

Zanesville Metropolitan Housing Authority

Financial Statements

For the Year Ended June 30, 2013





# Dave Yost • Auditor of State

Board of Commissioners  
Zanesville Metropolitan Housing Authority  
407 Pershing Road  
Zanesville, Ohio 43701

We have reviewed the *Independent Auditors' Report* of the Zanesville Metropolitan Housing Authority, Muskingum County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2012 through June 30, 2013. 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 Zanesville 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

January 21, 2014

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ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2013

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Zanesville Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Zanesville Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2013, 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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 entity'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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Zanesville Metropolitan Housing Authority as of June 30, 2013, and the respective changes in financial position and, where applicable, 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 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Zanesville Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying financial data schedule (FDS), and Schedule of Expenditure of Federal Awards are not a required part of the basic financial statements.

The accompanying Schedule of Expenditure 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 Government and Non-Profit Organizations* and is not a required part of the financial statements. The financial data schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and 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 my opinion, the Schedule of Expenditure of Federal Awards and the financial data schedule ("FDS") 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*, I have also issued my report dated December 30, 2013, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.



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Salvatore Consiglio, CPA, Inc.

North Royalton, Ohio  
December 30, 2013



**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

The following discussion and analysis of the Zanesville Metropolitan Housing Authority (the "Authority") is to provide an introduction to the basic financial statements for the fiscal year ended June 30, 2013 with selected comparative information for the fiscal year ended June 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to the financial statements, and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

**Financial Highlights**

The assets of the Authority exceeded its liabilities at the close of fiscal year 2013 by \$15,191,084 (Net Positions). Of this amount, \$4,254,244 (unrestricted Net Positions) may be used to meet the Authority's ongoing obligations to citizens and creditors. The restricted Net Positions of \$307,255 represent the HAP reserve and FSS liability.

Capital assets decreased by \$597,028 from the depreciation of Capital Assets and capital fund asset additions.

Net Positions decreased by \$590,677 for the fiscal year ended June 30, 2013. This was due primarily to a decrease in investment capital assets due to depreciation expense.

**Overview of the Financial Statements**

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

**Authority Activity Highlights**

**Description of programs**

The following are the various programs that the Authority operates. These programs are included in the single enterprise fund:

**Public Housing Program**

The public housing program is designed to provide low-cost housing within the County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

**Capital Fund Program**

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

**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.

**Shelter Plus Care**

The Shelter Plus Care program is designed to link rental assistance to supportive services for hard to serve homeless persons with disabilities. 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% of household income.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

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.

Section 8 New Construction Program

The Authority administers a Housing Assistance Payments contract on behalf of HUD through which HUD subsidizes the rents of low to moderate-income families when those families rent from a private landlord. That rental assistance is provided similarly to how it is under the Housing Choice Voucher program except the rental assistance is tied to the dwelling units, and the assistance is provided to the families renting those units selected by HUD.

State and Local Fund

The Authority administered a contract with Muskingum County Department of Job and Family Services to provide a Youth Employment Service Program to resident youths. Also, the Authority administers a wellness program through a contract with the Muskingum County Board of Health and a home maintenance program through a contract with the City of Zanesville.

Business Activity

The Business Activity Fund was set-up to separate the HUD funded program from non-HUD activities. This fund is mainly used to account for the rental income received from the daycare facility known as Carey Street Day Care Center and the expenses of the maintenance and utilities of the building, and repayment of the construction loan.

**Financial Position**

The statement of Net Positions presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets and liabilities of the Authority. Net Positions is the difference between total assets and total liabilities and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, and Net Positions at June 30, 2013 and 2012:

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

	<u><b>2013</b></u>	<u><b>2012</b></u>
Current and Other Assets	\$ 5,398,510	\$ 5,414,277
Capital Assets	<u>11,108,708</u>	<u>11,705,736</u>
 Total Assets	 <u>\$ 16,507,218</u>	 <u>\$ 17,120,013</u>
 Current Liabilities	 \$ 615,930	 \$ 606,313
Long-Term Liabilities	<u>700,204</u>	<u>731,939</u>
 Total Liabilities	 <u>1,316,134</u>	 <u>1,338,252</u>
 Net Positions:		
Net Investment in Capital Assets	10,629,585	11,185,167
Restricted Net Positions	307,255	430,920
Unrestricted Net Positions	<u>4,254,244</u>	<u>4,165,674</u>
 Total Net Positions	 <u>15,191,084</u>	 <u>15,781,761</u>
 Total Liabilities and Net Positions	 <u>\$ 16,507,218</u>	 <u>\$ 17,120,013</u>

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

**Revenues and Expenses**

The following is a summary of the results of operations of the Authority for the fiscal years ended June 30, 2013 and 2012:

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

	<u><b>2013</b></u>	<u><b>2012</b></u>
Operating Revenue	\$ 8,299,656	\$ 8,121,073
Operating Expenses	<u>9,241,191</u>	<u>8,975,692</u>
Total Operating Loss	<u>(941,535)</u>	<u>(854,619)</u>
Nonoperating:		
Revenue	4,202	68,240
Expenses	(21,143)	(29,062)
Capital Contributions & Gain on Sale of Assets	<u>367,799</u>	<u>850,899</u>
Change in Net Positions	(590,677)	35,458
Total Net Positions - Beginning of Year	<u>15,781,761</u>	<u>15,746,303</u>
<b>Total Net Positions - End of Year</b>	<b><u><u>\$ 15,191,084</u></u></b>	<b><u><u>\$ 15,781,761</u></u></b>

Total revenue decrease for the year due to less capital funded activities performed for the year, resulting in less CFP Grant Revenue received. The increase in operating expenses was mainly due to increase in operating maintenance expense. All other expenses remained stable due to cost saving efforts implemented in prior years.

Housing Units Managed

The following table shows housing units managed by the Authority for the fiscal years ended June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Owned by Authority	674	674
Units under vouchers	939	919
Units under Shelter Plus Care	8	8
Total housing units managed	1,621	1,601

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

**Capital Assets**

Capital assets are the largest asset reflected on the Authority's statement of Net Positions. The following is a summary of capital assets owned by the Authority at June 30, 2013:

Land and Land Rights	\$ 1,160,622
Building & Improvements	33,964,903
Equipment - Administrative	766,606
Equipment - Dwelling	683,493
Accumulated Depreciation	<u>(25,466,916)</u>
Total	\$ <u>11,108,708</u>
Capital Assets Activity:	
Capital asset, net at June 30, 2012	\$ 11,705,736
Depreciation expense	(981,469)
Capital Assets additions - Operation	21,460
Capital Assets additions - Capital Funds	<u>362,981</u>
Capital Assets, net at June 30, 2013	\$ <u>11,108,708</u>

**Changes in Net Positions**

Total capital assets decreased from the previous year by \$597,028. The decrease is a net result of capital asset additions and depreciation expense for the year. The largest component of Net Positions is *net invested in capital assets*. The following table shows how this amount is calculated for the fiscal years ended June 30, 2013 and 2012:

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

	<u><b>2013</b></u>	<u><b>2012</b></u>
Total Capital Assets	\$ 36,575,624	\$ 36,212,808
Less:		
Capital related debt	(479,123)	(520,569)
Accumulated depreciation	<u>(25,466,916)</u>	<u>(24,507,072)</u>
Net Investment in Capital Assets	<u><u>\$ 10,629,585</u></u>	<u><u>\$ 11,185,167</u></u>

**Debt Administration**

Zanesville Metropolitan Housing Authority obtained a loan in the amount of \$843,000 on June 1, 2002. The proceeds were used for the Zanesville Carey Metro Childcare, Inc. building payable in monthly installments of \$5,689.93.

Current year debt activities are as follows:

Outstanding principal balance as of June 30, 2012	\$ 520,569	
Less:		
Principal payments made during the year	<u>(41,446)</u>	
Outstanding principal balance as of June 30, 2013	<u><u>\$ 479,123</u></u>	

**Economic Factors**

The economic outlook for ZMHA is uncertain at this time. According to the most current information available on changes pending at the U.S. Department of Housing and Urban Development, Public Housing will continue to offset the PHAs operating reserves. To determine an individual PHA's allocation adjustment, HUD identified the amount of reserves equivalent to four months. If a PHA's allocation adjustment exceeds the Operating Subsidy eligibility, the allocation adjustment is capped to 12 months of their eligibility. At this time there is no further inflationary adjustments forecasted. Locally, we are being impacted by negative employment factors such as stagnant job growth and a sluggish market.

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2013**

**UNAUDITED**

**Requests for Information**

The annual financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Teresa Ayers, Finance Director, and Zanesville Metropolitan Housing Authority.



**Zanesville Metropolitan Housing Authority**  
**Statement of Net Positions**  
**Proprietary Funds**  
**June 30, 2013**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$3,373,324
Restricted Cash	627,100
Investments	908,335
Receivables, net	140,660
Inventories, net	227,122
Prepaid expenses and other assets	121,969
<b><i>Total current assets</i></b>	<b><u>5,398,510</u></b>

**Noncurrent assets**

Capital assets:	
Land	1,160,622
Building and equipment	35,415,002
Less accumulated depreciation	<u>(25,466,916)</u>
Capital assets, net	<u>11,108,708</u>
<b><i>Total noncurrent assets</i></b>	<b><u>11,108,708</u></b>
<b>Total assets</b>	<b><u><u>\$16,507,218</u></u></b>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$24,335
Accrued liabilities	248,819
Tenant security deposits	247,241
Deferred revenue	53,535
Bonds, notes, and loans payable	42,000
<b><i>Total current liabilities</i></b>	<b><u>\$615,930</u></b>

The accompanying notes to the basic financial statements are an integral part of these statements.

**Zanesville Metropolitan Housing Authority**  
**Statement of Net Positions (Continued)**  
**Proprietary Funds**  
**June 30, 2013**

<b>Noncurrent liabilities</b>	
Accrued compensated absences non-current	\$190,477
Noncurrent liabilities - other	72,604
Long-term notes payable	437,123
<b><i>Total noncurrent liabilities</i></b>	<u><b>700,204</b></u>
<b>Total liabilities</b>	<u><b>\$1,316,134</b></u>
<b><i>Net Positions</i></b>	
Net Invested in Capital Assets	\$10,629,585
Restricted Net Positions	307,255
Unrestricted Net Positions	4,254,244
<b>Total Net Positions</b>	<u><b>\$15,191,084</b></u>

The accompanying notes to the basic financial statements are an integral part of these statements.

**Zanesville Metropolitan Housing Authority**  
**Statement of Revenues, Expenses, and Changes in Fund Net Positions**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

***OPERATING REVENUES***

Tenant Revenue	\$1,583,623
Government operating grants	6,473,131
Other revenue	242,902
<b>Total operating revenues</b>	<b><u>8,299,656</u></b>

***OPERATING EXPENSES***

Administrative	1,652,557
Tenant services	187,041
Utilities	726,220
Maintenance	1,597,206
Insurance	149,850
General	273,535
Housing assistance payment	3,673,313
Depreciation	981,469
<b>Total operating expenses</b>	<b><u>9,241,191</u></b>
<b>Operating income (loss)</b>	<b><u>(941,535)</u></b>

***NONOPERATING REVENUES (EXPENSES)***

Interest and investment revenue	4,202
Gain (Loss) from sale of capital assets	4,818
Capital grants revenue	362,981
Interest expense	(21,143)
<b>Total nonoperating revenues (expenses)</b>	<b><u>350,858</u></b>
Change in Net Positions	(590,677)
Total Net Positions - beginning	15,781,761
<b>Total Net Positions - ending</b>	<b><u><u>\$15,191,084</u></u></b>

The accompanying notes to the basic financial statements are an integral part of these statements.

**Zanesville Metropolitan Housing Authority  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating grants received	\$6,464,836
Tenant revenue received	1,583,623
Other revenue received	251,197
General and administrative expenses paid	(4,581,025)
Housing assistance payments	(3,673,313)

Net cash provided (used) by operating activities	45,318
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earned received	4,202
Transfer to investment account	97,826

Net cash provided (used) by investing activities	102,028
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**CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES**

Capital grant funds received	362,981
Proceeds from sales of capital assets	4,818
Property and equipment purchased	(384,441)
Principal Payment on debt	(41,446)
Interest Payment	(21,143)

Net cash provided (used) by capital and related activities	(79,231)
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Net increase (decrease) in cash	68,115
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Cash and cash equivalents - Beginning of year (Restated)	3,932,309
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Cash and cash equivalents - End of year	\$4,000,424
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The accompanying notes to the basic financial statements are an integral part of these statements.

**Zanesville Metropolitan Housing Authority  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended June 30, 2013**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Net Operating Income (Loss)	(\$941,535)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	981,469
- Youthbuild donation	
 (Increases) Decreases in:	
- Accounts Receivables, net of allowance	(19,083)
- Inventory, net of allowance	21,703
- Prepaid Assets	(16,564)
 Increases (Decreases) in:	
- Accounts Payable	(48,440)
- Accrued Expenses Payable	49,475
- Accrued Compensated Absence Payable	(1,318)
- Deferred Revenue	(491)
- Tenant Security Deposits	8,073
- Noncurrent Liabilities Other (FSS Escrow Payable)	12,029
 Net cash provided by operating activities	 \$45,318

The accompanying notes to the basic financial statements are an integral part of these statements.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**NOTE 1: REPORTING ENTITY**

**Introduction**

The Zanesville Metropolitan Housing Authority was established for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

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

As required by GAAP, the basic financial statements of the reporting entity include those of the Zanesville Metropolitan Housing Authority and any component units. Component units are separate legal entities that; elected officials of a primary government are financially accountable for the entity or the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the basic financial statements misleading or incomplete. Based upon the application of these criteria, this report includes all programs and activities operated by the Authority. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria. A summary of each program administered by the Authority included in the financial statements is provided to assist the reader in interpreting the basic financial statements. These programs constitute all programs subsidized by HUD and operated by the Authority.

**Description of programs**

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

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 1: REPORTING ENTITY** (Continued)

**A. Public Housing Program**

The public housing program is designed to provide low-cost housing within the County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

**B. Capital Fund Program**

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

**C. 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.

**D. Shelter Plus Care**

The Shelter Plus Care program is designed to link rental assistance to supportive services for hard to serve homeless persons with disabilities.

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 and 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% of household income.

**E. 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.

**F. State, Local and Other Federal Programs**

The Authority administered a contract with Muskingum County Department of Job and Family Services to provide a Youth Employment Service Program to resident youths. Also, the Authority administers a wellness program through a contract with the Muskingum County Board of Health and a home maintenance program through a contract with the City of Zanesville.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 1: REPORTING ENTITY** (Continued)

**G. Business Activity**

The Business Activity Fund was set-up to separate the HUD funded program from non-HUD activities. This fund is mainly used to account for the rental income received from the daycare facility known as Carey Street Day Care Center and the expenses of the maintenance and utilities of the building, and repayment of the construction loan.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Fund Accounting**

The Authority uses the proprietary fund to report on its financial position and the results of its operations for 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.

**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.



ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus/Basis of Accounting**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

**Inventory**

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used.

**Investments**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2013 totaled \$4,202.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Capital assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$500 or more per unit. Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Buildings & improvements	15-40 years
Furniture, fixtures & equipment	3-10 years
Vehicles	5 years

Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

**Net Positions**

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

**Income Taxes**

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

**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.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 2: 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 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 services are included in the calculation of the compensated absence accrual amount.

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

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

The following is a summary of changes in compensated absence for the year ended June 30, 2013:

<b>Description</b>	<b>Balance 06/30/12</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/13</b>	<b>Due Within One Year</b>
Compensated Absence	\$310,509	\$225,492	(\$192,693)	\$343,308	\$154,831
<b>Total</b>	<b>\$310,509</b>	<b>\$225,492</b>	<b>(\$192,693)</b>	<b>\$343,308</b>	<b>\$154,831</b>

**Budgets and Budgetary Accounting**

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. The Board of Commissioners adopts the budget through passage of a budget resolution.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 3: DEPOSIT AND INVESTMENTS**

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

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

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

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

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

Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2010, the Authority was not exposed to custodial risk as discussed below because all of the funds on deposit were covered by federal depository insurance or by collateral held by the Authority's agent. Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits.

At fiscal year end June 30, 2013, the carrying amount of the Authority's deposits totaled \$4,908,759 and its bank balance was \$5,030,654. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2013, \$4,780,654 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 3: DEPOSIT AND INVESTMENTS** (Continued)

not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

In accordance with the Ohio Revised Code and HUD investment policy, the Authority is permitted to invest in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, obligations of certain political subdivisions of Ohio and the United States government and its agencies, and repurchase agreements with any eligible depository or any eligible dealers. Public depositories must give security for all public funds on deposit. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

*Interest Rate Risk* – The Authority does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from increasing interest rates. However, it is the Authority practice to limit its investments to less than 5 years.

*Credit Risk* – HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. The Authority depository agreement specifically requires compliance with HUD requirement.

*Concentration of Credit Risk* – The Authority places no limit on the amount that may be invested with any one issuer. However, it is the Authority practice to do business with more than one depository.

The carrying amount of the Authority's investment was \$1,006,161 at June 30, 2013 with the same corresponding bank balance. The investments are held in certificate of deposits.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 4: TENANT ACCOUNT RECEIVABLES**

As of June 30, 2013 tenant account receivable was \$8,238 with an allowance for doubtful accounts of \$400.

**NOTE 5: DEFINED BENEFIT PENSION PLAN**

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

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.
3. The Combined Plan – A cost sharing, multiple-employer defined pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013 and 2012, member and employer rates were consistent across all three plans. The 2013 and 2012 member contribution rates were 10.0% for members 14.0% for employers of covered payroll. The Authority's contribution for the years ended June 30, 2013, 2012, and 2011 amounted to \$240,627, \$250,063, and \$258,747. These costs have been charged to the employee fringe benefit account. Ninety-two percent has been contributed for 2013. All required contributions for the two previous years have been paid.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 6: POST-EMPLOYMENT BENEFITS**

**A. Plan Description**

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

**B. Funding Policy**

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012 and 2011, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

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

contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended June 30, 2013, 2012 and 2011, which were used to fund post-employment benefits, were \$43,298, \$98,745 and \$101,651 respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**NOTE 7: CAPITAL ASSETS**

The following is change in capital assets for the current year:

	<b>Balance 06/30/12</b>	<b>Increases</b>	<b>Adjust/ Decrease</b>	<b>Balance 06/30/13</b>
<b>Capital Assets Not Depreciated:</b>				
Land	\$1,160,622	\$0	\$0	\$1,160,622
<b>Total Capital Assets Not Being Depreciated</b>	<b>1,160,622</b>	<b>0</b>	<b>0</b>	<b>1,160,622</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	33,552,380	362,980	49,543	33,964,903
Furnt, Mach. & Equip	1,499,806	21,461	(71,168)	1,450,099
<b>Total Capital Assets Being Depreciated</b>	<b>35,052,186</b>	<b>384,441</b>	<b>(21,625)</b>	<b>35,415,002</b>



ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 7: CAPITAL ASSETS**

	<b>Balance 06/30/12</b>	<b>Increases</b>	<b>Adjust/ Decrease</b>	<b>Balance 06/30/13</b>
<b>Accumulated Depreciated:</b>				
Buildings and Improvements	23,219,531	930,398	0	24,149,929
Furnt, Mach. & Equip	1,287,541	51,071	(21,625)	1,316,987
<b>Total Accumulated Depreciated</b>	<b>24,507,072</b>	<b>981,469</b>	<b>(21,625)</b>	<b>25,466,916</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>10,545,114</b>	<b>(597,028)</b>	<b>0</b>	<b>9,948,086</b>
<b>Total Capital Assets, Net</b>	<b>\$11,705,736</b>	<b>(\$597,028)</b>	<b>\$0</b>	<b>\$11,108,708</b>

**NOTE 8: LONG-TERM DEBT**

**Loan Payable – Bank One**

Zanesville Metropolitan Housing Authority has an outstanding note payable with Chase Bank of \$479,123, as of June 30, 2013. The original note was for \$843,000 dated June 1, 2002 to be used for the construction of a daycare facility known as Carey Street Day Care Center. The note contains an interest rate of 5.27% fixed for five years. The loan is amortized over 20 year period with 3 five year balloons payments.

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

<b>DESCRIPTION</b>	<b>BALANCE 06/30/12</b>	<b>ISSUED</b>	<b>RETIRED</b>	<b>BALANCE 06/30/13</b>	<b>DUE WITHIN ONE YEAR</b>
Loan Payable	\$520,569	\$-0-	\$41,446	\$479,123	\$42,000
<b>TOTAL</b>	<b>\$520,569</b>	<b>\$-0-</b>	<b>\$41,446</b>	<b>\$479,123</b>	<b>\$42,000</b>

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 8: LONG-TERM DEBT** (Continued)

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

	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2014	\$42,000	\$26,279
2015	46,464	21,815
2016	48,973	19,306
2017	51,617	16,662
2018	54,404	13,875
2019 to 2022	235,665	22,470
	\$479,123	\$120,407

**NOTE 9: ECONOMIC DEPENDENCY**

Both the PHA Low Rent Public Housing Program and the Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

**NOTE 10: 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 June 30, 2013 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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

**NOTE 11: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD**

The accompanying schedule of expenditure of federal award is a summary of the activity of the Authority's federal programs. This schedule has been prepared on the accrual basis of accounting.

ZANESVILLE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013  
(CONTINUED)

**NOTE 12: SUBSEQUENT EVENTS**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through December 30, 2013, the date on which the financial statements were available to be issued.

**NOTE 13: CHANGE IN ACCOUNTING PRINCIPLES**

In 2013, the Authority adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements and GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

GASB Statement No. 62, incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

GASB Statement No. 63 identifies net positions, rather than net assets, as the residual of all other elements presented in a statement of financial position. There was no effect on beginning net position/fund balance.

Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	17.259 WIA Youth Activities	14.238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,838,872		\$368,607				\$408,612	\$757,233	\$3,373,324		\$3,373,324
113 Cash - Other Restricted	\$34,248		\$345,611						\$379,859		\$379,859
114 Cash - Tenant Security Deposits	\$247,241								\$247,241		\$247,241
100 Total Cash	\$2,120,361	\$0	\$714,218	\$0	\$0	\$0	\$408,612	\$757,233	\$4,000,424	\$0	\$4,000,424
121 Accounts Receivable - PHA Projects		\$17,375							\$17,375		\$17,375
122 Accounts Receivable - HUD Other Projects	\$14,033				\$38,234				\$52,267		\$52,267
124 Accounts Receivable - Other Government						\$197			\$197		\$197
125 Accounts Receivable - Miscellaneous							\$38,830		\$38,830		\$38,830
126 Accounts Receivable - Tenants	\$8,238								\$8,238		\$8,238
126.1 Allowance for Doubtful Accounts - Tenants	-\$400								-\$400		-\$400
128 Fraud Recovery			\$60,383						\$60,383		\$60,383
128.1 Allowance for Doubtful Accounts - Fraud			-\$36,230						-\$36,230		-\$36,230
129 Accrued Interest Receivable											
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$21,871	\$17,375	\$24,153	\$0	\$38,234	\$197	\$38,830	\$0	\$140,660	\$0	\$140,660
131 Investments - Unrestricted	\$908,335								\$908,335		\$908,335
142 Prepaid Expenses and Other Assets	\$43,797		\$2,382				\$350	\$75,440	\$121,969		\$121,969
143 Inventories								\$255,122	\$255,122		\$255,122
143.1 Allowance for Obsolete Inventories								-\$28,000	-\$28,000		-\$28,000
144 Inter Program Due From			\$38,431	\$7,153			\$47,628	\$19,180	\$112,392	-\$112,392	\$0
145 Assets Held for Sale											

Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	17,259 WIA Youth Activities	14,238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
150 Total Current Assets	\$3,094,364	\$17,375	\$779,184	\$7,153	\$38,234	\$197	\$495,420	\$1,078,975	\$5,510,902	-\$112,392	\$5,398,510
161 Land	\$1,140,622							\$20,000	\$1,160,622		\$1,160,622
162 Buildings	\$27,458,442							\$1,033,508	\$28,491,950		\$28,491,950
163 Furniture, Equipment & Machinery - Dwellings	\$440,667						\$26,601	\$216,225	\$683,493		\$683,493
164 Furniture, Equipment & Machinery - Administration	\$92,942		\$30,166					\$643,498	\$766,606		\$766,606
165 Leasehold Improvements	\$5,460,503							\$12,450	\$5,472,953		\$5,472,953
166 Accumulated Depreciation	-\$24,140,462		-\$28,784				-\$23,555	-\$1,274,115	-\$25,466,916		-\$25,466,916
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,452,714	\$0	\$1,382	\$0	\$0	\$0	\$3,046	\$651,566	\$11,108,708	\$0	\$11,108,708
180 Total Non-Current Assets	\$10,452,714	\$0	\$1,382	\$0	\$0	\$0	\$3,046	\$651,566	\$11,108,708	\$0	\$11,108,708
190 Total Assets	\$13,547,078	\$17,375	\$780,566	\$7,153	\$38,234	\$197	\$498,466	\$1,730,541	\$16,619,610	-\$112,392	\$16,507,218
312 Accounts Payable <= 90 Days	\$16,769	\$108	\$2,819	\$231				\$4,408	\$24,335		\$24,335
321 Accrued Wage/Payroll Taxes Payable	\$11,346	\$4,798	\$8,393	\$1,130				\$45,198	\$70,865		\$70,865
322 Accrued Compensated Absences - Current Portion	\$34,230		\$28,927					\$91,674	\$154,831		\$154,831
341 Tenant Security Deposits	\$247,241								\$247,241		\$247,241
342 Deferred Revenues	\$115			\$5,792			\$47,628		\$53,535		\$53,535
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$42,000								\$42,000		\$42,000
346 Accrued Liabilities - Other	\$22,648		\$154				\$48	\$273	\$23,123		\$23,123
347 Inter Program - Due To	\$6,710	\$12,469			\$38,234	\$197		\$54,782	\$112,392	-\$112,392	\$0
310 Total Current Liabilities	\$381,059	\$17,375	\$40,293	\$7,153	\$38,234	\$197	\$47,676	\$196,335	\$728,322	-\$112,392	\$615,930

Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	17,259 WIA Youth Activities	14,238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$437,123								\$437,123		\$437,123
353 Non-current Liabilities - Other	\$4,734		\$67,870						\$72,604		\$72,604
354 Accrued Compensated Absences - Non Current	\$41,786		\$46,669					\$102,022	\$190,477		\$190,477
350 Total Non-Current Liabilities	\$483,643	\$0	\$114,539	\$0	\$0	\$0	\$0	\$102,022	\$700,204	\$0	\$700,204
300 Total Liabilities	\$864,702	\$17,375	\$154,832	\$7,153	\$38,234	\$197	\$47,676	\$298,357	\$1,428,526	-\$112,392	\$1,316,134
508.1 Invested In Capital Assets, Net of Related Debt	\$9,973,591		\$1,382				\$3,046	\$651,566	\$10,629,585		\$10,629,585
511.1 Restricted Net Assets	\$29,514		\$277,741						\$307,255		\$307,255
512.1 Unrestricted Net Assets	\$2,679,271	\$0	\$346,611	\$0	\$0	\$0	\$447,744	\$780,618	\$4,254,244		\$4,254,244
513 Total Equity/Net Assets	\$12,682,376	\$0	\$625,734	\$0	\$0	\$0	\$450,790	\$1,432,184	\$15,191,084	\$0	\$15,191,084
600 Total Liabilities and Equity/Net Assets	\$13,547,078	\$17,375	\$780,566	\$7,153	\$38,234	\$197	\$498,466	\$1,730,541	\$16,619,610	-\$112,392	\$16,507,218
70300 Net Tenant Rental Revenue	\$1,557,872								\$1,557,872		\$1,557,872
70400 Tenant Revenue - Other	\$25,751								\$25,751		\$25,751
70500 Total Tenant Revenue	\$1,583,623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,583,623	\$0	\$1,583,623
70600 HUD PHA Operating Grants	\$2,094,133	\$120,581	\$4,092,649	\$0	\$38,234				\$6,345,597		\$6,345,597
70610 Capital Grants	\$362,981								\$362,981		\$362,981
70720 Asset Management Fee								\$544,659	\$544,659	-\$544,659	\$0
70730 Book Keeping Fee								\$141,488	\$141,488	-\$141,488	\$0

Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	17.259 WIA Youth Activities	14.238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
70750 Other Fees								\$1,098,108	\$1,098,108	-	\$11,706
70700 Total Fee Revenue								\$1,784,255	\$1,784,255	\$1,086,402	\$11,706
70800 Other Government Grants				\$119,239		\$8,295			\$127,534		\$127,534
71100 Investment Income - Unrestricted	\$2,411		\$385				\$552		\$3,348		\$3,348
71400 Fraud Recovery			\$62,011						\$62,011		\$62,011
71500 Other Revenue	\$72,442		\$7,512				\$59,371	\$29,860	\$169,185		\$169,185
71600 Gain or Loss on Sale of Capital Assets								\$4,818	\$4,818		\$4,818
72000 Investment Income - Restricted			\$854						\$854		\$854
70000 Total Revenue	\$4,115,590	\$120,581	\$4,163,411	\$119,239	\$38,234	\$8,295	\$59,923	\$1,818,933	\$10,444,206	\$1,772,549	\$8,671,657
91100 Administrative Salaries	\$340,262	\$73,599	\$102,814	\$71,587	\$1,897			\$308,544	\$898,703		\$898,703
91200 Auditing Fees	\$6,352		\$11,758						\$18,110		\$18,110
91300 Management Fee	\$414,699		\$129,960						\$544,659	-\$544,659	\$0
91310 Book-keeping Fee	\$60,263		\$81,225						\$141,488	-\$141,488	\$0
91500 Employee Benefit contributions - Administrative	\$210,668	\$33,050	\$58,711	\$28,373	\$935			\$216,861	\$548,598		\$548,598
91600 Office Expenses	\$42,763		\$32,126	\$15,887				\$7,623	\$98,399		\$98,399
91700 Legal Expense	\$15,283		\$111					\$502	\$15,896		\$15,896
91800 Travel	\$2,115		\$2,929					\$7,061	\$12,105		\$12,105
91900 Other	\$19,261		\$1,655				\$30,536	\$9,294	\$60,746		\$60,746
91000 Total Operating - Administrative	\$1,111,666	\$106,649	\$421,289	\$115,847	\$2,832	\$0	\$30,536	\$549,885	\$2,338,704	-\$686,147	\$1,652,557
92100 Tenant Services - Salaries			\$112,146						\$112,146		\$112,146

Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	17.259 WIA Youth Activities	14.238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
92300 Employee Benefit Contributions - Tenant Services			\$53,449						\$53,449		\$53,449
92400 Tenant Services - Other	\$13,151					\$8,295			\$21,446		\$21,446
92500 Total Tenant Services	\$13,151	\$0	\$165,595	\$0	\$0	\$8,295	\$0	\$0	\$187,041	\$0	\$187,041
93100 Water	\$68,703		\$573					\$519	\$69,795		\$69,795
93200 Electricity	\$296,031		\$1,667					\$9,496	\$307,194		\$307,194
93300 Gas	\$164,412		\$248					\$6,433	\$171,093		\$171,093
93600 Sewer	\$173,377		\$1,504					\$1,652	\$176,533		\$176,533
93800 Other Utilities Expense			\$1,605						\$1,605		\$1,605
93000 Total Utilities	\$702,523	\$0	\$5,597	\$0	\$0	\$0	\$0	\$18,100	\$726,220	\$0	\$726,220
94100 Ordinary Maintenance and Operations - Labor								\$611,387	\$611,387		\$611,387
94200 Ordinary Maintenance and Operations - Materials and Other	\$190,151		\$1,842					\$34,261	\$226,254		\$226,254
94300 Ordinary Maintenance and Operations Contracts	\$1,380,298	\$6,053	\$13,627					\$52,327	\$1,452,305	-	\$365,903
94500 Employee Benefit Contributions - Ordinary Maintenance								\$393,662	\$393,662		\$393,662
94000 Total Maintenance	\$1,570,449	\$6,053	\$15,469	\$0	\$0	\$0	\$0	\$1,091,637	\$2,683,608	\$1,086,402	\$1,597,206
96110 Property Insurance	\$62,211							\$4,041	\$66,252		\$66,252
96120 Liability Insurance	\$33,550		\$4,495						\$38,045		\$38,045
96130 Workmen's Compensation	\$5,204		\$3,334					\$12,983	\$21,521		\$21,521
96140 All Other Insurance	\$21,108		\$1,831					\$1,093	\$24,032		\$24,032
96100 Total insurance Premiums	\$122,073	\$0	\$9,660	\$0	\$0	\$0	\$0	\$18,117	\$149,850	\$0	\$149,850



Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	17,259 WIA Youth Activities	14,238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
96200 Other General Expenses	\$5,434		\$6,960					\$2,881	\$15,275		\$15,275
96210 Compensated Absences	\$85,770	\$7,879	\$28,089	\$3,392				\$100,362	\$225,492		\$225,492
96400 Bad debt - Tenant Rents	\$738								\$738		\$738
96600 Bad debt - Other			\$32,030						\$32,030		\$32,030
96000 Total Other General Expenses	\$91,942	\$7,879	\$67,079	\$3,392	\$0	\$0	\$0	\$103,243	\$273,535	\$0	\$273,535
96710 Interest of Mortgage (or Bonds) Payable	\$21,143								\$21,143		\$21,143
96700 Total Interest Expense and Amortization Cost	\$21,143	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,143	\$0	\$21,143
96900 Total Operating Expenses	\$3,632,947	\$120,581	\$684,689	\$119,239	\$2,832	\$8,295	\$30,536	\$1,780,982	\$6,380,101	\$-1,772,549	\$4,607,552
97000 Excess of Operating Revenue over Operating Expenses	\$482,643	\$0	\$3,478,722	\$0	\$35,402	\$0	\$29,387	\$37,951	\$4,064,105	\$0	\$4,064,105
97300 Housing Assistance Payments			\$3,637,911		\$35,402				\$3,673,313		\$3,673,313
97400 Depreciation Expense	\$937,394		\$2,764				\$772	\$40,539	\$981,469		\$981,469
90000 Total Expenses	\$4,570,341	\$120,581	\$4,325,364	\$119,239	\$38,234	\$8,295	\$31,308	\$1,821,521	\$11,034,883	\$-1,772,549	\$9,262,334
10010 Operating Transfer In								\$104,320	\$104,320	-\$104,320	\$0
10020 Operating transfer Out	-\$104,320								-\$104,320	\$104,320	\$0
10093 Transfers between Program and Project - In	\$97,631								\$97,631	-\$97,631	\$0
10094 Transfers between Project and Program - Out	-\$97,631								-\$97,631	\$97,631	\$0
10100 Total Other financing Sources (Uses)	-\$104,320	\$0	\$0	\$0	\$0	\$0	\$0	\$104,320	\$0	\$0	\$0

Zanesville Metropolitan Housing Authority  
Financial Data Schedule  
June 30, 2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	17.259 WIA Youth Activities	14.238 Shelter Plus Care	State / Local	Business Activities	COCC	Subtotal	ELIM	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$559,071	\$0	-\$161,953	\$0	\$0	\$0	\$28,615	\$101,732	-\$590,677	\$0	-\$590,677
11020 Required Annual Debt Principal Payments	\$42,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,000		\$42,000
11030 Beginning Equity	\$13,241,447	\$0	\$787,687	\$0	\$0	\$0	\$422,175	\$1,330,452	\$15,781,761		\$15,781,761
11170 Administrative Fee Equity			\$347,993						\$347,993		\$347,993
11180 Housing Assistance Payments Equity			\$277,741						\$277,741		\$277,741
11190 Unit Months Available	8088		11268						19356		19356
11210 Number of Unit Months Leased	8031		10968						18999		18999
11620 Building Purchases	\$283,001							\$0	\$283,001		\$283,001
11650 Leasehold Improvements Purchases	\$79,980							\$0	\$79,980		\$79,980

Zanesville Metropolitan Housing Authority  
Schedule of Expenditures of Federal Award  
For the Year Ended June 30, 2013

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Housing and Urban Development Direct Program</b>		
Shelter Plus Care	14.238	\$38,234
Low Rent Public Housing	14.850	1,488,364
Resident Opportunity and Supportive Services	14.870	120,581
Housing Choice Vouchers	14.871	4,092,649
Public Housing Capital Fund Program	14.872	968,750
<b>Total U.S. Department of Housing and Urban Development</b>		<u><b>6,708,578</b></u>
<b>U.S. Department of Labor Pass-Through Program From Muskingum County Workforce Investment Act (Cluster) Youth Employment Services</b>		
	17.259	119,239
<b>Total U.S. Department of Labor</b>		<u><b>119,239</b></u>
<b>Total Expenditure of Federal Award</b>		<u><b>\$6,827,817</b></u>



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**INDEPENDENT AUDITOR'S 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 Commissioners  
Zanesville Metropolitan Housing Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Zanesville Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Zanesville Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated December 30, 2013.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Zanesville 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Zanesville Metropolitan Housing Authority, Ohio's, internal control. Accordingly, I do not express an opinion on the effectiveness of Zanesville 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 entity'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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Zanesville Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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Salvatore Consiglio, CPA, Inc.

North Royalton, Ohio  
December 30, 2013



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

Board of Commissioners  
Zanesville Metropolitan Housing Authority

**Report on Compliance for Each Major Federal Program**

I have audited Zanesville Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Zanesville Metropolitan Housing Authority's major federal programs for the year ended June 30, 2013. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

**Opinion on Each Major Federal Program**

In my opinion, Zanesville Metropolitan Housing Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a

direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.



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Salvatore Consiglio, CPA, Inc.

North Royalton, Ohio  
December 30, 2013

Zanesville Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 June 30, 2013

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

Type of Financial Statement Opinion	Unmodified
Were there any material weakness reported at the financial statement level (GAGAS)?	No
Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
Was there any reported non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant internal control deficiency reported for the major federal programs?	No
Type of report issued on compliance for major programs	Unmodified
Are there any reportable findings under § .510?	No
Major Programs (list):	<ul style="list-style-type: none"> <li>• CFDA # 14.871 Housing Choice Voucher Program</li> </ul>
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

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

There are no findings or questioned costs for the year ended June 30, 2013.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There are no findings or questioned costs for the year ended June 30, 2013.



Zanesville Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
June 30, 2013

The audit report for the fiscal year ending June 30, 2012 contained no audit findings.

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# Dave Yost • Auditor of State

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**

**MUSKINGUM COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 4, 2014**