

**TUSCARAWAS METROPOLITAN
HOUSING AUTHORITY**

**BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT**

**FOR THE FISCAL YEAR
ENDED MARCH 31, 2014**

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



Dave Yost • Auditor of State

Board of Directors
Tuscarawas Metropolitan Housing Authority
134 Second Street SW
New Philadelphia, Ohio 44663

We have reviewed the *Independent Auditor's Report* of the Tuscarawas Metropolitan Housing Authority, Tuscarawas County, prepared by James G. Zupka, CPA, Inc., for the audit period April 1, 2013 through March 31, 2014. 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 Tuscarawas 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

September 4, 2014

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**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
Basic Financial Statements:	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position	13
Statement of Cash Flows	14
Notes to the Basic Financial Statements	15-29
Supplemental Data:	
Financial Data Schedules:	
Entity Wide Balance Sheet Summary	30-31
Entity Wide Revenue and Expense Summary	32-33
Schedule of Expenditures of Federal Awards	34
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35-36
Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	37-38
Schedule of Findings and Questioned Costs	39
Status of Prior Year Findings	40

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JAMES G. ZUPKA, C.P.A., INC.

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tuscarawas Metropolitan Housing Authority
New Philadelphia, 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 Tuscarawas Metropolitan Housing Authority, Ohio as of and for the year ended March 31, 2014, 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 respective financial position of the Tuscarawas Metropolitan Housing Authority, Ohio, as of March 31, 2014, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 and 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tuscarawas Metropolitan Housing Authority, Ohio's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not 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 date July 30, 2014, on our consideration of the Tuscarawas Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tuscarawas Metropolitan Housing Authority, Ohio's internal control over financial reporting and compliance.

James G. Zupka,  Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
o=James G. Zupka, CPA, Inc., ou=Accounting,
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Date: 2014.08.21 14:05:36 -0400
CPA, President

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

July 30, 2014

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

The Tuscarawas 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 fiscal year challenges), and **d)** identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and current known facts, please read it in conjunction with the Authority’s financial statements, which begin on page 12.

Financial Highlights

The current year financial highlights were separated to identify changes in the Tuscarawas Metropolitan Housing Authority and its component units separately.

- During fiscal year 2014, the Authority’s net position increased by \$39,891 and the component units net position decreased by \$38,211.
- The Authority’s revenue decreased by \$45,422 and its component unit’s revenue increased by \$17,607.
- The total expenses of the Authority decreased by \$104,788 and the component unit’s expenses increased by \$4,976.

Using This Annual Report

This report includes three major sections, the Management’s Discussion and Analysis (MD&A), the Basic Financial Statements, and Other Required Supplementary Information.

MD&A

Management’s Discussion and Analysis

Basic Financial Statements

Authority-Wide Financial Statements
Notes to the Basic Financial Statements

Other Required Supplementary Information

Financial Data Schedule
Required Supplementary Information - Schedule of Expenditures and Federal Awards

The primary focus of the Authority’s financial statement is on the Authority as a whole (Authority-wide).

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

Authority-Wide Financial Statements

The Authority-wide financial statements on pages 12 through 14 are designed to be corporate-like in that all business-type activities are consolidated into columns, which add to a total for the entire Authority. The financial statements of the Authority include component units which are more fully discussed in the Notes to the Financial Statements.

The statements include a Statement of Net Position, which is similar to a balance sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets minus liabilities equal Net Position, formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as “current” (convertible into cash within one year) and “non-current”.

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

- *Net Investment in Capital Assets* This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* This component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.
- *Unrestricted Net Position* Consists of net position that do not meet the definition of “Net Investment in Capital Assets”, or “Restricted Net Position”.

The Authority-wide financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is 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 revenues and expenses, such as grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the “Change in Net Position”, which is similar to net income or loss.

Finally, a Statement of Cash Flows on page 14 is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

Fund Financial Statements

The Authority is accounted for using a single enterprise fund. The enterprise fund utilizes the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Some of the programs operated by the Authority are required to be reported separately by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

The Authority's Programs

Business-Type Program

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

Other Programs In addition to the program above, the Authority also operates the following programs:

- Business Activities - represents non-HUD resources primarily from housing management services.
- Shelter Plus Care Program - provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.
- Community Home Improvement Program - Tuscarawas Metropolitan Housing Authority is under contract with the City of New Philadelphia, the City of Dover and Tuscarawas County to oversee tenant based rental assistance programs.

Component Units

- Tuscarawas Affordable Housing Services Corporation is a not-for-profit corporation that provides low and moderate income housing services.
- Tuscarawas Affordable Housing One, LLC - a limited liability corporation that owns and manages Clay Village Apartments.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

Authority-Wide Statements

The following is a condensed **Statement of Net Position** compared to the prior year-end. Tuscarawas Metropolitan Housing Authority is engaged only in business-type activities.

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

	<u>Primary Government</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current Assets		\$ 488,345	\$ 441,866
Capital Assets		289,337	294,945
Total Assets		<u>\$ 777,682</u>	<u>\$ 736,811</u>
<u>Liabilities</u>			
Current Liabilities		\$ 49,659	\$ 42,750
Long-term Liabilities		303,019	308,948
Total Liabilities		<u>352,678</u>	<u>351,698</u>
<u>Net Position</u>			
Net Investment in Capital Assets		56,437	54,445
Restricted		274,148	185,607
Unrestricted		94,419	145,061
Total Net Position		<u>425,004</u>	<u>385,113</u>
Total Liabilities and Net Position		<u>\$ 777,682</u>	<u>\$ 736,811</u>

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

Component Units

<u>Assets</u>			
Current Assets		\$ 69,958	\$ 70,401
Capital Assets		1,204,588	1,248,084
Total Assets		<u>\$ 1,274,546</u>	<u>\$ 1,318,485</u>
<u>Liabilities</u>			
Current Liabilities		\$ 97,504	\$ 89,569
Long-Term Liabilities		1,458,194	1,471,857
Total Liabilities		<u>1,555,698</u>	<u>1,561,426</u>
<u>Net Position</u>			
Net Investment in Capital Assets		132,711	163,717
Restricted		30,917	35,747
Unrestricted		(444,780)	(442,405)
Total Net Position		<u>(281,152)</u>	<u>(242,941)</u>
Total Liabilities and Net Position		<u>\$ 1,274,546</u>	<u>\$ 1,318,485</u>

For more detail information, see Statement of Net Position presented on page 12.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

Major Factors Affecting the Statement of Net Position

Assets of the Authority increased by \$40,871 and liabilities increased by \$980. The increase in assets was mainly due to an increase in restricted cash for housing assistance payments received in excess of expenditure in the housing choice voucher program. Total liabilities increased, due to end of year accrual liabilities.

The Assets of the Authority's component units decreased by \$43,939 and the liabilities decreased by \$5,728. The decrease in assets was due to current year depreciation expense.

Table 2 presents details on the change in Net Position.

Table 2 - Change in Net Position			
<u>Primary Government</u>			
	<u>Investment In Capital Assets</u>	<u>Restricted Net Position</u>	<u>Unrestricted Net Position</u>
Beginning Balance - March 31, 2013	\$ 54,445	\$ 185,607	\$ 145,061
Results of Operation	0	88,541	(48,650)
Adjustments:			
Current Year Depreciation Expense (1)	(19,049)	0	19,049
Capital Expenditures	13,441	0	(13,441)
Current Year Debt Activities, Net	<u>7,600</u>	<u>0</u>	<u>(7,600)</u>
Ending Balance - March 31, 2014	<u>\$ 56,437</u>	<u>\$ 274,148</u>	<u>\$ 94,419</u>
<u>Component Units</u>			
	<u>Investment In Capital Assets</u>	<u>Restricted Net Position</u>	<u>Unrestricted Net Position</u>
Beginning Balance - March 31, 2013	\$ 163,717	\$ 35,747	\$ (442,405)
Results of Operation	0	(4,830)	(33,381)
Adjustments:			
Current Year Depreciation Expense (1)	(47,896)	0	47,896
Capital Expenditure	4,400	0	(4,400)
Current Year Debt Activities, Net	<u>12,490</u>	<u>0</u>	<u>(12,490)</u>
Ending Balance - March 31, 2014	<u>\$ 132,711</u>	<u>\$ 30,917</u>	<u>\$ (444,780)</u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on unrestricted net position.

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in unrestricted net position provides a clearer change in financial well-being.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

The following schedule reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position compared to prior year and compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in only business-type activities.

Table 3 - Statement of Revenues, Expenses, and Changes in Net Position

	2014	2013
<u>Primary Government</u>		
<u>Revenues</u>		
Operating Subsidies	\$ 2,278,945	\$ 2,345,947
Investment Income	0	73
Other Revenues	62,733	41,080
Total Revenues	2,341,678	2,387,100
<u>Expenses</u>		
Administrative	259,493	267,168
Tenant Services	41,149	39,497
Utilities	5,352	4,980
Maintenance	2,462	1,497
General and Interest Expenses	35,988	33,367
Housing Assistance Payments	1,938,294	2,041,924
Depreciation	19,049	18,142
Total Expenses	2,301,787	2,406,575
Net Increases (Decreases)	\$ 39,891	\$ (19,475)
<u>Component Units</u>		
<u>Revenues</u>		
Total Tenant Revenues	\$ 163,966	\$ 146,347
Investment Income	3	15
Total Revenues	163,969	146,362
<u>Expenses</u>		
Administrative	34,744	33,525
Utilities	35,210	32,872
Maintenance	39,638	39,500
General and Interest Expenses	44,692	43,526
Depreciation	47,896	47,781
Total Expenses	202,180	197,204
Net Increases (Decreases)	\$ (38,211)	\$ (50,842)

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

The revenue of the Primary Government decreased by \$45,422 for the fiscal year. The decrease was mainly due to less grant funds received from HUD for housing assistance.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

The component units' revenue increased by \$17,607 for the fiscal year from tenant revenues.

Total expenses for the Primary Government decreased by \$104,788 for the fiscal year. The main cause for the decrease in expenses is due to less housing assistance payments made during the year because of less funding available.

The component unit expenses increased for the year by \$4,976.

Capital Assets

As of March 31, 2014, the Primary Government had \$289,337 invested in capital assets and the component units had \$1,204,588, as reflected in the following schedule which represents a net decrease (additions, disposals, and depreciation) of \$5,608 for the Authority and \$43,496 for the component units in comparison with prior year.

Table 4 - Capital Assets at Year-End (Net of Depreciation)

Primary Government		
	2014	2013
Land and Land Rights	\$ 30,000	\$ 30,000
Buildings and Improvements	446,322	446,322
Equipment	73,363	59,922
Accumulated Depreciation	(260,348)	(241,299)
Total	\$ 289,337	\$ 294,945
Component Units		
	2014	2013
Land and Land Rights	\$ 100,000	\$ 100,000
Buildings	1,500,048	1,500,048
Equipment	116,930	112,530
Accumulated Depreciation	(512,390)	(464,494)
Total	\$ 1,204,588	\$ 1,248,084

The following reconciliation summarizes the change in capital assets, which is presented in detail on page 23 of the notes.

Table 5 - Change in Capital Assets

	Primary Government	Component Units
Beginning Balance - March 31, 2013	\$ 294,945	\$ 1,248,084
Current Year Additions	13,441	4,400
Current Year Depreciation Expense	(19,049)	(47,896)
Ending Balance - March 31, 2014	\$ 289,337	\$ 1,204,588
Current year additions are summarized as follows:		
- Equipment	\$ 0	\$ 4,400
- Upgrade Software	13,441	0
Total 2014 Additions	\$ 13,411	\$ 4,400

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(Unaudited)**

Debt

The Authority's debt was reduced by \$7,600 and the component unit debt decreased by \$12,490 during fiscal year 2014, a reduction 3 percent and 1 percent respectively. The following is a comparison of the debt outstanding at year end 2014 and year end 2013.

Table 6 - Changes in Debt Outstanding

	<u>Primary Government</u>	<u>Component Units</u>
Beginning Balance - March 31, 2013	\$ 240,500	\$ 1,084,367
Current Year Principal Payments	<u>(7,600)</u>	<u>(12,490)</u>
Ending Balance - March 31, 2014	<u>\$ 232,900</u>	<u>\$ 1,071,877</u>

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Financial Contact

The individual to be contacted regarding this report is Martin Howell, Executive Director for the Tuscarawas Metropolitan Housing Authority, at (330) 308-8099. Specific requests may be submitted to the Authority at 134 2nd Street S.W., New Philadelphia, Ohio 44663.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2014

	Primary Government	Component Units
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 55,203	\$ 13,047
Restricted Cash and Cash Equivalents	342,788	43,312
Receivables, Net	82,911	4,886
Prepaid Expenses and Other Assets	7,443	8,713
Total Current Assets	488,345	69,958
<u>Noncurrent Assets</u>		
Capital Assets:		
Non-Depreciable Capital Assets	30,000	100,000
Depreciable Capital Assets, Net	259,337	1,104,588
Total Capital Assets	289,337	1,204,588
Total Noncurrent Assets	289,337	1,204,588
TOTAL ASSETS	\$ 777,682	\$ 1,274,546
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 10,801	\$ 5,562
Accrued Liabilities	30,925	3,650
Intergovernmental Payables	33	16,258
Tenant Security Deposits	0	12,395
Other Current Liabilities	0	45,956
Bonds, Notes, and Loans Payable	7,900	13,683
Total Current Liabilities	49,659	97,504
<u>Noncurrent Liabilities</u>		
Bonds, Notes, and Loans Payable	225,000	1,058,194
Accrued Compensated Absences - Noncurrent	9,412	0
Noncurrent Liabilities - Other	68,607	400,000
Total Noncurrent Liabilities	303,019	1,458,194
Total Liabilities	352,678	1,555,698
<u>NET POSITION</u>		
Net Investment in Capital Assets	56,437	132,711
Restricted	274,148	30,917
Unrestricted	94,419	(444,780)
Total Net Position	425,004	(281,152)
TOTAL LIABILITIES AND NET POSITION	\$ 777,682	\$ 1,274,546

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014

	<u>Primary Government</u>	<u>Component Units</u>
<u>Operating Revenues</u>		
Tenant Revenue	\$ 0	\$ 163,966
Government Operating Grants	2,278,945	0
Other Revenue	62,733	0
Total Operating Revenues	<u>2,341,678</u>	<u>163,966</u>
<u>Operating Expenses</u>		
Administrative	259,493	34,744
Tenant Services	41,149	0
Utilities	5,352	35,210
Maintenance	2,462	39,638
General	24,865	26,650
Housing Assistance Payment	1,938,294	0
Depreciation	19,049	47,896
Total Operating Expenses	<u>2,290,664</u>	<u>184,138</u>
Operating Income (Loss)	<u>51,014</u>	<u>(20,172)</u>
<u>Non-Operating Revenues (Expenses)</u>		
Interest and Investment Revenue	0	3
Interest Expense	(11,123)	(18,042)
Total Non-Operating Revenues (Expenses)	<u>(11,123)</u>	<u>(18,039)</u>
Change in Net Position	39,891	(38,211)
Total Net Position, Beginning of Year	<u>385,113</u>	<u>(242,941)</u>
Net Position, End of Year	<u>\$ 425,004</u>	<u>\$ (281,152)</u>

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014

	<u>Primary Government</u>	<u>Component Units</u>
<u>Cash Flows from Operating Activities</u>		
Operating Grants Received	\$ 2,286,622	\$ 0
Tenant Revenue Received	0	159,673
Other Revenue Received	62,733	0
General and Administrative Expenses Paid	(325,292)	(128,593)
Housing Assistance Payments	<u>(1,938,294)</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>85,769</u>	<u>31,080</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Retirement of Debt	(7,600)	(12,490)
Interest Paid on Debt	(11,123)	(18,042)
Property and Equipment Purchased, Net	<u>(13,441)</u>	<u>(4,400)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(32,164)</u>	<u>(34,932)</u>
<u>Cash Flows from Investing Activities</u>		
Interest Earned	<u>0</u>	<u>3</u>
Net Cash Provided (Used) by Investing Activities	<u>0</u>	<u>3</u>
Net Increase (Decrease) in Cash and Cash Equivalents	53,605	(3,849)
Cash and Cash Equivalents, Beginning Of Year	<u>344,386</u>	<u>60,208</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 397,991</u>	<u>\$ 56,359</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>		
Net Operating (Loss)	\$ 51,014	\$ (20,172)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	19,049	47,896
(Increase) Decrease in Accounts Receivable	7,677	(4,293)
(Increase) Decrease in Prepaid Assets	(551)	887
Increase (Decrease) in Accounts Payable	7,426	(7,974)
Increase (Decrease) in Intergovernmental Payable	33	1,605
Increase (Decrease) in Accrued Payable	(850)	714
Increase (Decrease) in FSS Escrow	1,632	0
Increase (Decrease) in Other Current Liabilities	0	12,403
Increase (Decrease) in Tenant Security Deposits	0	14
Increase (Decrease) in Compensated Absence	<u>339</u>	<u>0</u>
Net Cash Provided by Operating Activities	<u>\$ 85,769</u>	<u>\$ 31,080</u>

See accompanying notes to the basic financial statements.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Tuscarawas Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles

The more significant of the Authority's accounting policies are described below.

Reporting Entity

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

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

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

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

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)**

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

Reporting Entity (Continued)

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.

The accompanying financial statements present the Authority's primary government and the two component units, Tuscarawas Affordable Housing Service Corp. and Tuscarawas Affordable Housing One, LLC, which the Authority exercises significant influence.

Component Units

The component units are reported in the Authority's financial statements as shown below:

Discretely Presented Component Unit

Brief Description and Relationship

Tuscarawas Affordable Housing Service Corp.

A not-for-profit (IRS section 501 (c) (3)) corporation created for the purpose of providing low and moderate income housing. Tuscarawas Metropolitan Housing Authority staff operates and manages the units. Four of the five Board Members are the same for both Agencies.

Discretely Presented Component Unit

Brief Description and Relationship

Tuscarawas Affordable Housing One, LLC

A limited liability corporation created for the purpose of ownership and management of Clay Village Apartments. Tuscarawas Affordable Housing One, LLC's fiscal year is a December 31 year end. The financial statements reflected in this report is for the fiscal year ending December 31, 2013.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

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

Basis of Presentation

The financial statements of 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.

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

The Authority's basic financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows. The statements are prepared on the accrual basis of accounting.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. 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 changes in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Fund Accounting

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

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

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

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.

Description of Programs

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

A. Housing Choice Voucher Program

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

B. Shelter Plus Care Program

The Shelter Plus Care Program - provides rental assistance for-hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

C. Business Activities

Represents non-HUD resources primarily from housing management services.

D. Component Units

- Tuscarawas Affordable Housing Services Corporation is a not-for-profit corporation that provides low and moderate income housing services.
- Tuscarawas Affordable Housing One, LLC - a limited liability corporation that owns and manages Clay Village Apartments.

E. Community Home Improvement Program

Tuscarawas Metropolitan Housing Authority is under contract with the City of New Philadelphia, the City of Dover and Tuscarawas County to oversee tenant based rental assistance program.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

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

Investments

Investments are restricted by the provisions of the HUD Regulations. The interest income earned by Component Units for the fiscal year ending December 31, 2013 totaled \$3.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$1,000 or more per unit. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	30 years
Building Improvements	10 years
Furniture, Equipment and Machinery	3-7 years

Net Position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Operating Revenues and Expenses

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

Capital Contributions

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

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.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

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

Restricted Cash

Restricted cash balance as of March 31, 2014 for the primary government and December 31, 2013 for the component unit represents cash on hand for the following:

	Primary Government	Component Units
FSS Escrow Funds held for Tenants	\$ 68,607	\$ 0
Reserve for Taxes and Insurance	0	4,149
Reserve for Replacements	0	26,768
Tenant Security Deposit	0	12,395
Interest Earned on NRA Funds	33	0
Cash on Hand Advances from HUD to be used For Tenants Housing Assistance Payments	274,148	0
Total Restricted Cash	\$ 342,788	\$ 43,312

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.

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 basic financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits

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

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two periods of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
- C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificate of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

At fiscal year ended March 31, 2014, the carrying amount of the primary government's deposits totaled \$397,991 and its bank balance was \$401,225. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of March 31, 2014, \$101,270 was exposed to custodial risk as discussed below, while \$299,955 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

Deposits (Continued)

Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Component Unit

The carrying amount of the Component Unit deposits was \$56,359 at December 31, 2013. It includes savings accounts and all certificates of deposit with original maturities of three months or less.

NOTE 3: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending March 31, 2014 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

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TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 4: CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets:

	Primary Government			Balance March 31, 2014
	Balance March 31, 2013	Additions	Deletions	
Capital Assets Not Being Depreciated:				
Land	\$ 30,000	\$ 0	\$ 0	\$ 30,000
Total Capital Assets Not Being Depreciated:	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
Capital Assets Being Depreciated:				
Buildings	437,765	0	0	437,765
Furniture, Machinery and Equipment	59,922	13,441	0	73,363
Leasehold Improvements	8,557	0	0	8,557
Total Capital Assets Being Depreciated	<u>506,244</u>	<u>13,441</u>	<u>0</u>	<u>519,685</u>
Accumulated Depreciation:				
Buildings	(178,604)	(16,214)	0	(194,818)
Furniture, Machinery and Equipment	(54,564)	(2,409)	0	(56,973)
Leasehold Improvements	(8,131)	(426)	0	(8,557)
Total Accumulated Depreciation	<u>(241,299)</u>	<u>(19,049)</u>	<u>0</u>	<u>(260,348)</u>
Total Capital Assets Being Depreciated, Net	<u>264,945</u>	<u>(5,608)</u>	<u>0</u>	<u>259,337</u>
Total Capital Assets, Net	<u>\$ 294,945</u>	<u>\$ (5,608)</u>	<u>\$ 0</u>	<u>\$ 289,337</u>
	Component Unit			Balance 12/31/13
	Balance 12/31/12	Additions	Deletions	
Capital Assets Not Being Depreciated:				
Land	\$ 100,000	\$ 0	\$ 0	\$ 100,000
Total Capital Assets Not Being Depreciated	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Capital Assets Being Depreciated:				
Buildings	1,500,048	0	0	1,500,048
Furniture, Machinery, and Equipment	112,530	4,400	0	116,930
Total Capital Assets Being Depreciated	<u>1,612,578</u>	<u>4,400</u>	<u>0</u>	<u>1,616,978</u>
Accumulated Depreciation	(464,494)	(47,896)	0	(512,390)
Total Capital Assets Being Depreciated, Net	<u>1,148,084</u>	<u>(43,496)</u>	<u>0</u>	<u>1,104,588</u>
Total Capital Assets, Net	<u>\$ 1,248,084</u>	<u>\$ (43,496)</u>	<u>\$ 0</u>	<u>\$ 1,204,588</u>

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TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 5: **DEFINED BENEFIT PENSION PLAN**

Ohio Public Employees Retirement System

All full-time Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - A cost sharing, multiple-employer defined benefit pension plan.
- The Member-Direct Plan (MD) - A 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 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, death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377 or by using the OPERS website at www.opers.org.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014 and 2013, 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 salary to fund pension obligations. The employer pension contribution rate for the Authority was 14.00 percent of covered payroll. The Authority's required contributions to OPERS for the years ended March 31, 2014, 2013 and 2012 were \$25,348, \$25,564, and \$27,393, respectively. The full amount has been contributed for all three years.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 6: POST-EMPLOYMENT BENEFITS

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 to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

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 2014 and 2013, 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.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Funding Policy (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 of post-employment health care benefits. For 2013, employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent. Effective January 1, 2014, the portion of the employer contributions allocated to healthcare was raised to 2.0 percent, as recommended by the OPERS Actuary.

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 March 31, 2014, 2013, and 2012 which were used to fund post-employment benefits were \$2,263, \$5,935, and \$7,827, respectively.

Changes to the health care plan were adopted by the OPERS Retirement Board on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0 percent of the employer contributions toward the health care fund after the end of the transition period.

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TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 7: LONG-TERM OBLIGATIONS

Tuscarawas Metropolitan Housing Authority (Primary Government)

In the fiscal year ending March 31, 2003, the Authority issued a \$300,000 mortgage revenue bond, for a 30 year period, series 2002, for the purpose of paying part of the cost of a construction of an office addition to the administration building. In addition the bonds issued were also used to refinance the existing mortgage loan of \$89,974 for the purchase of the administration building. The outstanding principal amount shall bear interest at the rate of 4.625 percent, calculated on a basis of actual number of days and a 365 day year.

The project was fully completed in February 2004 and the loan commenced on November 1, 2003.

The following is a summary of changes in long-term obligations debt for the year ended March 31, 2014:

<u>Description</u>	<u>Balance</u> 03/31/13	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 03/31/14	<u>Due Within</u> <u>One Year</u>
Mortgage Payable	\$ 240,500	\$ 0	\$ 7,600	\$ 232,900	\$ 7,900
Compensated Absences	30,805	16,690	17,367	30,128	20,716
Total Primary Government	<u>\$ 271,305</u>	<u>\$ 16,690</u>	<u>\$ 24,967</u>	<u>\$ 263,028</u>	<u>\$ 28,616</u>

Debt maturities are as follows:

<u>Period</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 7,900	\$ 10,717	\$ 18,617
2016	8,300	10,317	18,617
2017	8,600	10,017	18,617
2018	9,100	9,517	18,617
2019	9,500	9,117	18,617
2020-2024	54,400	38,685	93,085
2025-2029	68,200	24,885	93,085
2030-After	<u>66,900</u>	<u>7,568</u>	<u>74,468</u>
Total	<u>\$ 232,900</u>	<u>\$ 120,823</u>	<u>\$ 353,723</u>

Tuscarawas Affordable Housing One, LLC (Component Unit)

On December 9, 2002, Tuscarawas Affordable Housing One, LLC assumed an outstanding loan balance of \$1,163,986 from an original loan of \$1,197,000 from Clay Village, Ltd. Partnership for the purchase of Clay Village Apartment building.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

Tuscarawas Affordable Housing One, LLC (Component Unit) (Continued)

The mortgage note is collateralized by the land, building and improvements, equipment and furnishings. The note bears interest at the rate of 9 percent per annum. Principal and interest are payable in monthly installments of \$9,132 reduced to \$2,554 (effective 1 percent interest rate) by USDA - Rural Development interest subsidy program through 2037. The mortgage liability is limited to the underlying value of the collateral pledged.

Under the loan agreement with USDA - Rural Development, the project is required to make monthly reserve for replacement deposits, and is subject to operating and returns to owner restrictions.

The following is a summary of changes in long-term debt obligations for the period:

<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/13</u>	<u>Due within</u> <u>One Year</u>
\$ 1,084,367	\$ 0	\$ (12,490)	\$ 1,071,877	\$ 13,683

Debt maturity for the next five years as reported on the Tuscarawas Affordable Housing One, LLC audit report are:

<u>Year</u>	<u>Amount</u>
2014	\$ 13,683
2015	14,967
2016	16,371
2017	17,906
2018	19,586
Thereafter	989,364
Total	<u>\$ 1,071,877</u>

NOTE 8: OTHER NON-CURRENT LIABILITIES (COMPONENT UNITS)

The component units of the Authority were advanced \$400,000 by development partners to be used for making improvements to Clay Village Apartments upon acquisition of the property by the Tuscarawas Affordable Housing One, LLC (component unit). Repayment of the amount advanced is only necessary in the event the property generates surplus cash. No amounts were repaid on the advance in this audit period.

NOTE 9: NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2014
(CONTINUED)

NOTE 10: IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

For 2014, the Authority has implemented GASB No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*.

The objective of GASB No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, is to improve financial reporting for a governmental financial reporting entity. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012 and have been implemented by the Authority.

The objective of GASB Statement No. 66, *Technical Corrections - 2012 - An Amendment of GASB Statements No. 10 and No. 62*, is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements for this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the Authority.

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NEW PHILADELPHIA, OHIO
ENTITY WIDE BALANCE SHEET SUMMARY
MARCH 31, 2014

	14,871 Housing Choice Vouchers	1 Business Activities	Component Unit - Discretely Presented	Component Units	Subtotal	ELIM	Total
111 Cash- Unrestricted	43,006	12,197	13,047		68,250		68,250
113 Cash- Other Restricted	342,755		30,917		373,672		373,672
114 Cash- Tenant Security Deposits			12,395		12,395		12,395
115 Cash- Restricted for Payment of Current Liabilities	33				33		33
100 Total Cash	385,794	12,197	56,359	-	454,350	-	454,350
125 Accounts Receivable - Miscellaneous	26,296	25,739			52,035		52,035
126 Accounts Receivable - Tenants			4,886		4,886		4,886
128 Fraud Recovery	56,431				56,431		56,431
128.1 Allowance for Doubtful Accounts - Fraud	-25,555				-25,555		-25,555
120 Total Receivables, Net of Allowances for Doubtful Accounts	57,172	25,739	4,886	-	87,797	-	87,797
142 Prepaid Expenses and Other Assets	7,443		8,713		16,156		16,156
150 Total Current Assets	450,409	37,936	69,958	-	558,303	-	558,303
161 Land	30,000		100,000		130,000		130,000
162 Buildings	437,765		1,500,048		1,937,813		1,937,813
164 Furniture, Equipment & Machinery - Administration	73,363		116,930		190,293		190,293
165 Leasehold Improvements	8,557				8,557		8,557
166 Accumulated Depreciation	-260,348		-512,390		-772,738		-772,738
160 Total Capital Assets, Net of Accumulated Depreciation	289,337	-	1,204,588	-	1,493,925	-	1,493,925
180 Total Non-Current Assets	289,337	-	1,204,588	-	1,493,925	-	1,493,925
190 Total Assets	739,746	37,936	1,274,546	-	2,052,228	-	2,052,228
200 Deferred Outflow of Resources					-		-
290 Total Assets and Deferred Outflow of Resources	739,746	37,936	1,274,546	-	2,052,228	-	2,052,228

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NEW PHILADELPHIA, OH
ENTITY WIDE BALANCE SHEET SUMMARY
MARCH 31, 2014**

	14.871 Housing Choice Vouchers	1 Business Activities	Component Unit - Discretely Presented	Component Units	Subtotal	ELIM	Total
312 Accounts Payable <=90 Days	10,801		5,562		16,363		16,363
321 Accrued Wage/Payroll Taxes Payable	10,209		2,190		12,399		12,399
322 Accrued Compensated Absences - Current Portion	20,716				20,716		20,716
325 Accrued Interest Payable			1,460		1,460		1,460
331 Accounts Payable - HUD PHA Programs	33				33		33
333 Accounts Payable - Other Government			16,258		16,258		16,258
341 Tenant Security Deposits			12,395		12,395		12,395
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	7,900		13,683		21,583		21,583
345 Other Current Liabilities			45,956		45,956		45,956
310 Total Current Liabilities	49,659	-	97,504	-	147,163	-	147,163
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	225,000		1,058,194		1,283,194		1,283,194
352 Long-term Debt, Net of Current - Operating Borrowings			400,000		400,000		400,000
353 Non-current Liabilities - Other	68,607				68,607		68,607
354 Accrued Compensated Absences - Non Current	9,412				9,412		9,412
350 Total Non-Current Liabilities	303,019	-	1,458,194	-	1,761,213	-	1,761,213
300 Total Liabilities	352,678	-	1,555,698	-	1,908,376	-	1,908,376
400 Deferred Inflow of Resources					-		-
508.4 Net Investment in Capital Assets	56,437		132,711		189,148		189,148
511.4 Restricted Net Position	274,148		30,917		305,065		305,065
512.4 Unrestricted Net Position	56,483	37,936	-444,780		-350,361		-350,361
513 Total Equity - Net Assets / Position	387,068	37,936	-281,152	-	143,852	-	143,852
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	739,746	37,936	1,274,546	-	2,052,228	-	2,052,228

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NEW PHILADELPHIA, OH
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

	14871 Housing Choice Vouchers	Business Activities	Component Unit - Discretely Presented	Component Units	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			154,058		154,058		154,058
70400 Tenant Revenue - Other			9,908		9,908		9,908
70500 Total Tenant Revenue	-	-	163,966	-	163,966	-	163,966
70600 HUDPHA Operating Grants	2,278,945				2,278,945		2,278,945
71100 Investment Income - Unrestricted			3		3		3
71400 Fraud Recovery	33,472				33,472		33,472
71500 Other Revenue	21,790	7,471			29,261		29,261
70000 Total Revenue	2,334,207	7,471	163,969	-	2,505,647	-	2,505,647
91100 Administrative Salaries	125,405	6,727	11,771		143,903		143,903
91200 Auditing Fees	8,469		2,800		11,269		11,269
91400 Advertising and Marketing	65				65		65
91500 Employee Benefit contributions - Administrative	71,796				71,796		71,796
91600 Office Expenses	13,651				13,651		13,651
91700 Legal Expense			755		755		755
91800 Travel	3,709				3,709		3,709
91900 Other	29,671		19,418		49,089		49,089
91000 Total Operating - Administrative	252,766	6,727	34,744	-	294,237	-	294,237
92100 Tenant Services - Salaries	31,065				31,065		31,065
92300 Employee Benefit Contributions - Tenant Services	10,084				10,084		10,084
92500 Total Tenant Services	41,149	-	-	-	41,149	-	41,149
93100 Water	529		24,758		25,287		25,287
93200 Electricity	3,771		10,452		14,223		14,223
93300 Gas	1,052				1,052		1,052
93000 Total Utilities	5,352	-	35,210	-	40,562	-	40,562
94100 Ordinary Maintenance and Operations - Labor			21,168		21,168		21,168
94200 Ordinary Maintenance and Operations - Materials and Other			8,511		8,511		8,511
94300 Ordinary Maintenance and Operations Contracts	2,462		9,959		12,421		12,421
94000 Total Maintenance	2,462	-	39,638	-	42,100	-	42,100

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
NEW PHILADELPHIA, OH
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

	14,871 Housing Choice Vouchers	Business Activities	Component Unit- Discretely Presented	Component Units	Subtotal	ELIM	Total
96110 Property Insurance	3,270		10,392		13,662		13,662
96130 Workmen's Compensation	96				96		96
96100 Total insurance Premiums	3,366	-	10,392	-	13,758	-	13,758
96210 Compensated Absences	16,690				16,690		16,690
96300 Payments in Lieu of Taxes			16,258		16,258		16,258
96400 Bad debt - Tenant Rents	4,808				4,808		4,808
96000 Total Other General Expenses	21,498	-	16,258	-	37,756	-	37,756
96710 Interest of Mortgage (or Bonds) Payable	11,123		18,042		29,165		29,165
96700 Total Interest Expense and Amortization Cost	11,123	-	18,042	-	29,165	-	29,165
96900 Total Operating Expenses	337,716	6,727	154,284	-	498,727	-	498,727
97000 Excess of Operating Revenue over Operating Expenses	1,996,491	744	9,685	-	2,006,920	-	2,006,920
97300 Housing Assistance Payments	1,928,883				1,928,883		1,928,883
97350 HAP Portability-In	9,411				9,411		9,411
97400 Depreciation Expense	19,050		47,896		66,946		66,946
90000 Total Expenses	2,295,060	6,727	202,180	-	2,503,967	-	2,503,967
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	39,147	744	-38,211	-	1,680	-	1,680
11020 Required Annual Debt Principal Payments	7,900		13,683		21,583		21,583
11030 Beginning Equity	347,921	37,192		-242,941	142,172		142,172
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			-242,941	242,941	-		-
11170 Administrative Fee Equity	112,920				112,920		112,920
11180 Housing Assistance Payments Equity	274,148				274,148		274,148
11190 Unit Months Available	6,888		480		7,368		7,368
11210 Number of Unit Months Leased	6,284		428		6,712		6,712

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED MARCH 31, 2014**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
<i>Direct Programs:</i>		
Housing Choice Voucher Program	14.871	\$ <u>2,278,945</u>
Total Direct Awards		<u>2,278,945</u>
Total U.S. Department of Housing and Urban Development		<u>2,278,945</u>
Total Federal Awards Expenditures		<u>\$ 2,278,945</u>

This schedule is prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.
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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
Tuscarawas Metropolitan Housing Authority
New Philadelphia, Ohio

Regional Inspector General for 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 Tuscarawas Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Tuscarawas Metropolitan Housing Authority, Ohio's basic financial statements and have issued our report thereon dated July 30, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 is not suitable for any other purpose.

James G. Zupka
CPA, President

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CPA, President
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o=James G. Zupka, CPA, Inc.,
ou=Accounting,
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Date: 2014.08.21 14:06:33 -04'00'

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

July 30, 2014

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
Tuscarawas Metropolitan Housing Authority
New Philadelphia, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on Compliance for Each Major Federal Program

We have audited the Tuscarawas Metropolitan Housing Authority, Ohio's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Tuscarawas Metropolitan Housing Authority, Ohio's major federal program for the year ended March 31, 2014. The Tuscarawas Metropolitan Housing Authority, Ohio's major federal program is 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 program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Tuscarawas Metropolitan Housing Authority, Ohio's major federal program 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 Not-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 Tuscarawas Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Tuscarawas Metropolitan Housing Authority, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2014.

Report on Internal Control Over Compliance

Management of the Tuscarawas Metropolitan Housing Authority, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Tuscarawas Metropolitan Housing Authority, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on the 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 Tuscarawas Metropolitan Housing Authority, Ohio's internal control over compliance.

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

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

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

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

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G.
Zupka, CPA, Inc., ou=Accounting,
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Date: 2014.08.21 14:07:02 -0400

July 30, 2014

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2014**

1. SUMMARY OF AUDITOR’S RESULTS

2014(i)	Type of Financial Statement Opinion	Unmodified
2014(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2014(ii)	Were there any significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2014(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2014(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2014(iv)	Were there any other significant deficiency conditions reported for major Federal programs?	No
2014(v)	Type of Major Programs’ Compliance Opinion	Unmodified
2014(vi)	Are there any reportable findings under .510?	No
2014(vii)	Major Programs (list): Housing Choice Voucher Program - CFDA #14.871	
2014(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: all others
2014(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.

**TUSCARAWAS METROPOLITAN HOUSING AUTHORITY
STATUS OF PRIOR YEAR FINDINGS
MARCH 31, 2014**

The audit report for the prior year ended March 31, 2013 contained no findings or citations.



Dave Yost • Auditor of State

TUSCARAWAS METROPOLITAN HOUSING AUTHORITY

TUSCARAWAS 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
SEPTEMBER 16, 2014**