\$6,316,669		\$6,316,669
91100 Administrative Salaries	\$132,524	\$344,522	\$80,895		\$62,081	\$3,071	\$623,093		\$623,093
91200 Auditing Fees	\$3,126	\$4,874	\$1,280				\$9,280		\$9,280
91500 Employee Benefit contributions - Administrative	\$46,988	\$110,684	\$19,105		\$16,127	\$1,157	\$194,061		\$194,061
91600 Office Expenses	\$48,242	\$85,818	\$13,225		\$1,661		\$148,946		\$148,946
91700 Legal Expense	\$4,563	\$3,140	\$1,345				\$9,048		\$9,048
91800 Travel	\$6,394	\$16,725	\$7,262		\$1,662		\$32,043		\$32,043
91900 Other		\$6,365	\$12,754				\$19,119		\$19,119
91000 Total Operating - Administrative	\$241,837	\$572,128	\$135,866	\$0	\$81,531	\$4,228	\$1,055,590		\$1,055,590
92400 Tenant Services - Other	\$1,515						\$1,515		\$1,515
92500 Total Tenant Services	\$1,515	\$0	\$0	\$0	\$0	\$0	\$1,515		\$1,515
93100 Water	\$1,239	\$848	\$697				\$2,784		\$2,784
93200 Electricity	\$5,211	\$4,530	\$805				\$10,546		\$10,546
93300 Gas	\$2,057	\$1,374	\$1,162				\$4,593		\$4,593
93600 Sewer	\$501	\$235	\$620				\$1,356		\$1,356
93800 Other Utilities Expense			\$259				\$259		\$259
93000 Total Utilities	\$9,008	\$6,987	\$3,543	\$0	\$0	\$0	\$19,538		\$19,538
94100 Ordinary Maintenance and Operations - Labor	\$62,155		\$5,774				\$67,929		\$67,929
94200 Ordinary Maintenance and Operations - Materials and Other	\$45,730		\$1,419				\$47,149		\$47,149
94300 Ordinary Maintenance and Operations Contracts	\$28,806		\$4,782				\$33,588		\$33,588
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,951		\$1,662				\$17,613		\$17,613
94000 Total Maintenance	\$152,642	\$0	\$13,637	\$0	\$0	\$0	\$166,279		\$166,279
96110 Property Insurance	\$11,663		\$1,014				\$12,677		\$12,677
96120 Liability Insurance	\$3,883	\$1,481	\$467				\$5,831		\$5,831
96130 Workmen's Compensation	\$3,233	\$5,897	\$1,653		\$1,133		\$11,916		\$11,916
96100 Total Insurance Premiums	\$18,779	\$7,378	\$3,134	\$0	\$1,133	\$0	\$30,424		\$30,424
96200 Other General Expenses		\$180	\$467				\$647		\$647
96210 Compensated Absences	\$19,783	\$40,138	\$8,872		\$5,245		\$74,038		\$74,038
96300 Payments in Lieu of Taxes	\$20,760						\$20,760		\$20,760
96400 Bad debt - Tenant Rents	\$9,141		\$2,576				\$11,717		\$11,717
96600 Bad debt - Other	\$3,513	\$6,692	\$3,035				\$13,240		\$13,240
96000 Total Other General Expenses	\$53,197	\$47,010	\$14,950	\$0	\$5,245	\$0	\$120,402		\$120,402
96900 Total Operating Expenses	\$476,978	\$633,503	\$171,130	\$0	\$87,909	\$4,228	\$1,373,748		\$1,373,748
97000 Excess of Operating Revenue over Operating Expenses	\$190,283	\$4,719,997	-\$80,755	\$0	\$0	\$113,396	\$4,942,921		\$4,942,921
97200 Casualty Losses - Non-capitalized	\$10,444	\$960					\$11,404		\$11,404
97300 Housing Assistance Payments		\$4,529,509				\$113,396	\$4,642,905		\$4,642,905
97350 HAP Portability-In		\$64,735					\$64,735		\$64,735
97400 Depreciation Expense	\$374,146	\$12,016	\$15,921				\$402,083		\$402,083
90000 Total Expenses	\$861,568	\$5,240,723	\$187,051	\$0	\$87,909	\$117,624	\$6,494,875		\$6,494,875
10010 Operating Transfer In	\$18,000						\$18,000		\$18,000
10020 Operating transfer Out	-\$18,000						-\$18,000		-\$18,000
10093 Transfers between Program and Project - In	\$158,043						\$158,043		\$158,043
10094 Transfers between Project and Program - Out	-\$158,043						-\$158,043		-\$158,043
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$194,307	\$112,777	-\$96,676	\$0	\$0	\$0	-\$178,206		-\$178,206
11030 Beginning Equity	\$6,206,445	\$911,236	\$437,384	\$32,810	\$0	\$0	\$7,587,875		\$7,587,875
11040 Prior Period Adjustments, Equity Transfers and Correction of	-\$308,446		\$341,256	-\$32,810			\$0		\$0
11170 Administrative Fee Equity		\$489,289					\$489,289		\$489,289
11180 Housing Assistance Payments Equity		\$534,724					\$534,724		\$534,724
11190 Unit Months Available	1152	11388	96				12636		12636
11210 Number of Unit Months Leased	1146	11139	77				12362		12362
11270 Excess Cash	\$341,526						\$341,526		\$341,526
11640 Furniture & Equipment - Administrative Purchases	\$1,642						\$1,642		\$1,642
11650 Leasehold Improvements Purchases	\$124,432						\$124,432		\$124,432

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**  
**FAIRFIELD COUNTY**  
**FDS SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$218,007		\$218,007
70400 Tenant Revenue - Other	\$4,820		\$4,820
70500 Total Tenant Revenue	\$222,827	\$0	\$222,827
70600 HUD PHA Operating Grants	\$254,853	\$40,330	\$295,183
70610 Capital Grants		\$124,432	\$124,432
71100 Investment Income - Unrestricted	\$1,730		\$1,730
71400 Fraud Recovery	\$12,745		\$12,745
71500 Other Revenue	\$10,344		\$10,344
70000 Total Revenue	\$502,499	\$164,762	\$667,261
91100 Administrative Salaries	\$132,524		\$132,524
91200 Auditing Fees	\$3,126		\$3,126
91500 Employee Benefit contributions - Administrative	\$46,988		\$46,988
91600 Office Expenses	\$42,677	\$5,565	\$48,242
91700 Legal Expense	\$4,563		\$4,563
91800 Travel	\$6,394		\$6,394
91000 Total Operating - Administrative	\$236,272	\$5,565	\$241,837
92400 Tenant Services - Other	\$1,515		\$1,515
92500 Total Tenant Services	\$1,515	\$0	\$1,515
93100 Water	\$1,239		\$1,239
93200 Electricity	\$5,211		\$5,211
93300 Gas	\$2,057		\$2,057
93600 Sewer	\$501		\$501
93000 Total Utilities	\$9,008	\$0	\$9,008
94100 Ordinary Maintenance and Operations - Labor	\$62,155		\$62,155
94200 Ordinary Maintenance and Operations - Materials and Other	\$28,964	\$16,766	\$45,730
94300 Ordinary Maintenance and Operations Contracts	\$28,806		\$28,806
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,951		\$15,951
94000 Total Maintenance	\$135,876	\$16,766	\$152,642
96110 Property Insurance	\$11,663		\$11,663
96120 Liability Insurance	\$3,883		\$3,883
96130 Workmen's Compensation	\$3,233		\$3,233
96100 Total insurance Premiums	\$18,779	\$0	\$18,779
96210 Compensated Absences	\$19,783		\$19,783
96300 Payments in Lieu of Taxes	\$20,760		\$20,760
96400 Bad debt - Tenant Rents	\$9,141		\$9,141
96600 Bad debt - Other	\$3,513		\$3,513
96000 Total Other General Expenses	\$53,197	\$0	\$53,197
96900 Total Operating Expenses	\$454,647	\$22,331	\$476,978
97000 Excess of Operating Revenue over Operating Expenses	\$47,852	\$142,431	\$190,283
97200 Casualty Losses - Non-capitalized	\$10,444		\$10,444
97400 Depreciation Expense	\$361,861	\$12,285	\$374,146
90000 Total Expenses	\$826,952	\$34,616	\$861,568
10010 Operating Transfer In	\$18,000		\$18,000
10020 Operating transfer Out		-\$18,000	-\$18,000
10093 Transfers between Program and Project - In	\$158,043		\$158,043
10094 Transfers between Project and Program - Out		-\$158,043	-\$158,043
10100 Total Other financing Sources (Uses)	\$176,043	-\$176,043	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$148,410	-\$45,897	-\$194,307
11030 Beginning Equity	\$5,984,067	\$222,378	\$6,206,445
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$308,446		-\$308,446
11190 Unit Months Available	1152		1152
11210 Number of Unit Months Leased	1146		1146
11270 Excess Cash	\$341,526		\$341,526
11640 Furniture & Equipment - Administrative Purchases	\$1,642	\$0	\$1,642
11650 Leasehold Improvements Purchases	\$0	\$124,432	\$124,432

See Independent Auditors' Report

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	2011 FEDERAL EXPENDITURES
<i><u>DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></i>		
Housing Choice Vouchers	14.871	\$ 5,249,443
Public and Indian Housing	14.850	254,853
Public Housing Capital Fund Program	14.872	164,762
Shelter Plus Care	14.238	117,624
Resident Opportunity and Supportive Services	14.870	<u>87,909</u>
TOTAL - FEDERAL AWARDS EXPENDITURES		<u><u>\$ 5,874,591</u></u>

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



**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Perry & Associates***  
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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

May 18, 2012

Fairfield Metropolitan Housing Authority  
Fairfield County  
315 North Columbus St., Suite 200  
Lancaster, OH 43130

To the Board of Commissioners:

We have audited the financial statements of the business-type activities of the **Fairfield Metropolitan Housing Authority**, Fairfield County, Ohio (the Authority), as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 18, 2012. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Fairfield Metropolitan Housing Authority  
Fairfield County  
Independent Accountants' Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Required by *Government Auditing Standards*  
Page 2

### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management, members of the Board of Commissioners, federal awarding agencies and others within the Authority. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry & Associates**  
Certified Public Accountants, A.C.

***Perry & Associates***  
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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

May 18, 2012

Fairfield Metropolitan Housing Authority  
Fairfield County  
315 North Columbus St., Suite 200  
Lancaster, OH 43130

To the Board of Commissioners:

**Compliance**

We have audited the compliance of the **Fairfield Metropolitan Housing Authority**, Fairfield County, Ohio (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Fairfield Metropolitan Housing Authority's major federal program for the year ended December 31, 2011. The summary of auditor's results section of the accompanying schedule of audit findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Authority's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Government's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Government's compliance with these requirements.

In our opinion, the Fairfield Metropolitan Authority complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2011.

**Internal Control Over Compliance**

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

**Internal Control Over Compliance (continued)**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of management, members of the Board of Commissioners, federal awarding agencies and others within the Authority. It is not intended for anyone other than these specified parties.

Respectfully submitted,



**Perry & Associates**  
Certified Public Accountants, A.C.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY  
FAIRFIELD COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



# Dave Yost • Auditor of State

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY**

**FAIRFIELD 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  
JUNE 26, 2012**