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**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
Single Audit
For the Year Ended December 31, 2014**

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Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Fairfield Metropolitan Housing Authority, Fairfield County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2014 through December 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 Fairfield Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 23, 2015

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**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY**

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INDEPENDENT AUDITOR'S REPORT

May 29, 2015

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

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Fairfield Metropolitan Housing Authority**, Fairfield County, Ohio (the Authority), as of and for the year ended December 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fairfield Metropolitan Housing Authority, Fairfield County as of December 31, 2014, and the changes in its financial position and its cash flows for the year then ended in accordance with the 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 this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedules presented on pages 24 through 26 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements.

The Schedule of Federal Awards Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedules are management's responsibility and derive from and relate to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2015, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our 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 Authority's internal control over financial reporting and compliance.

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

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
UNAUDITED**

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

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

FINANCIAL HIGHLIGHTS

The Authority's programs for the single enterprise fund are: Conventional Public Housing, Capital Fund Program (CFP), Housing Choice Voucher Program (HCVP), Family Unification Program (FUP), Veteran Affairs Supportive Housing Program (VASH), Shelter-Plus Care, Resident Opportunity and Supportive Services and Other Business Activities (OBA).

- The revenue decreased by \$56,658 (or 0.92%) during 2014, and was \$6,105,099 and \$6,161,757 for 2014 and 2013, respectively.
- The total expenses increased by \$192,959 (2.83%). Total expenses were \$6,624,324 and \$6,817,283 for 2014 and 2013, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of these financial statements:

MD&A ~ Management Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to Financial Statements ~

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

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
UNAUDITED**

BASIC FINANCIAL STATEMENTS

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

These statements include a Statement of Net 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, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

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

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

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

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

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

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

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

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
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Family Unification Program (FUP) – This Program provides Section 8 rental assistance to families eligible for the Housing Choice Voucher program and whose lack of adequate housing has been determined from the local public welfare agency as the primary reason that the family's child(ren) may be placed in out-of-home care.

Veteran Affairs Supportive Housing Program (VASH) – This Program provides Section 8 rental assistance to homeless Veterans eligible for the Housing Choice Voucher program along with supportive services provided by the Department of Veteran Affairs (VA) to the participants. VA provides these services at VA medical centers (VAMCs) and community-based outreach clinics.

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

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. A second ROSS grant was funded to coordinate activities and services for residents.

Other Business Activity (OBA) – Represents activities of the authority that include providing affordable housing for low-income people outside of the scope of the conventional and housing choice voucher programs and includes properties transferred to the Authority in 2007 from Lancaster Community Housing Corporation (Non-profit organization). This account also represents the non-profit organization which was defined by resolution during 2009 as an instrumentality of the Authority. The non-profit organization's legal name is Fairfield Housing, Inc. The non-profit activity will be listed as an OBA for FDS purposes. Activity will be listed as an OBA for FDS purposes.

STATEMENT OF NET POSITION

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

**TABLE 1
STATEMENT OF NET POSITION**

	2014	2013
Current and other assets	\$ 958,854	\$ 1,228,905
Capital assets	4,911,933	5,206,498
TOTAL ASSETS	5,870,787	6,435,403
 Current liabilities	 181,040	 212,717
Long-term liabilities	33,609	47,323
TOTAL LIABILITIES	214,649	260,040
 Net Position:		
Net investment in capital assets	4,911,933	5,206,498
Restricted	5,653	173,860
Unrestricted	738,552	795,005
TOTAL NET POSITION	\$ 5,656,138	\$ 6,175,363

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
UNAUDITED**

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

During 2014, the reserve fund for Section 8 was decreased by \$168,207 restricted and \$8,858 unrestricted included in the cash balance and net position. The reserve fund for Public Housing decreased by \$6,212 unrestricted included in the cash balance and net position. The reserve funds in the Other Business Activity decrease by \$41,383 also included in Cash and net position. Other assets decreased by \$45,391. Current Liabilities decreased by \$31,677 while long-term liabilities decreased by \$13,714. Net invested in capital assets changes can be analyzed from Table 4 of the MD&A.

**TABLE 2
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

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

	<u>2014</u>	<u>2013</u>
Revenues		
Tenant Revenue - Rents and Other	\$ 141,504	\$ 172,682
Operating Subsidies and Grants	5,767,521	5,746,917
Capital Grants	116,786	140,927
Investment Income/Other Revenue	79,288	101,231
TOTAL REVENUE	<u>6,105,099</u>	<u>6,161,757</u>
Expenses		
Administrative	880,182	1,013,775
Tenant Services	52,911	54,371
Utilities	26,282	21,727
Maintenance	197,804	172,031
Insurance	32,894	31,124
Payment in Lieu Of Taxes	8,246	11,146
Housing Assistance Payment	4,898,231	5,010,312
Depreciation	432,606	396,594
Other General Expenses	61,529	74,090
Bad Debt/Fraud Losses	33,639	32,113
TOTAL EXPENSES	<u>6,624,324</u>	<u>6,817,283</u>
CHANGE IN NET POSITION	<u>\$ (519,225)</u>	<u>\$ (655,526)</u>

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

In 2014, the Authority received \$20,604 more in HAP and operating subsidies and had decreases in rents of \$31,178, capital grants in the amount of \$24,141 and fraud recovery of \$5,366, port-in income of \$7,450 and other revenue of \$9,127.

Total expenses net decrease of \$192,959 is mostly due to the decrease in HAP of \$112,081 and administrative expenses of \$133,593 offset by increases in maintenance and depreciation expenses.

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
UNAUDITED**

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the Authority had \$4,911,933 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$294,565.

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

	2014	2013
Land and Land Rights	\$ 994,621	\$ 994,621
Buildings	10,445,883	10,321,623
Equipment - Administrative	465,131	451,350
Equipment - Dwellings	87,781	87,781
Leasehold Improvements	321,100	321,100
Accumulated Depreciation	(7,402,583)	(6,969,977)
TOTAL	\$ 4,911,933	\$ 5,206,498

The following reconciliation summarizes the change in Capital Assets.

**TABLE 4
CHANGE IN CAPITAL ASSETS**

BEGINNING BALANCE – NET	\$ 5,206,498
Additions – Capital Funds	116,786
Additions – Public Housing	4,410
Additions – Section 8	8,958
Additions – OBA	7,887
Depreciation Expense	(432,606)
ENDING BALANCE	\$ 4,911,933
Depreciation Expense - Section 8	\$ 11,120
Depreciation Expense - Fairfield Housing, Inc.	-0-
Depreciation Expense - Capital funds	4,386
Depreciation Expense - OBA	13,158
Depreciation Expenses - PH	403,942
TOTAL DEPRECIATION	\$ 432,606

DEBT ADMINISTRATION

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

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
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ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

IN CONCLUSION

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

FINANCIAL CONTACT

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

FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

Assets

Current Assets:

Cash and Cash Equivalents	\$ 541,425
Restricted Cash and Cash Equivalents	96,628
Investments	222,872
Accounts Receivable, Net of Allowance	38,177
Inventories, Net of Allowance	10,058
Prepaid Expenses and Other Assets	49,694
Total Current Assets	<u>958,854</u>

Capital Assets:

Nondepreciable Capital Assets	994,621
Depreciable Capital Assets, Net of Accumulated Depreciation	3,917,312
Total Capital Assets	<u>4,911,933</u>

Total Assets

\$ 5,870,787

Liabilities

Current Liabilities:

Accounts Payable	\$ 24,187
Intergovernmental Payable	8,255
Accrued Liabilities	51,892
Current Portion of Compensated Absences	33,916
Tenant Security Deposits	44,949
Current FSS Liability	17,235
Unearned Revenue	606
Total Current Liabilities	<u>181,040</u>

Long Term Liabilities:

FSS Liability	28,781
Compensated Absences	4,828
Total Long Term Liabilities	<u>33,609</u>

Total Liabilities

214,649

Net Position:

Net Investment in Capital Assets	4,911,933
Restricted	5,653
Unrestricted	738,552
	<u>738,552</u>

Total Net Position

5,656,138

Total Liabilities and Net Position

\$ 5,870,787

See accompanying notes to the basic financial statements.

FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

Operating Revenues:	
Tenant Rental Revenue	\$ 141,504
HUD PHA Operating Grants	5,767,521
Other Revenue	78,399
Total Operating Revenues	<u>5,987,424</u>
Operating Expenses:	
Administrative	880,182
Tenant Services	52,911
Utilities	26,282
Maintenance	197,804
Insurance	32,894
Payments in Lieu of Taxes	8,246
Housing Assistance Payments	4,898,231
Bad Debt/Fraud Loss	33,639
Depreciation	432,606
Other General Expenses	61,529
Total Operating Expenses	<u>6,624,324</u>
Operating (Loss)	(636,900)
Other Non-Operating Revenues:	
HUD Capital Grants	116,786
Investment Income	889
Total Other Non-Operating Revenues	<u>117,675</u>
Change in Net Position	(519,225)
Net Position, Beginning of the Year	<u>6,175,363</u>
Net Position, End of Year	<u><u>\$ 5,656,138</u></u>

See accompanying notes to the basic financial statements.

FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from HUD	\$ 5,817,195
Cash Received from Tenants	139,262
Cash Received from Other Revenue	78,399
Cash Payments for Housing Assistance Payments	(4,898,231)
Cash Payments for Other Operating Expenses	(1,342,395)
Cash Payments to HUD and Other Governments	(12,726)
NET CASH (USED IN) OPERATING ACTIVITIES	(218,496)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital Grants Received for Capital Assets	116,786
Acquisition of Capital Assets	(138,041)
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(21,255)
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Sale of Investments	25,800
Investment Income	889
NET CASH PROVIDED BY INVESTING ACTIVITIES	26,689
Net (Decrease) in Cash and Cash Equivalents	(213,062)
Cash and Cash Equivalents at Beginning of Year	851,115
Cash and Cash Equivalents at End of Year	\$ 638,053
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Operating Loss	\$ (636,900)
Adjustments:	
Depreciation	432,606
(Increase) Decrease in:	
Accounts Receivable, Net of Allowance	49,143
Inventories, Net of Allowance	(185)
Prepaid Expenses and Other Assets	(17,769)
Increase (Decrease) in:	
Accounts Payable	6,821
Accrued Liabilities	(24,005)
Accrued Compensated Absences	(8,305)
Intergovernmental Payable	(4,480)
Tenant Security Deposits	(2,242)
FSS Liability	(13,711)
Unearned Revenue	531
NET CASH (USED IN) OPERATING ACTIVITIES	\$ (218,496)

See accompanying notes to the basic financial statements.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, as amended by GASB Statement 61, 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 consist of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

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

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

Basic of Presentation

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

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

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus

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

Enterprise Fund

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

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

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

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

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

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

Veteran Affairs Supportive Housing (VASH) - This Program provides Section 8 rental assistance to homeless Veterans eligible for the Housing Choice Voucher program along with supportive services provided by the Department of Veteran Affairs (VA) to the participates. VA provides these services at VA medical centers(VAMCs) and community-based outreach clinics.

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

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

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting and Reporting for Non-exchange Transactions

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

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

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

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

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

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

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

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

Unearned Revenue

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

Prepaid Expenses

Payments made to vendors for services that will benefit beyond December 31, 2014, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments are restricted by the provisions of the HUD Regulations (see Note 2). Investments are valued at market value. Interest income earned in 2014 for all programs totaled \$889. Certificates of deposits with maturities greater than three months are considered investments.

Capital Assets

Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the asset. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy is \$2,000. The following are the useful lives used for depreciation purposes:

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

Accrued Liabilities

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

Net Position

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

Operating Revenues and Expenses

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

Cash and Cash Equivalents

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

Compensated Absences

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences – Continued

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

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

The following is a summary of changes in compensated absences for the year ended December 31, 2014:

	Balance			Balance	Due Within
	<u>12/31/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/14</u>	<u>One Year</u>
Compensated Absences Payable	<u>\$ 47,049</u>	<u>\$ 32,125</u>	<u>\$ (40,430)</u>	<u>\$ 38,744</u>	<u>\$ 33,916</u>

Budgetary Accounting

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

Estimates

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

Receivables – Net of Allowance

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for receivables was \$1,074 at December 31, 2014.

Inventories

Inventories are stated at cost. The allowance for obsolete inventory was \$1,118 at December 31, 2014.

Due to/Due from Programs

These are eliminated for the basic financial statement.

2. CASH AND INVESTMENTS

Cash

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

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

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

2. CASH AND INVESTMENTS - CONTINUED

Cash - Continued

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

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

Deposits

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

As of December 31, 2014 the carrying amount of the Authority's deposits totaled \$860,925 and its bank balance was \$891,186. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2014, \$549,111 was exposed to custodial risk as discussed above while \$342,075 was covered by Federal Deposit Insurance Corporation.

Investments

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

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

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

3. CAPITAL ASSETS

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Nondepreciable Capital Assets:				
Land	\$ 994,621	\$ -	\$ -	\$ 994,621
Nondepreciable Capital Assets	<u>994,621</u>	<u>-</u>	<u>-</u>	<u>994,621</u>
Depreciable Capital Assets:				
Building and Improvements	10,642,723	124,260	-	10,766,983
Furniture and Equipment	539,131	13,781	-	552,912
Less: Accumulated Depreciation	<u>(6,969,977)</u>	<u>(432,606)</u>	<u>-</u>	<u>(7,402,583)</u>
Total Depreciable Capital Assets, Net	<u>4,211,877</u>	<u>(294,565)</u>	<u>-</u>	<u>3,917,312</u>
Total Capital Assets	<u>\$ 5,206,498</u>	<u>\$ (294,565)</u>	<u>\$ -</u>	<u>\$4,911,933</u>
Depreciation Expense by Class:				
Building and Improvements	\$ 397,762			
Furniture and Fixtures	<u>34,844</u>			
Total Depreciation Expense	<u>432,606</u>			

4. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed 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-Directed 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 benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

4. DEFINED BENEFIT PENSION PLAN - CONTINUED

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety officers participate in only the Traditional Pension Plan. The Authority's required contributions including the pickup portion for certain employees for the years ended December 31, 2014, 2013, 2012 were \$94,588, \$115,806 and \$114,735, respectively. All required payments of contributions have been made through December 31, 2014. All required contributions for the two previous years have been paid.

The 2014 member contribution rates were 10.00% of earnable salary for members in state and local classifications. The 2014 employer contribution rate for state and local employers was 14.00% of earnable salary.

5. POST-EMPLOYMENT BENEFITS

A. Plan Description

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 45.

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

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

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care coverage 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 coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

5. POST-EMPLOYMENT BENEFITS - CONTINUED

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. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by 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 provided. Actual Authority contributions for the years ended December 31, 2014, 2013 and 2012, which were used to fund post-employment benefits, were \$6,756, \$8,272 and \$32,780 respectively.

C. OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

6. RISK MANAGEMENT

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

7. FDS SCHEDULE SUBMITTED TO HUD

For the year ended December 31, 2014, the Authority electronically submitted an unaudited version of the statement of net position, statement of revenues, expenses and changes in net position and other data to HUD as required on the GAAP basis. The schedules are presented in the manner prescribed by HUD.

8. CONTINGENCIES

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost in excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2014.

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2014, the Authority was not aware of any such matters that would have a material effect on the financial statements.

**FAIRFIELD METROPOLIAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

9. RECENT ACCOUNTING PRONOUNCEMENT

In June 2012, the GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27". Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The total pension liability will be computed on a different basis than the current actuarial accrued liability and the method of allocating this liability to each participating employer has not yet been determined; while the precise impact is not known, it is deemed likely that this pronouncement will have a material impact on the financial statements. The provisions of this statement are effective for the year ending December 31, 2015, and therefore will be adopted in the next year.

Supplemental Financial Data

FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
FDS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	8 Other Federal Program 1	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$112,720			\$238,755			\$189,950	\$541,425		\$541,425
113 Cash - Other Restricted	\$7,393			\$27,051				\$34,444		\$34,444
114 Cash - Tenant Security Deposits	\$42,399			\$0			\$2,550	\$44,949		\$44,949
115 Cash - Restricted for Payment of Current Liabilities	\$13,956			\$3,379				\$17,235		\$17,235
100 Total Cash	\$176,368	\$0	\$0	\$269,185	\$0	\$0	\$192,500	\$638,063		\$638,063
121 Accounts Receivable - PHA Projects				\$827				\$827		\$827
122 Accounts Receivable - HUD Other Projects			\$3,576	\$4,485	\$10,279			\$18,340		\$18,340
124 Accounts Receivable - Other Government	\$250							\$250		\$250
128 Accounts Receivable - Tenants	\$2,460						\$235	\$2,703		\$2,703
128.1 Allowance for Doubtful Accounts - Tenants	-\$1,074				\$0		\$0	-\$1,074		-\$1,074
129 Fraud Recovery	\$159							\$159		\$159
128.1 Allowance for Doubtful Accounts - Fraud	\$0			-\$95,705				-\$95,705		-\$95,705
129 Accrued Interest Receivable	\$10			\$12			\$27	\$49		\$49
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,813	\$0	\$3,576	\$22,247	\$10,279	\$0	\$262	\$38,177		\$38,177
131 Investments - Unrestricted	\$40,587			\$98,563			\$82,722	\$222,872		\$222,872
142 Prepaid Expenses and Other Assets	\$41,426			\$6,271			\$1,987	\$49,694		\$49,694
143 Inventories	\$11,175							\$11,175		\$11,175
143.1 Allowance for Obsolete Inventories	-\$1,118							-\$1,118		-\$1,118
144 Inter Program Due From							\$10,279	\$10,279	-\$10,279	\$0
150 Total Current Assets	\$270,252	\$0	\$3,576	\$397,266	\$10,279	\$0	\$287,760	\$969,133		\$969,133
161 Land	\$895,931						\$98,690	\$994,621		\$994,621
162 Buildings	\$10,079,512						\$366,371	\$10,445,883		\$10,445,883
163 Furniture, Equipment & Machinery - Dwellings	\$87,781							\$87,781		\$87,781
164 Furniture, Equipment & Machinery - Administration	\$26,660			\$146,321			\$35,150	\$465,131		\$465,131
165 Leasehold Improvements	\$250,494						\$70,606	\$321,100		\$321,100
166 Accumulated Depreciation	-\$7,020,392			\$122,121			-\$260,190	-\$7,402,563		-\$7,402,563
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,575,096	\$0	\$0	\$26,200	\$0	\$0	\$310,637	\$4,911,933		\$4,911,933
180 Total Non-Current Assets	\$4,575,096	\$0	\$0	\$26,200	\$0	\$0	\$310,637	\$4,911,933		\$4,911,933
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
200 Total Assets and Deferred Outflow of Resources	\$4,845,348	\$0	\$3,576	\$423,466	\$10,279	\$0	\$598,397	\$5,881,066		\$5,881,066
312 Accounts Payable - <= 90 Days	\$5,782		\$35	\$10,899			\$7,461	\$24,187		\$24,187
321 Accrued Wage/Payroll Taxes Payable	\$15,177		\$2,660	\$24,882			\$1,140	\$43,859		\$43,859
322 Accrued Compensated Absences - Current Portion	\$11,425		\$881	\$20,753			\$857	\$33,916		\$33,916
333 Accounts Payable - Other Government	\$8,245			\$10				\$8,255		\$8,255
341 Tenant Security Deposits	\$42,399						\$2,550	\$44,949		\$44,949
342 Unearned Revenue	\$106						\$500	\$606		\$606
346 Other Current Liabilities	\$13,656			\$3,379				\$17,235		\$17,235
347 Inter Program - Due To	-\$7,020,392			-\$8,033		\$10,279		-\$8,033		-\$8,033
310 Total Current Liabilities	\$97,000	\$0	\$3,576	\$67,956	\$10,279	\$0	\$12,508	\$191,319	-\$10,279	\$191,319
353 Non-current Liabilities - Other	\$7,393			\$21,388				\$28,781		\$28,781
354 Accrued Compensated Absences - Non Current	\$1,521			\$3,186			\$121	\$4,828		\$4,828
350 Total Non-Current Liabilities	\$8,914	\$0	\$0	\$24,574	\$0	\$0	\$121	\$33,609		\$33,609
300 Total Liabilities	\$108,914	\$0	\$3,576	\$92,530	\$10,279	\$0	\$12,629	\$224,928		\$224,928
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
508.4 Net Investment in Capital Assets	\$4,575,096			\$26,200			\$310,637	\$4,911,933		\$4,911,933
511.4 Restricted Net Position				\$5,653	\$0			\$5,653		\$5,653
512.4 Unrestricted Net Position	\$164,338	\$0	\$0	\$299,083	\$0	\$0	\$275,131	\$738,552		\$738,552
513 Total Equity - Net Assets / Position	\$4,739,434	\$0	\$0	\$330,536	\$0	\$0	\$585,768	\$5,656,138		\$5,656,138
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,845,348	\$0	\$3,576	\$423,466	\$10,279	\$0	\$598,397	\$5,881,066		\$5,881,066

FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
FDS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	14,238 Shelter Plus Care	8 Other Federal Program 1	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$86,107						\$40,259	\$136,365		\$136,365
70400 Tenant Revenue - Other	\$3,189						\$1,950	\$5,139		\$5,139
70500 Total Tenant Revenue	\$89,296	\$0	\$0	\$0	\$0	\$0	\$42,208	\$141,504		\$141,504
70800 HUD PHA Operating Grants	\$323,736		\$105,343	\$4,957,635	\$322,782			\$5,709,496		\$5,709,496
70610 Capital Grants	\$116,786							\$116,786		\$116,786
70800 Other Government Grants		\$2,665				\$160	\$55,200	\$58,025		\$58,025
71100 Investment Income - Unrestricted	\$157			\$558			\$174	\$889		\$889
71400 Fraud Recovery	\$7,042			\$49,011				\$56,053		\$56,053
71500 Other Revenue	\$1,919		\$584	\$4,921			\$14,922	\$22,346		\$22,346
70000 Total Revenue	\$548,936	\$2,665	\$105,927	\$5,012,125	\$322,782	\$160	\$112,504	\$6,105,099		\$6,105,099
91100 Administrative Salaries	\$106,917		\$73,490	\$287,571	\$1,955	\$160	\$44,427	\$514,520		\$514,520
91200 Auditing Fees	\$2,560			\$5,200				\$8,000		\$8,000
91500 Employee Benefit Contributions - Administrative	\$33,959		\$17,920	\$97,754	\$572		\$11,133	\$160,437		\$160,437
91600 Office Expenses	\$36,313		\$8,265	\$83,278			\$6,660	\$134,516		\$134,516
91700 Legal Expense	\$591			\$1,116				\$1,707		\$1,707
91800 Travel	\$2,295		\$593	\$3,742			\$36	\$6,666		\$6,666
91810 Allocated Overhead										
91900 Other		\$2,665		\$9,180			\$42,491	\$54,336		\$54,336
91000 Total Operating - Administrative	\$186,634	\$2,665	\$99,368	\$487,941	\$2,527	\$160	\$104,997	\$890,182		\$890,182
92100 Tenant Services - Salaries				\$40,847				\$40,847		\$40,847
92300 Employee Benefit Contributions - Tenant Services				\$10,912				\$10,912		\$10,912
92400 Tenant Services - Other	\$1,152							\$1,152		\$1,152
92500 Total Tenant Services	\$1,152	\$0	\$0	\$51,759	\$0	\$0	\$0	\$52,911		\$52,911
93100 Water	\$1,680			\$1,104			\$770	\$3,554		\$3,554
93200 Electricity	\$6,892			\$7,170			\$34,938	\$48,990		\$48,990
93300 Gas	\$2,389			\$1,845			\$2,005	\$6,039		\$6,039
93600 Sewer	\$740			\$313			\$698	\$1,751		\$1,751
93000 Total Utilities	\$11,671	\$0	\$0	\$10,232	\$0	\$0	\$4,379	\$26,282		\$26,282
94100 Ordinary Maintenance and Operations - Labor	\$60,400						\$5,566	\$65,966		\$65,966
94200 Ordinary Maintenance and Operations - Materials and Other	\$49,499						\$3,748	\$53,247		\$53,247
94300 Ordinary Maintenance and Operations Contracts	\$60,685						\$10,755	\$71,450		\$71,450
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,741						\$1,400	\$17,141		\$17,141
94000 Total Maintenance	\$176,335	\$0	\$0	\$0	\$0	\$0	\$21,469	\$197,804		\$197,804
96110 Property Insurance	\$14,120						\$1,444	\$15,564		\$15,564
96120 Liability Insurance	\$6,978			\$2,010			\$565	\$9,553		\$9,553
96130 Workmen's Compensation	\$2,170		\$825	\$3,776			\$897	\$7,777		\$7,777
96100 Total Insurance Premiums	\$23,277	\$0	\$825	\$5,786	\$0	\$0	\$3,006	\$32,894		\$32,894
96200 Other General Expenses										
96210 Compensated Absences	\$19,612		\$5,734	\$29,219			\$6,964	\$61,529		\$61,529
96300 Payments in Lieu of Taxes	\$8,246							\$8,246		\$8,246
96400 Bad debt - Tenant Rents	\$4,434						\$3,125	\$7,559		\$7,559
96500 Bad debt - Other	\$6,560			\$17,419			\$2,071	\$26,060		\$26,060
96000 Total Other General Expenses	\$39,862	\$0	\$5,734	\$46,638	\$0	\$0	\$12,169	\$103,414		\$103,414
96900 Total Operating Expenses	\$433,951	\$2,665	\$105,927	\$602,256	\$2,527	\$160	\$146,001	\$1,293,487		\$1,293,487
97000 Excess of Operating Revenue over Operating Expenses	\$114,985	\$0	\$0	\$4,409,869	\$320,255	\$0	-\$33,497	\$4,811,612		\$4,811,612
97300 Housing Assistance Payments				\$4,577,976	\$320,255			\$4,898,231		\$4,898,231
97400 Depreciation Expense	\$408,328			\$11,120			\$13,159	\$432,606		\$432,606
90000 Total Expenses	\$942,279	\$2,665	\$105,927	\$5,191,352	\$322,782	\$160	\$159,159	\$6,624,324		\$6,624,324
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$293,343	\$0	\$0	-\$179,227	\$0	\$0	-\$46,655	-\$519,225		-\$519,225
11030 Beginning Equity	\$5,032,777	\$0	\$0	\$510,163	\$0	\$0	\$632,423	\$6,175,363		\$6,175,363
11170 Administrative Fee Equity				\$325,283				\$325,283		\$325,283
11180 Housing Assistance Payments Equity				\$5,653				\$5,653		\$5,653
11190 Unit Months Available	1152			11594	576		96	13418		13418
11210 Number of Unit Months Leased	1138			10815	576		71	12600		12600
11270 Excess Cash	\$80,003							\$80,003		\$80,003
11620 Building Purchases	\$116,786							\$116,786		\$116,786
11640 Furniture & Equipment - Administrative Purchases	\$4,410							\$4,410		\$4,410

FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
FDS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$96,107		\$96,107
70400 Tenant Revenue - Other	\$3,189		\$3,189
70500 Total Tenant Revenue	\$99,296	\$0	\$99,296
70600 HUD PHA Operating Grants	\$302,251	\$21,485	\$323,736
70610 Capital Grants		\$116,786	\$116,786
71100 Investment Income - Unrestricted	\$157		\$157
71400 Fraud Recovery	\$7,042		\$7,042
71500 Other Revenue	\$1,919		\$1,919
70000 Total Revenue	\$410,665	\$138,271	\$548,936
91100 Administrative Salaries	\$106,917		\$106,917
91200 Auditing Fees	\$2,560		\$2,560
91500 Employee Benefit contributions - Administrative	\$33,958		\$33,958
91600 Office Expenses	\$36,313		\$36,313
91700 Legal Expense	\$591		\$591
91800 Travel	\$2,295		\$2,295
91000 Total Operating - Administrative	\$182,634	\$0	\$182,634
92400 Tenant Services - Other	\$1,152		\$1,152
92500 Total Tenant Services	\$1,152	\$0	\$1,152
93100 Water	\$1,680		\$1,680
93200 Electricity	\$6,862		\$6,862
93300 Gas	\$2,389		\$2,389
93600 Sewer	\$740		\$740
93000 Total Utilities	\$11,671	\$0	\$11,671
94100 Ordinary Maintenance and Operations - Labor	\$60,400		\$60,400
94200 Ordinary Maintenance and Operations - Materials and Other	\$28,014	\$21,485	\$49,499
94300 Ordinary Maintenance and Operations Contracts	\$50,695		\$50,695
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,741		\$15,741
94000 Total Maintenance	\$154,850	\$21,485	\$176,335
96110 Property Insurance	\$14,120		\$14,120
96120 Liability Insurance	\$6,978		\$6,978
96130 Workmen's Compensation	\$2,179		\$2,179
96100 Total insurance Premiums	\$23,277	\$0	\$23,277
96200 Other General Expenses			
96210 Compensated Absences	\$19,612		\$19,612
96300 Payments in Lieu of Taxes	\$8,246		\$8,246
96400 Bad debt - Tenant Rents	\$4,434		\$4,434
96600 Bad debt - Other	\$6,590		\$6,590
96000 Total Other General Expenses	\$38,882	\$0	\$38,882
96900 Total Operating Expenses	\$412,466	\$21,485	\$433,951
97000 Excess of Operating Revenue over Operating Expenses	-\$1,801	\$116,786	\$114,985
97400 Depreciation Expense	\$403,942	\$4,386	\$408,328
90000 Total Expenses	\$816,408	\$25,871	\$842,279
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$405,743	\$112,400	-\$293,343
11030 Beginning Equity	\$4,764,749	\$268,028	\$5,032,777
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$260,871	-\$260,871	\$0
11190 Unit Months Available	1152		1152
11210 Number of Unit Months Leased	1138		1138
11270 Excess Cash	\$80,003		\$80,003
11620 Building Purchases	\$0	\$116,786	\$116,786
11640 Furniture & Equipment - Administrative Purchases	\$4,410	\$0	\$4,410

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ <i>Pass Through Grantor/</i> Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
<i>Passed through the Ohio Housing Finance Agency:</i>			
Foreclosure Mitigation Counseling Program	21.000	PL112-1095X1350	\$ 160
Total U.S. Department of Treasury			\$ 160
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Direct from the Agency:</i>			
Housing Choice Vouchers	14.871		4,957,635
Public and Indian Housing	14.850		302,251
Public Housing Capital Fund Program	14.872		138,271
Shelter Plus Care	14.238		322,782
Resident Opportunity and Supportive Services	14.870		105,343
<i>Passed through the Lancaster Community Development Department:</i>			
Community Development Block Grant/Entitlement Grant	14.218	N/A	2,665
Total U.S. Department of Housing and Urban Development			5,828,947
Total Federal Awards Expenditures			\$ 5,829,107

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

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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



428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave
Parkersburg, WV 26101
304.422.2203

121 E Main St
St. Clairsville, OH 43950
740.695.1569

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

May 29, 2015

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

To the Board of Commissioners:

We have audited in accordance with auditing standards generally accepted in the United State and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Fairfield Metropolitan Housing Authority**, (the Authority) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 29, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

... "bringing more to the table"

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support
Members: American Institute of Certified Public Accountants • Ohio Society of CPAs • West Virginia Society of CPAs



Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



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

May 29, 2015

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

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited the **Fairfield Metropolitan Housing Authority's**, (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Authority's major federal programs for the year ended December 31, 2014. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the Authority's major federal programs.

Management's Responsibility

The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for each of the Authority's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

...“bringing more to the table”

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support
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Opinion on Each Major Federal Program

In our opinion, the Fairfield Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**FAIRFIELD METROPOLITAN HOUSING AUTHORITY
FAIRFIELD COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

1. SUMMARY OF AUDIT RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Housing Choice Vouchers CFDA #14.871; Public and Indian Housing CFDA #14.850; Shelter Plus Care CFDA #14.238
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Dave Yost • Auditor of State

FAIRFIELD COUNTY METROPOLITAN HOUSING AUTHORITY

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 7, 2015**