

Trumbull Metropolitan Housing Authority

Annual Audit Report

For the Year Ended June 30, 2014



Dave Yost • Auditor of State

Board of Commissioners
Trumbull Metropolitan Housing Authority
4076 Youngstown Rd SE
Warren, OH 44484

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

February 12, 2015

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TRUMBULL METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Trumbull Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities and the discretely presented component units of Trumbull Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the component units of Trumbull Metropolitan Housing Authority (see Note 1 for a description), which represent 43% and 20%, respectively, of the total assets and revenues of Trumbull Metropolitan Housing Authority. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of such other auditors. 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, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Trumbull Metropolitan Housing Authority as of June 30, 2014, 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

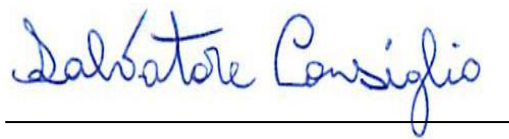
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trumbull Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying financial data schedule (FDS), and Schedule of Expenditure of Federal Awards are not a required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

data schedule ("FDS"), and the Capital Fund and Replacement Grants 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 19, 2014, 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.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
December 19, 2014

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

The Trumbull Metropolitan Housing Authority (“the Authority” or Primary Government) management’s discussion and analysis is designed to assist the reader on significant financial issues, provide an overview of the Authority’s financial activity, identify changes in the Authority’s financial position, and identify individual account issues or concerns.

The Management’s Discussion and Analysis (MD&A) is designed to focus on the fiscal year ended June 30, 2014 activities, resulting changes, and currently known facts. Please read it in conjunction with the Authority’s financial statements. In accordance with GASB Statement No. 34, paragraph 10, the financial information and discussion presented below focuses on the primary government. Due to the significance of the component units when compared to the primary government, the financial information is provided for the component units in some instances to provide for a more complete and meaningful discussion of financial results. Regardless, discussion in the MD&A attempts to distinguish between information pertaining to the primary government and that of the component units.

FINANCIAL HIGHLIGHTS

- The primary government’s net assets decreased by \$2.27 million (or 9.04 percent) during 2014. Net assets were \$25.10 million and \$22.83 million for 2013 and 2014, respectively. Non-operating capital grants were \$.47 million (or 97 percent) of the non-operating revenue. There was a \$.49 million net loss from operations without consideration of depreciation. Depreciation amounted to \$2.28 million of operating expenses. Since the Authority engages only in business-type activities, the changes are all in the category of business-type net assets.
- Revenue for the primary government decreased by \$.11 million (or .01 percent) during 2014, and was \$11.93 million and \$11.82 million for 2013 and 2014, respectively. Revenue from capital grants increased \$.21 million (or .81 percent), while operating grants increased by \$.09 million (or .01 percent), other income, interest income, and tenant rental revenue decreased by \$.41 million (or 52.39 percent).
- Total expenses for the primary government increased by \$.47 million (or 3.45 percent). Of this amount, administrative expenses, maintenance, general, tenant & protective services, and other operating expenses increased by \$.88 million. On the other hand, utilities, housing assistance payments, and depreciation decreased by \$.43 million. Total expenses were \$13.63 million and \$14.10 million for 2013 and 2014, respectively.
- The Authority’s component units consist of two non-profit organizations, the Warren Housing Development Corporation and the Western Reserve Housing Development Corporation.

The notes to the financial statements provide further explanation of the component units.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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- Net assets for the component units were \$15.59 million for 2014, increasing from \$15.12 million for 2013. These net assets amount to approximately 40.59 percent of the combined net assets for the primary government and component units.
- Total revenue for the component units decreased by \$.69 million (or 18.86 percent) during 2014, and was \$3.65 million and \$2.96 million for 2013 and 2014, respectively. Operating revenue from subsidies decreased by \$.60 million (or 28.00 percent). Tenant revenue, other income, and interest income decreased by \$.09 million (or .58 percent).
- Total expenses for the component units decreased by \$.31 million (or 10.96 percent) and were \$2.80 million and \$2.50 million for 2013 and 2014, respectively.

USING THIS ANNUAL REPORT

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

MD & A
Management Discussion and Analysis –
Pages 4-13

Basic Financial Statements

Pages 14-18

Notes to Financial Statements
Pages 19-34

Other Required Supplementary Information

Required Supplementary Information
Pages 35-52
(other than MD&A)

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented on (pages 14 - 18) are those of the Authority as a whole (Authority-wide) and the component units, discretely reported. The financial statements are further detailed by major account. This perspective (Authority-wide, major account, and component units) allows the user to address relevant questions, broadens a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability.

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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statement is presented in the format where assets and deferred outflows equal liabilities and deferred inflows plus "Net Position", formerly known as net assets. 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 (the "Unrestricted") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position (formerly net assets) are reported in three broad categories:

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

Restricted: 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".

The financial statements also include a **Statement of Revenues, Expenses, and Changes in Net Positions** (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 capital grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Positions is the "Change in Net Positions", 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, and from capital and related financing activities.

Financial Statements by Major Fund

In general, the Authority's financial statements consist exclusively of enterprise funds. An enterprise fund utilizes the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by private sector accounting.

Many of the funds maintained by the Authority are required by the Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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THE AUTHORITY'S PROGRAMS

Business Type Programs

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy and capital grant funding to enable the Public Housing Authority (PHA) to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

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

Other Authority Programs - In addition to the programs above, the Authority also maintains the following programs:

Housing Choice Voucher Family Self-Sufficiency Program Coordinator Grant - a grant program funded by the Department of Housing and Urban Development that promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program with public and private resources to enable participating families to achieve economic independence and self-sufficiency.

ROSS - a grant program funded by the Department of Housing and Urban Development to assist residents in the process of moving from welfare to work.

ROSS Service Coordinator Grant - a grant funded by the Department of Housing and Urban Development to provide elderly residents with a support system, and connect them with available community resources.

Component Unit Activities - represents resources developed from a variety of activities including, but not limited, to the following programs:

Elderly Service Coordinator Grant - a grant funded by the Department of Housing and Urban Development to provide elderly residents with a support system and connect them with available community resources.

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Youth Build Program Grants - grants funded by the Department of Labor and other state and local grants to provide unemployed, at-risk youth with construction skills, a high school education, and basic leadership training while rehabilitating or constructing new housing for people in their communities.

FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in business-type activities

Table 1 - Condensed Statement of Net Position - Primary Government

	2014	2013
	<u>(in Millions)</u>	<u>(in Millions)</u>
Current and Other Assets	\$ 4.66	\$ 5.25
Capital Assets	<u>19.56</u>	<u>21.54</u>
Total Assets	<u>\$ 24.22</u>	<u>\$ 26.79</u>
Current Liabilities	\$ 0.84	\$ 0.71
Long-Term Liabilities	<u>0.55</u>	<u>0.98</u>
Total Liabilities	<u>1.39</u>	<u>1.69</u>
Net Position:		
Net Investment in Capital Assets	19.41	21.38
Restricted Net Position	0.06	0.44
Unrestricted Net Position	<u>3.36</u>	<u>3.28</u>
Total Net Position	<u>22.83</u>	<u>25.10</u>
Total Liabilities and Net Position	<u>\$ 24.22</u>	<u>\$ 26.79</u>

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Major Factors Affecting the Statement of Net Assets

During 2014, total assets decreased by \$2.57 million. Most of the decrease is due to a decrease of \$1.98 million in capital assets because capital expenses (via depreciation) were much higher than capital expenditures (grants) in 2014. For more detail, see "Capital Assets and Debt Administration" on page 25-26. A slight decrease of \$.60 million in current assets resulted mostly from a decrease in cash due to a lower net operating income. Total liabilities decreased by \$.30 million due mostly to a decrease in long term compensated absences. These changes resulted in an increase of \$.08 million in unrestricted net position.

During 2014, total assets for the component units decreases by \$9.91 million. Unrestricted net position increased by \$.47 million. These changes are mostly due to an increase of cash netted from operations.

Table 2 - Changes of Net Position - Primary Government

	Net Investment in Capital		
	Unrestricted (in Millions)	Assets (in Millions)	Restricted (in Millions)
Beginning Balance - June 30, 2013	\$ 3.28	\$ 21.38	\$ 0.44
Results of Operation	(1.90)	-	(0.38)
Adjustments:			
Current year Depreciation Expense (1)	2.28	(2.28)	-
Capital Expenditure (2)	(0.30)	0.30	-
Retirement of Debt	(0.01)	0.01	-
Rounding Adjustment	0.01	-	-
Ending Balance -June 30, 2014	<u>\$ 3.36</u>	<u>\$ 19.41</u>	<u>\$ 0.06</u>

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

(2) Capital expenditures represent an outflow of unrestricted net assets, but are not treated as an expense against results of operations and therefore must be deducted.

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Statement of Revenues, Expenses, and Changes in Net Assets

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

Table 3 - Statement of Revenue, Expenses & Changes in Net Position - Primary Government

	2014	2013
	<u>(in Millions)</u>	<u>(in Millions)</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 1.88	\$ 1.74
Operating Subsidies	9.09	9.00
Capital Grants	0.47	0.26
Investment Income	0.02	0.02
Other Revenues	0.36	0.91
Total Revenues	<u>11.82</u>	<u>11.93</u>
<u>Expenses</u>		
Administrative	2.90	2.71
Tenant Services	0.07	0.05
Utilities	0.89	0.92
Maintenance	2.05	1.94
General and Protective Services	1.00	0.48
Housing Assistance Payments	4.67	4.75
Other Operating	0.24	0.18
Depreciation	2.28	2.60
Total Expenses	<u>14.10</u>	<u>13.63</u>
Net Increases (Decreases)	<u>\$ (2.28)</u>	<u>\$ (1.70)</u>

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

Tenant rent revenue increased slightly during 2014 in comparison to 2013 due, primarily to higher rent collections. Operating subsidies were funded by HUD at a lower percentage of the eligible amount in calendar years 2014 compared to 2013. Funding for the Housing Choice Voucher Program decreased from 2013 to 2014 by approximately \$.29 million. Housing Assistance Payment (HAP) reserves decreased in 2014 by \$.38 million. HAP reserves are now maintained by HUD on behalf of the Authority. Capital grants (expenditures) increased from 2013 to 2014 by \$.41 million, mostly due to an increase compared to 2013 in the number of the capital projects underway. Managing invested reserves resulted in maximized earnings.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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(Unaudited)

Total administrative expenses increased slightly from 2013 to 2014. Utility expenses decreased in 2014 due in part to special negotiated rates for natural gas and electricity and from its day-to-day conservation efforts. Maintenance expenses are higher in 2014 due in part to increasingly older buildings and fewer available capital improvement funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the authority had \$19.56 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of \$1.98 million or almost 9 percent from the end of last year.

As of year end, the component units had \$8.19 million invested in a variety of capital assets. When compared to last year, the net book value of capital assets associated with their multifamily developments, the Youth Build Program rehabilitation projects and furniture and equipment decreased by \$.30 million. Capital expenditures amounted to \$.16 million while depreciation amounted to \$.46 million.

Table 4 - Condensed Statement of Changes in Capital Assets - Primary Government

	2014	2013
	<u>(in Millions)</u>	<u>(in Millions)</u>
Land	\$ 1.16	\$ 1.16
Buildings	70.92	70.91
Equipment	2.01	1.90
Construction in Progress	0.53	0.37
Accumulated Depreciation	<u>(55.06)</u>	<u>(52.80)</u>
 Total	 \$ <u>19.56</u>	 \$ <u>21.54</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail on page 26 of the notes.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Table 5 - Changes in Capital Assets (in Millions) - Primary Government

Beginning Balance - June 30, 2013	\$	21.54
Current year Additions		0.30
Current year Depreciation Expense		<u>(2.28)</u>
Ending Balance - June 30, 2014	\$	<u>19.56</u>

DEBT OUTSTANDING

The Authority acquired debt (i.e. deferred loan) in 2013 equal to \$.16 million related to five properties purchased with Neighborhood Stabilization Program grant funds. The deferred debt remaining as of June 30, 2014 is \$.15 million. The properties were added to the Authority's public housing portfolio on December 31, 2014. The component units, had debt equal to \$2.5 million at the end of 2014, compared to \$2.6 at the end of 2013.

A summary of outstanding debt is presented in detail on pages 30-33 of the notes.

Table 6 - Condensed Statement of Changes in Debt Outstanding (in Millions) - Primary Government

Beginning Balance - June 30, 2013	\$	0.16
Current Year Principal Payments		<u>(0.01)</u>
Ending Balance - June 30, 2014	\$	<u>0.15</u>

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to 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

FINANCIAL CONTACT

Questions concerning any information provided in this report or requests for additional information should be addressed to Donald W. Emerson, Jr., Executive Director, Trumbull Metropolitan Housing Authority, 4076 Youngstown Road SE, Warren, Ohio 44484 or call 330-369-1533.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DESCRETELY PRESENTED COMPONENT UNITS
June 30, 2014

	<u>Primary Government</u>	<u>Component Units</u>
<u>ASSETS</u>		
Current Assets:		
Cash Unrestricted	\$3,652,481	\$10,059,024
Cash Restricted	233,264	91,231
Accounts Receivable - Net of Allowance	515,583	29,920
Inventories - Net of Allowance	124,082	29,726
Prepaid Expenses	132,504	76,781
Total Current Assets	<u>4,657,914</u>	<u>10,286,682</u>
Non-Current Assets:		
Capital Assets, Not Depreciated	1,684,476	1,292,014
Capital Assets - Net of Accumulated Depreciation	17,871,571	6,896,256
Total Non-Current Assets	<u>19,556,047</u>	<u>8,188,270</u>
TOTAL ASSETS	<u>\$24,213,961</u>	<u>\$18,474,952</u>
<u>LIABILITIES AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable	\$335,706	\$214,902
Intergovernmental Payable	97,029	7,943
Current Portion of Long-Term Debt	13,567	107,905
Accrued Wages and Payroll Taxes	179,145	22,396
Tenant Security Deposits	157,505	91,231
Unearned Revenue	60,800	65,675
Total Current Liabilities	<u>843,752</u>	<u>510,052</u>

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUND TYPE AND DESCRETELY PRESENTED COMPONENT UNITS
June 30, 2014

	Primary Government	Component Units
Non-Current Liabilities:		
Long-Term Debt Net of Current Portion	134,594	2,308,459
Compensated Absences, Non-current	413,114	62,500
Total Non-Current Liabilities	547,709	2,370,959
Total Liabilities	\$1,391,460	\$2,881,011
 <u>NET POSITION</u>		
Net Investment in Capital Assets	\$19,407,886	\$5,771,906
Restricted	56,159	0
Unrestricted	3,358,456	9,822,035
Total Net Position	22,822,501	15,593,941
 TOTAL LIABILITES AND NET POSITION	 \$24,213,961	 \$18,474,952

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE PERIOD ENDING JUNE 30, 2014

	Primary Government	Component Units
<u>OPERATING REVENUES</u>		
Operating Grant Revenue	\$9,089,745	\$1,548,708
Tenant Revenues	1,883,273	1,057,805
Other Income	358,821	322,649
Total Operating Revenues	11,331,839	2,929,162
<u>OPERATING EXPENSES</u>		
Administration	2,896,606	531,871
Utilities	894,229	382,281
Ordinary Maintenance and Operations	2,048,692	600,525
Tenant Services	66,537	39,469
General and Protective Services	999,899	210,345
Housing Assistance Payments	4,674,344	0
Other Operating	236,892	183,488
Depreciation	2,282,863	467,763
Total Operating Expenses	14,100,062	2,415,742
Operating Income (Loss)	(2,768,223)	513,420
<u>NON OPERATING REVENUE (EXPENSES)</u>		
Capital Grants	474,864	0
Interest Income	15,722	35,646
Interest Expenses	0	(79,505)
Total Non-Operating Revenues (Expenses)	490,586	(43,859)
Excess (Deficiency) of Revenue Over (Under) Expenses	(2,277,637)	469,561
Beginning Net Position	25,100,138	15,124,380
ENDING NET POSITION	\$22,822,501	\$15,593,941

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE PERIOD ENDING JUNE 30, 2014

	Primary Government	Component Units
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating grants received	\$8,926,043	\$1,605,075
Tenant revenue received	1,883,736	1,054,329
Other revenue received	315,166	319,645
General and administrative expenses paid	(7,622,722)	(1,778,533)
Housing assistance payments	(4,674,344)	0
Net cash provided (used) by operating activities	<u>(1,172,121)</u>	<u>1,200,516</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grant funds received	474,864	0
Principal Debt Retired	(13,567)	(206,289)
Payment of interest expense	0	(79,505)
Capital and Other assets purchased	(298,587)	(162,391)
Net cash provided (used) by capital and related activities	<u>162,710</u>	<u>(448,185)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment revenue	15,722	35,646
Net cash provided (used) by investing activities	<u>15,722</u>	<u>35,646</u>
Net increase (decrease) in cash	(993,689)	787,977
Cash and cash equivalents - Beginning of year	4,879,434	9,362,278
Cash and cash equivalents - End of year	<u>\$3,885,745</u>	<u>\$10,150,255</u>

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE PERIOD ENDING JUNE 30, 2014

	Primary Government	Component Units
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(\$2,768,223)	\$513,420
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation	2,282,863	467,763
- Income from forgiveness of note receivable	(13,567)	
(Increases) Decreases in:		
- Accounts Receivables	(384,613)	101,344
- Inventory	(3,470)	390
- Prepaid Assets Other Assets	(5,905)	(5,942)
Increases (Decreases) in:		
- Accounts Payable	147,735	147,569
- Intergovernmental liability	9,187	(7,901)
- Noncurrent Liabilities Other	(411,470)	0
- Accrued Wages/Payroll Taxes	147	2,337
- Unearned Revenue	(21,838)	(16,010)
- Tenant Security Deposits	(2,967)	(2,454)
Net cash provided by operating activities	(\$1,172,121)	\$1,200,516

See accompanying notes to the basic financial statements.

**TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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

A. **Description of the Entity and Programs**

The Trumbull Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The Authority participates in the Section 8 Housing Choice Voucher program provided by HUD. This program helps assist families in the payment of rent. Under this program, the Authority determines the amount of subsidy a family will receive using HUD guidelines; however, there is a limit to the amount charged to the family. The Authority also participates in the Public Housing program. Under this program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

B. **Summary of Significant Accounting Policies**

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

C. **Reporting Entity**

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to insure that the financial statements are not misleading consistent with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61). Based on application of the criteria set forth in GASB Statements No. 14 and No. 39, the Authority annually evaluates potential component units (PCU) for inclusion based on financial accountability, the nature and significance of their relationship to the Authority, and whether exclusion would cause the basic financial statements to be misleading or incomplete.

The primary government consists of all funds, agencies, departments, and offices that are not legally separate from the Authority. The preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. The following organizations are described due to their relationship to the Authority.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

(Continued)

Discretely Presented Component Units

The component units' column in the combined financial statements identifies the financial data of the Authority's two component units: the Warren Housing Development Corporation, and the Western Reserve Housing Development Corporation. They are reported separately to emphasize that they are legally separate entities and provide services to clients of the Authority and others. The Authority serves as the management agent for each of the Housing Development Corporations.

The Warren Housing Development Corporation (the Corporation) is a legally separate, non-profit organization served by a Board comprised of local officials and community representatives. The Corporation was formed in 1977 to carry out charitable purposes including promoting and advancing decent, safe, and sanitary housing for persons of low income, particularly the elderly and infirm, and to promote the common good and general welfare of the City of Warren, Ohio, its inhabitants and surrounding territories and their inhabitants. Separately issued audited financial statements for the Corporation can be obtained from the Authority.

The Western Reserve Housing Development Corporation (the Corporation) is a legally separate, non-profit organization served by a Board comprised of local officials and community representatives. The Corporation was formed in 2001 for the promotion and construction of facilities for public housing or other charitable purposes. Separately issued audited financial statements for the Corporation can be obtained from the Authority.

D. Fund Accounting

The Authority uses enterprise funds to report on its financial position and the results of its operations for the Section 8 and Public Housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

E. Proprietary Fund Types

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

F. Measurement Focus/Basis of Accounting

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

G. Investments

Investments of the primary government are restricted by the provisions of HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2014 totaled \$15,722 for the primary government and \$35,646 for the component units.

H. Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized.

I. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments, including certificates of deposits with a maturity date of twelve months or less.

J. Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Compensated absences 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;

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

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

(Continued)

and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Accordingly, vacation leave and other compensated absences with similar characteristics are accrued as a liability based on the leave accumulated at the balance sheet date. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the leave accumulated at the balance sheet date but adjusted based on trended histories of forfeited hours versus hours for which previously departed employees received payments. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

K. Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is then adopted by the Board of the Authority.

L. Estimates

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

A. Primary Government

Deposits

At fiscal year-end, the carrying amount of the primary government's deposits was \$3,885,745 and the bank balance was \$4,127,450. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2014, \$750,000 of the primary government's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority or secured by UCC filings. Included in the carrying value of the Authority's deposits is \$1,200 in petty cash.

Custodial credit risk is the risk that, in the event of bank failure, the primary government's deposits may not be returned. The Authority's policy is to place deposits

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

with major local banks approved by the Authority's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits.

Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy; although, the Authority did not have investments at June 30, 2014. Cash and cash equivalents included in the primary government's cash position at June 30, 2014, are as follows:

	Cash and Cash Equivalents
Cash - Unrestricted	\$ 3,652,481
Cash - Restricted	233,264
Total GASB Statements No. 3 and No. 40	\$ 3,885,745

B. Component Units

Deposits

At fiscal year-end, the carrying amount of the component units' deposits was \$10,150,255, and the bank balance was \$10,152,386. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2014, \$556,486 of the component units' bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Housing Development Corporation ("Corporation") or the Authority. Included in the carrying value of the component units' deposits is \$200 in petty cash.

Custodial credit risk is the risk that, in the event of bank failure, deposits may not be returned. Deposits are placed with major local banks as approved by the Corporation's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Corporation or the Authority.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Investments

The Authority has a formal investment policy it relies on to manage the investments of the component units; however, the component units had no investments at June 30, 2014.

Cash and cash equivalents included in the component unit's cash position at June 30, 2014, are as follows:

	Cash and Cash Equivalent
Cash - Unrestricted	\$ 10,059,024
Cash - Restricted	91,231
Total GASB No. 3 and No. 40	<u>\$ 10,150,255</u>

NOTE 3: RESTRICTED CASH

The restricted cash balance of \$233,264 on the financial statements for the primary government represents the following:

HCV excess cash advanced by HUD for housing assistance	\$ 56,159
FSS escrow funds	\$ 19,600
PH tenant security deposit	157,505
Total restricted cash	<u>\$ 233,264</u>

The restricted cash balance of \$91,231 on the financial statements for the component units represents the tenant security deposit funds.

NOTE 4: NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5: INSURANCE COVERAGE

The Authority is covered for property damage, general liability, auto damage and liability, and public officials' liability through various insurers.

Additionally, workers' compensation is maintained through the State of Ohio, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan for employee health care benefits.

There was no significant reduction in coverages and no claims exceeded insurance coverage during the past three years.

NOTE 6: CAPITAL ASSETS

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

	Primary Government	Component Units
Capital Assets not Depreciated		
Land	\$ 1,156,911	\$ 1,174,194
Construction in Progress	527,565	117,820
Total Capital Assets Not Depreciated	1,684,476	1,292,014
Capital Assets Being Depreciated		
Building and Building Improvement	70,920,275	17,510,469
Furniture and Equipment	2,014,728	885,203
Total Capital Assets Being Depreciated	72,935,003	18,395,672
Less Accumulated Depreciation	(55,063,432)	(11,499,416)
Subtotal Capital Assets Being Depreciated	17,871,571	6,896,256
Total Capital Assets	\$ 19,556,047	\$ 8,188,270

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TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Primary Government:

	Balance				Balance
	06/30/2013	Adjust	Additions	Deletions	06/30/2014
Capital Assets Not Depreciated					
Land	\$ 1,156,911	\$ -	\$ -	\$ -	\$ 1,156,911
Construction in Progress	370,473	-	170,530	(13,438)	527,565
Total Capital Assets Not Depreciated	1,527,384	-	170,530	(13,438)	1,684,476
Capital Assets Depreciated					
Building and Improvements	70,906,837	-	13,438	-	70,920,275
Furniture and Equipment	1,904,071	-	128,057	(17,400)	2,014,728
Total Capital Assets Depreciated	72,810,908	-	141,495	(17,400)	72,935,003
Less: Accumulated Depreciation					
Building and Improvements	(51,179,007)	(5)	(2,195,645)	-	(53,374,657)
Furniture and Equipment	(1,616,400)	-	(87,218)	14,843	(1,688,775)
Total Accumulated Depreciation	(52,795,407)	(5)	(2,282,863)	14,843	(55,063,432)
Total Capital Assets Depreciated	20,015,501	(5)	(2,141,368)	(2,557)	17,871,571
Total Capital Assets, Net	\$21,542,885	\$ (5)	\$ (1,970,838)	\$ (15,995)	\$ 19,556,047

Component Units:

	Balance				Balance
	06/30/2013	Additions	Deletions		06/30/2014
Capital Assets Not Depreciated					
Land	\$ 1,174,194	\$ -	\$ -	\$ -	\$ 1,174,194
Construction in Progress	34,605	83,215	-	-	117,820
Total Capital Assets Not Depreciated	1,208,799	83,215	-	-	1,292,014
Capital Assets Depreciated					
Building and Improvements	17,458,458	52,011	-	-	17,510,469
Furniture and Equipment	863,237	27,165	(5,199)	-	885,203
Total Capital Assets Depreciated	18,321,695	79,176	(5,199)	-	18,395,672
Less: Accumulated Depreciation					
Building and Improvements	(10,279,558)	(463,841)	-	-	(10,743,399)
Furniture and Equipment	(757,063)	(3,919)	4,965	-	(756,017)
Total Accumulated Depreciation	(11,036,621)	(467,760)	4,965	-	(11,499,416)
Total Capital Assets Depreciated	7,285,074	(388,584)	(234)	-	6,896,256
Total Capital Assets, Net	\$ 8,493,873	\$ (305,369)	\$ (234)	\$ -	\$ 8,188,270

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 7: DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

- The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed plan members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.
- The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member Directed Plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended June 30, 2014, 2013, and 2012 were \$383,235, \$390,199, and \$386,194, respectively. One hundred percent of the Authority's required contributions were made for the years ended 2014, 2013, and 2012.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8: POST-EMPLOYMENT BENEFITS

A. Plan Description

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, by calling 614-222-5601 or 1-800-222-7377, or by using the OPERS website at <http://www.opers.org/investments/cafr.shtml>

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In fiscal year ending June 30, 2014, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8: POST-EMPLOYMENT BENEFITS (Continued)

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1 percent during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the years ended June 30, 2014, 2013, and 2012 which were used to fund post-employment benefits were \$27,362, \$69,678, and \$110,341 respectively.

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.

NOTE 9: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners subject to collective bargaining, when applicable. Eligible employees earn 10 hours sick leave per month of service. Unused sick leave may be accumulated without limit. Employees who leave the Authority or are terminated are not paid for unused sick leave. However, any employee who retires, dies, or becomes disabled will be paid for unused sick leave based on the employee's years of service and unused sick leave subject to maximum limits based on the employee's years of service. Permanent employees who work full time earn annual leave (i.e., vacation hours) based on the employee's years of service. Annual leave may be accumulated up to 3 times the employee's annual accumulation amount as of July 1 of each year.

Primary Government:

At June 30, 2014, based on the vesting method, \$476,215 was accrued by the primary government for unused vacation and sick time. The current portion is \$63,101 and the non-current portion is \$413,117. The additions reflect the dollar value of leave earned and the deletions reflect the dollar value of leave used, forfeited, or otherwise removed as a liability.

Balance	Additions	Deletions	Balance
July 1, 2013			June 30, 2014
\$ 495,817	\$ 213,617	\$(233,219)	\$ 476,215

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

Component Unit:

At June 30, 2014, based on the vesting method, \$74,760 was accrued by the component units for unused vacation and sick time. The current portion is \$12,260 and the non-current portion is \$62,500.

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
\$ 82,256	\$ 33,847	\$(41,343)	\$ 74,760

NOTE 10: LONG-TERM DEBT

A. Primary Government

The Authority has debt in 2014 equal to \$148,161 related to five properties purchased with Neighborhood Stabilization Program grant funds.

The Authority's primary government has long-term debt as follows:

The PHA entered into a contractual agreement with Trumbull County, Ohio on March 2011, where the Authority initially received a grant for \$36,313 to be used for the purchase of property located at 506 Washington Avenue, Girard, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from March 2011. \$25,992

The PHA entered into a contractual agreement with Trumbull County, Ohio on May 2011, where the Authority initially received a grant for \$12,574 to be used for the purchase of property located at 674 Grover Avenue, Masury, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from May 2011. 9,127

The PHA entered into a contractual agreement with Trumbull County, Ohio on June 2011, where the Authority initially received a grant for \$54,481 to be used for the purchase of property located at 409 Ventura Drive, Youngstown, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from June 2011. 39,764

The PHA entered into a contractual agreement with Trumbull County, Ohio on June 2011, where the Authority initially received a grant for \$49,258 to be used for the purchase of property located at 501 Murray Hill Drive, Youngstown, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from June 2011. 35,952

The PHA entered into a contractual agreement with Trumbull County, Ohio on July 2, 2011, where the Authority initially received a grant for \$50,875 to be used for the purchase of property at 3702-3704 Crestview Street, Warren, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of a violation of this restriction, the Authority shall back the amount equal to the grant amount less the prorated amount of time measured from July 2011. 37,326

Total Outstanding Debt	148,161
Less Current Portion	13,567
Total Long-Term Debt	\$134,594

A summary of the Primary Government's debt activity in the period is as follows:

Description	Balance 06/30/2013	Additions	Deletions	Balance 06/30/2014	Current Portion
Loan Payable	\$161,728	\$0	\$13,567	\$148,161	\$13,567

Maturity of the debt over the life of the debt are as follows:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10: **LONG-TERM DEBT** (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
Ended June 30,			
2015	\$ 13,567	\$ -	\$ 13,567
2016	13,567	-	\$ 13,567
2017	13,567	-	\$ 13,567
2018	13,567	-	\$ 13,567
2019	13,567	-	\$ 13,567
2020-2025	67,835	-	\$ 67,835
2026	12,491	-	\$ 12,491
Total	<u>\$ 148,161</u>	<u>\$ -</u>	<u>\$ 148,161</u>

A. Component Units

The Authority's component units were obligated on the following notes as of June 30, 2014:

Promissory Note - Western Reserve HDC

On March 31, 2013, a promissory note in the amount of \$2,144,358.81 was written with Trumbull Housing Development Corporation for Western Reserve HDC's balance due on their Cortland Savings & Bank Company loan. The promissory note bears interest at the rate of 4.75% per annum and the note expires when paid in full on March 15, 2032. The outstanding principal balance as of June 30, 2014 is \$2,125,384.

Required payments, including interest, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
Ended June 30,			
2015	\$ 78,483	\$ 99,269	\$ 177,752
2016	81,979	95,473	\$ 177,452
2017	85,959	91,493	\$ 177,452
2018	90,132	87,320	\$ 177,452
2019	94,508	82,944	\$ 177,452
2020-2023	1,694,323	567,886	\$ 2,262,209
Total	<u>\$ 2,125,384</u>	<u>\$ 1,024,385</u>	<u>\$ 3,149,769</u>

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10: **LONG-TERM DEBT** (Continued)

Promissory Note – Warren HDC

On March 1, 2002, a promissory note in the amount of \$712,517.27 was written between the Warren HDC and Trumbull Housing Development Corporation for the balance due on a retired first mortgage associated with the Ridge property. The note bears a 4.00% interest rate and the scheduled monthly payments of \$3,401.67 are to be paid through November 1, 2022. The outstanding principal balance as of June 30, 2014 is \$290,980.

Total payments, including interest necessary for over the life of the debt are as follows:

	Principal	Interest	Total Payment
Ended June 30,			
2015	\$ 29,722	\$ 11,098	\$ 40,820
2016	30,933	9,887	\$ 40,820
2017	32,193	8,627	\$ 40,820
2018	33,505	7,315	\$ 40,820
2019	34,870	5,950	\$ 40,820
2020-2023	129,757	9,245	\$ 139,002
Total	\$ 290,980	\$ 52,122	\$ 343,102

A summary of the Component Units' debt activity in the period is as follows:

	Balance 06/30/2013	Additions	Deletions	Balance 06/30/2014	Current Portion
Commercial Term Loan	\$ 2,303,026	\$ -	\$ 177,642	\$ 2,125,384	\$ 78,183
Promissory Note	319,627	-	28,647	290,980	29,722
Total	\$ 2,622,653	\$ -	\$ 206,289	\$ 2,416,364	\$ 107,905

NOTE 11: **RESTRICTED NET POSITION**

The Authority's restricted net positions consist of Housing Choice Voucher funds provided for housing assistance payments in excess of the amount used.

Total Restricted Net Position \$ 56,159

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12: LITIGATION

The Authority is party to various legal proceedings. In the opinion of the Authority, the ultimate disposition of these proceedings will not have a material effect on the Authority's financial position. No provision has been made to the financial statements for the effect, if any, of such contingencies.

NOTE 13: CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS

	Warren Housing Dev Corp	Western Reserve Housing Dev Corp	Total
<u>Balance Sheet</u>			
Current Assets	\$10,214,565	\$72,117	\$10,286,682
Capital and Other Assets	3,780,079	4,408,191	8,188,270
Current Liabilities	(397,703)	(112,349)	(510,052)
Non-Current Liabilities	(323,607)	(2,047,352)	(2,370,959)
Net Position	<u>\$13,273,334</u>	<u>\$2,320,607</u>	<u>\$15,593,941</u>
<u>Revenue, Expenses and Change in Equity</u>			
Operating Revenue	2,616,267	312,895	2,929,162
Operating Expenses	(2,271,449)	(144,293)	(2,415,742)
Net Operating Revenue	344,818	168,602	513,420
Total Non-Operating Revenue / (Expenses)	23,474	(67,333)	(43,859)
Excess Revenue over Expenses	<u>\$368,292</u>	<u>\$101,269</u>	<u>\$469,561</u>

NOTE 14: 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 19, 2014, the date on which the financial statements were available to be issued.

**Trumbull Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2014**

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850	\$3,310,641
Resident Opportunity and Supportive Services	14.870	107,266
Housing Choice Vouchers	14.871	4,811,151
Public Housing Capital Fund Program	14.872	669,585
Pass Through City of Warren Community Development Department		
Community Development Block Grant	14.218	<u>3,874</u>
Total U.S. Department of HUD		<u>8,902,517</u>
U.S. Department of Labor Direct Program		
Youthbuild Program	17.274	518,394
Pass Through Trumbull County Department of Job And Family Services		
WIA Youth Program	17.259	<u>143,698</u>
Total U.S. Department of Labor		<u>662,092</u>
Total Expenditure of Federal Award		<u>\$ 9,564,609</u>

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
111 Cash - Unrestricted	\$2,627,308	\$0	\$93,051	\$10,059,024	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$56,159	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$157,505	\$0	\$0	\$91,231	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$7,657	\$0	\$0	\$0
100 Total Cash	\$2,784,813	\$0	\$156,867	\$10,150,255	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$124,139	\$33,338	\$16,817	\$11,216	\$0	\$0
124 Accounts Receivable - Other Government	\$1,167	\$0	\$0	\$1,116	\$51,954	\$43,698
125 Accounts Receivable - Miscellaneous	\$2,364	\$0	\$0	\$12,816	\$0	\$0
126 Accounts Receivable - Tenants	\$10,881	\$0	\$0	\$5,499	\$0	\$0
126.1 Allowance for Doubtful Accounts -Tenants	(\$3,028)	\$0	\$0	(\$4,581)	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$4,829	\$0	\$0	\$803	\$0	\$0
128 Fraud Recovery	\$11,088	\$0	\$36,964	\$3,051	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	(\$19,733)	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$151,440	\$33,338	\$34,048	\$29,920	\$51,954	\$43,698
142 Prepaid Expenses and Other Assets	\$104,762	\$0	\$1,787	\$76,781	\$0	\$0
143 Inventories	\$122,449	\$0	\$0	\$30,668	\$0	\$0
143.1 Allowance for Obsolete Inventories	(\$3,129)	\$0	\$0	(\$942)	\$0	\$0
144 Inter Program Due From	\$0	\$485	\$0	\$0	\$0	\$0
150 Total Current Assets	\$3,160,335	\$33,823	\$192,702	\$10,286,682	\$51,954	\$43,698
161 Land	\$916,759	\$0	\$0	\$1,174,194	\$0	\$0
162 Buildings	\$70,920,275	\$0	\$0	\$17,510,469	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$844,351	\$0	\$0	\$347,865	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
164 Furniture, Equipment & Machinery - Administration	\$618,496	\$3,240	\$70,284	\$537,338	\$0	\$0
166 Accumulated Depreciation	(\$54,591,748)	\$0	(\$56,925)	(\$11,499,416)	\$0	\$0
167 Construction in Progress	\$474,864	\$0	\$0	\$117,820	\$40,997	\$7,975
160 Total Capital Assets, Net of Accumulated Depreciation	\$19,182,997	\$3,240	\$13,359	\$8,188,270	\$40,997	\$7,975
190 Total Assets	\$22,343,332	\$37,063	\$206,061	\$18,474,952	\$92,951	\$51,673
312 Accounts Payable <= 90 Days	\$151,574	\$15,318	\$40,980	\$214,902	\$43,107	\$43,444
321 Accrued Wage/Payroll Taxes Payable	\$33,379	\$1,395	\$5,272	\$10,136	\$954	\$254
322 Accrued Compensated Absences - Current Portion	\$32,718	\$0	\$4,684	\$12,260	\$159	\$53
333 Accounts Payable - Other Government	\$97,029	\$0	\$0	\$7,943	\$0	\$0
341 Tenant Security Deposits	\$157,505	\$0	\$0	\$91,231	\$0	\$0
342 Unearned Revenue	\$34,907	\$0	\$0	\$65,675	\$7,893	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$107,905	\$0	\$0
345 Other Current Liabilities	\$7,177	\$0	\$7,657	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$28,520	\$0	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$19,150	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$542,809	\$35,863	\$58,593	\$510,052	\$52,113	\$43,751
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$2,308,459	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$205,589	\$1,200	\$25,925	\$62,500	\$1,154	\$326
350 Total Non-Current Liabilities	\$205,589	\$1,200	\$25,925	\$2,370,959	\$1,154	\$326
300 Total Liabilities	\$748,398	\$37,063	\$84,518	\$2,881,011	\$53,267	\$44,077

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
508.4 Net Investment in Capital Assets	\$19,182,997	\$3,240	\$13,359	\$5,771,906	\$40,997	\$7,975
511.4 Restricted Net Position	\$0	\$0	\$56,159	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$2,411,937	(\$3,240)	\$52,025	\$9,822,035	(\$1,313)	(\$379)
513 Total Equity - Net Assets / Position	\$21,594,934	\$0	\$121,543	\$15,593,941	\$39,684	\$7,596
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$22,343,332	\$37,063	\$206,061	\$18,474,952	\$92,951	\$51,673
70300 Net Tenant Rental Revenue	\$1,825,122	\$0	\$0	\$1,014,195	\$0	\$0
70400 Tenant Revenue - Other	\$58,151	\$0	\$0	\$43,610	\$0	\$0
70500 Total Tenant Revenue	\$1,883,273	\$0	\$0	\$1,057,805	\$0	\$0
70600 HUD PHA Operating Grants	\$3,505,362	\$107,266	\$4,811,151	\$0	\$0	\$0
70610 Capital Grants	\$474,864	\$0	\$0	\$0	\$0	\$0
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$1,548,708	\$518,394	\$143,698
71100 Investment Income - Unrestricted	\$11,916	\$0	\$0	\$35,646	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$34,116	\$0	\$0	\$0
71500 Other Revenue	\$58,730	\$0	\$19,288	\$322,649	\$3,899	\$0
70000 Total Revenue	\$5,934,145	\$107,266	\$4,864,555	\$2,964,808	\$522,293	\$143,698

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
91100 Administrative Salaries	\$642,023	\$44,158	\$217,548	\$311,311	\$46,829	\$8,224
91200 Auditing Fees	\$10,638	\$0	\$1,686	\$17,400	\$0	\$0
91300 Management Fee	\$831,698	\$0	\$87,103	\$0	\$0	\$0
91310 Book-keeping Fee	\$98,850	\$0	\$54,440	\$0	\$0	\$0
91400 Advertising and Marketing	\$8,549	\$0	\$96	\$3,577	\$468	\$0
91500 Employee Benefit contributions - Administrative	\$278,303	\$17,968	\$103,916	\$120,780	\$27,480	\$5,297
91600 Office Expenses	\$89,310	\$2,023	\$13,597	\$69,491	\$19,740	\$4,717
91700 Legal Expense	\$17,029	\$0	\$1,641	\$6,206	\$0	\$0
91800 Travel	\$0	\$0	\$0	\$291	\$1,714	\$3
91900 Other	\$10,684	\$25	\$4,385	\$2,815	\$46,574	\$12,361
91000 Total Operating - Administrative	\$1,987,084	\$64,174	\$484,412	\$531,871	\$142,805	\$30,602
92000 Asset Management Fee	\$147,060	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$24,190	\$42,347	\$0	\$39,469	\$0	\$0
92500 Total Tenant Services	\$24,190	\$42,347	\$0	\$39,469	\$0	\$0
93100 Water	\$111,482	\$0	\$0	\$53,696	\$54	\$6
93200 Electricity	\$361,659	\$0	\$0	\$216,225	\$204	\$49
93300 Gas	\$218,463	\$0	\$0	\$53,362	\$518	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$136,746	\$0	\$0	\$58,998	\$734	\$189
93000 Total Utilities	\$828,350	\$0	\$0	\$382,281	\$1,510	\$244

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
94100 Ordinary Maintenance and Operations - Labor	\$708,511	\$0	\$795	\$254,043	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$186,608	\$0	\$1,709	\$54,200	\$10,764	\$1,309
94300 Ordinary Maintenance and Operations Contracts	\$579,166	\$0	\$6,046	\$158,852	\$11,676	\$3,443
94500 Employee Benefit Contributions - Ordinary Maintenance	\$334,913	\$0	\$694	\$133,430	\$0	\$0
94000 Total Maintenance	\$1,809,198	\$0	\$9,244	\$600,525	\$22,440	\$4,752
95200 Protective Services - Other Contract Costs	\$92,383	\$0	\$0	\$30,267	\$0	\$0
95300 Protective Services - Other	\$12,221	\$0	\$0	\$5,529	\$420	\$0
95000 Total Protective Services	\$104,604	\$0	\$0	\$35,796	\$420	\$0
96110 Property Insurance	\$122,997	\$0	\$0	\$55,207	\$0	\$0
96120 Liability Insurance	\$97,529	\$0	\$2,351	\$32,291	\$1,610	\$45
96130 Workmen's Compensation	\$21,915	\$745	\$3,974	\$8,203	\$960	\$253
96100 Total insurance Premiums	\$242,441	\$745	\$6,325	\$95,701	\$2,570	\$298
96200 Other General Expenses	\$1,720	\$0	\$18,676	\$56,844	\$311,453	\$99,783
96210 Compensated Absences	\$17,819	\$0	\$0	\$0	\$1,313	\$379
96300 Payments in Lieu of Taxes	\$95,976	\$0	\$0	\$14,592	\$98	\$44
96400 Bad debt - Tenant Rents	\$20,911	\$0	\$14,189	\$7,412	\$0	\$0
96000 Total Other General Expenses	\$136,426	\$0	\$32,865	\$78,848	\$312,864	\$100,206
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$79,505	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$79,505	\$0	\$0
96900 Total Operating Expenses	\$5,279,353	\$107,266	\$532,846	\$1,843,996	\$482,609	\$136,102

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
97000 Excess of Operating Revenue over Operating Expenses	\$654,792	\$0	\$4,331,709	\$1,120,812	\$39,684	\$7,596
97100 Extraordinary Maintenance	\$205,658	\$0	\$0	\$183,488	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$31,234	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$4,674,344	\$0	\$0	\$0
97400 Depreciation Expense	\$2,256,333	\$0	\$5,800	\$467,763	\$0	\$0
90000 Total Expenses	\$7,772,578	\$107,266	\$5,212,990	\$2,495,247	\$482,609	\$136,102
10010 Operating Transfer In	\$56,027	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	(\$56,027)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$265,438	\$0	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	(\$265,438)	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$1,838,433)	\$0	(\$348,435)	\$469,561	\$39,684	\$7,596
11030 Beginning Equity	\$22,904,033	\$0	\$469,978	\$14,761,360	\$363,020	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$529,334	\$0	\$0	\$363,020	(\$363,020)	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$206,289	\$0	\$0
11170 Administrative Fee Equity	\$0	\$0	\$65,384	\$0	\$0	\$0
11180 Housing Assistance Payments Equity	\$0	\$0	\$56,159	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
 WARREN, OH
 FINANCIAL DATA SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	17.274 Youth Build Program	17.259 WIA Youth Activities
11190 Unit Months Available	14,575	0	11,820	4,488	0	0
11210 Number of Unit Months Leased	12,438	0	11,774	4,453	0	0
11270 Excess Cash	\$1,965,059	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$474,864	\$0	\$0	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
111 Cash - Unrestricted	\$0	\$932,122	\$13,711,505	\$0	\$13,711,505
113 Cash - Other Restricted	\$0	\$0	\$56,159	\$0	\$56,159
114 Cash - Tenant Security Deposits	\$0	\$0	\$248,736	\$0	\$248,736
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$11,943	\$19,600	\$0	\$19,600
100 Total Cash	\$0	\$944,065	\$14,036,000	\$0	\$14,036,000
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$185,510	(\$13,935)	\$171,575
124 Accounts Receivable - Other Government	\$0	\$22	\$97,957	\$0	\$97,957
125 Accounts Receivable - Miscellaneous	\$0	\$249,709	\$264,889	(\$34,691)	\$230,198
126 Accounts Receivable - Tenants	\$0	\$0	\$16,380	\$0	\$16,380
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	(\$7,609)	\$0	(\$7,609)
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$5,632	\$0	\$5,632
128 Fraud Recovery	\$0	\$0	\$51,103	\$0	\$51,103
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	(\$19,733)	\$0	(\$19,733)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$249,731	\$594,129	(\$48,626)	\$545,503
142 Prepaid Expenses and Other Assets	\$0	\$25,955	\$209,285	\$0	\$209,285
143 Inventories	\$0	\$4,762	\$157,879	\$0	\$157,879
143.1 Allowance for Obsolete Inventories	\$0	\$0	(\$4,071)	\$0	(\$4,071)
144 Inter Program Due From	\$0	\$19,150	\$19,635	(\$19,635)	\$0
150 Total Current Assets	\$0	\$1,243,663	\$15,012,857	(\$68,261)	\$14,944,596
161 Land	\$0	\$240,152	\$2,331,105	\$0	\$2,331,105
162 Buildings	\$0	\$0	\$88,430,744	\$0	\$88,430,744
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$1,192,216	\$0	\$1,192,216

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
164 Furniture, Equipment & Machinery - Administration	\$0	\$478,357	\$1,707,715	\$0	\$1,707,715
166 Accumulated Depreciation	\$0	(\$414,759)	(\$66,562,848)	\$0	(\$66,562,848)
167 Construction in Progress	\$3,729	\$0	\$645,385	\$0	\$645,385
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,729	\$303,750	\$27,744,317	\$0	\$27,744,317
190 Total Assets	\$3,729	\$1,547,413	\$42,757,174	(\$68,261)	\$42,688,913
312 Accounts Payable <= 90 Days	\$0	\$34,209	\$543,534	(\$48,626)	\$494,908
321 Accrued Wage/Payroll Taxes Payable	\$0	\$74,790	\$126,180	\$0	\$126,180
322 Accrued Compensated Absences - Current Portion	\$0	\$25,487	\$75,361	\$0	\$75,361
333 Accounts Payable - Other Government	\$0	\$0	\$104,972	\$0	\$104,972
341 Tenant Security Deposits	\$0	\$0	\$248,736	\$0	\$248,736
342 Unearned Revenue	\$0	\$18,000	\$126,475	\$0	\$126,475
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$13,567	\$121,472	\$0	\$121,472
345 Other Current Liabilities	\$0	\$12,346	\$27,180	\$0	\$27,180
346 Accrued Liabilities - Other	\$0	\$0	\$28,520	\$0	\$28,520
347 Inter Program - Due To	\$0	\$485	\$19,635	(\$19,635)	\$0
310 Total Current Liabilities	\$0	\$178,884	\$1,422,065	(\$68,261)	\$1,353,804
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$134,594	\$2,443,053	\$0	\$2,443,053
354 Accrued Compensated Absences - Non Current	\$0	\$178,920	\$475,614	\$0	\$475,614
350 Total Non-Current Liabilities	\$0	\$313,514	\$2,918,667	\$0	\$2,918,667
300 Total Liabilities	\$0	\$492,398	\$4,340,732	(\$68,261)	\$4,272,471

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
508.4 Net Investment in Capital Assets	\$3,729	\$155,589	\$25,179,792	\$0	\$25,179,792
511.4 Restricted Net Position	\$0	\$0	\$56,159	\$0	\$56,159
512.4 Unrestricted Net Position	\$0	\$899,426	\$13,180,491	\$0	\$13,180,491
513 Total Equity - Net Assets / Position	\$3,729	\$1,055,015	\$38,416,442	\$0	\$38,416,442
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$3,729	\$1,547,413	\$42,757,174	(\$68,261)	\$42,688,913
70300 Net Tenant Rental Revenue	\$0	\$0	\$2,839,317	\$0	\$2,839,317
70400 Tenant Revenue - Other	\$0	\$0	\$101,761	\$0	\$101,761
70500 Total Tenant Revenue	\$0	\$0	\$2,941,078	\$0	\$2,941,078
70600 HUD PHA Operating Grants	\$0	\$0	\$8,423,779	\$0	\$8,423,779
70610 Capital Grants	\$0	\$0	\$474,864	\$0	\$474,864
70710 Management Fee	\$0	\$918,801	\$918,801	(\$918,801)	\$0
70720 Asset Management Fee	\$0	\$147,060	\$147,060	(\$147,060)	\$0
70730 Book Keeping Fee	\$0	\$153,290	\$153,290	(\$153,290)	\$0
70700 Total Fee Revenue	\$0	\$1,219,151	\$1,219,151	(\$1,219,151)	\$0
70800 Other Government Grants	\$3,874	\$0	\$2,214,674	\$0	\$2,214,674

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
71100 Investment Income - Unrestricted	\$0	\$3,806	\$51,368	\$0	\$51,368
71400 Fraud Recovery	\$0	\$0	\$34,116	\$0	\$34,116
71500 Other Revenue	\$0	\$242,788	\$647,354	\$0	\$647,354
70000 Total Revenue	\$3,874	\$1,465,745	\$16,006,384	(\$1,219,151)	\$14,787,233
91100 Administrative Salaries	\$0	\$707,865	\$1,977,958	\$0	\$1,977,958
91200 Auditing Fees	\$0	\$6,145	\$35,869	\$0	\$35,869
91300 Management Fee	\$0	\$0	\$918,801	(\$918,801)	\$0
91310 Book-keeping Fee	\$0	\$0	\$153,290	(\$153,290)	\$0
91400 Advertising and Marketing	\$0	\$1,938	\$14,628	\$0	\$14,628
91500 Employee Benefit contributions - Administrative	\$0	\$240,696	\$794,440	\$0	\$794,440
91600 Office Expenses	\$0	\$269,132	\$468,010	\$0	\$468,010
91700 Legal Expense	\$0	\$22,399	\$47,275	\$0	\$47,275
91800 Travel	\$0	\$250	\$2,258	\$0	\$2,258
91900 Other	\$0	\$11,195	\$88,039	\$0	\$88,039
91000 Total Operating - Administrative	\$0	\$1,259,620	\$4,500,568	(\$1,072,091)	\$3,428,477
92000 Asset Management Fee	\$0	\$0	\$147,060	(\$147,060)	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
92400 Tenant Services - Other	\$0	\$0	\$106,006	\$0	\$106,006
92500 Total Tenant Services	\$0	\$0	\$106,006	\$0	\$106,006
93100 Water	\$0	\$165	\$165,403	\$0	\$165,403
93200 Electricity	\$0	\$44,266	\$622,403	\$0	\$622,403
93300 Gas	\$0	\$16,085	\$288,428	\$0	\$288,428
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$3,609	\$200,276	\$0	\$200,276
93000 Total Utilities	\$0	\$64,125	\$1,276,510	\$0	\$1,276,510
94100 Ordinary Maintenance and Operations - Labor	\$0	\$64,222	\$1,027,571	\$0	\$1,027,571
94200 Ordinary Maintenance and Operations - Materials and Other	\$145	\$11,812	\$266,547	\$0	\$266,547
94300 Ordinary Maintenance and Operations Contracts	\$0	\$101,170	\$860,353	\$0	\$860,353
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$25,709	\$494,746	\$0	\$494,746
94000 Total Maintenance	\$145	\$202,913	\$2,649,217	\$0	\$2,649,217
95200 Protective Services - Other Contract Costs	\$0	\$0	\$122,650	\$0	\$122,650
95300 Protective Services - Other	\$0	\$1,048	\$19,218	\$0	\$19,218

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
95000 Total Protective Services	\$0	\$1,048	\$141,868	\$0	\$141,868
96110 Property Insurance	\$0	\$7,888	\$186,092	\$0	\$186,092
96120 Liability Insurance	\$0	\$16,196	\$150,022	\$0	\$150,022
96130 Workmen's Compensation	\$0	\$9,709	\$45,759	\$0	\$45,759
96100 Total insurance Premiums	\$0	\$33,793	\$381,873	\$0	\$381,873
96200 Other General Expenses	\$0	\$25,294	\$513,770	\$0	\$513,770
96210 Compensated Absences	\$0	\$0	\$19,511	\$0	\$19,511
96300 Payments in Lieu of Taxes	\$0	\$0	\$110,710	\$0	\$110,710
96400 Bad debt - Tenant Rents	\$0	\$0	\$42,512	\$0	\$42,512
96000 Total Other General Expenses	\$0	\$25,294	\$686,503	\$0	\$686,503
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$79,505	\$0	\$79,505
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$79,505	\$0	\$79,505
96900 Total Operating Expenses	\$145	\$1,586,793	\$9,969,110	(\$1,219,151)	\$8,749,959
97000 Excess of Operating Revenue over Operating Expenses	\$3,729	(\$121,048)	\$6,037,274	\$0	\$6,028,015

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
97100 Extraordinary Maintenance	\$0	\$0	\$389,146	\$0	\$389,146
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$31,234	\$0	\$31,234
97300 Housing Assistance Payments	\$0	\$0	\$4,674,344	\$0	\$4,674,344
97400 Depreciation Expense	\$0	\$20,730	\$2,750,626	\$0	\$2,750,626
90000 Total Expenses	\$145	\$1,607,523	\$17,814,460	(\$1,219,151)	\$16,595,309
10010 Operating Transfer In	\$0	\$0	\$56,027	(\$56,027)	\$0
10020 Operating transfer Out	\$0	\$0	(\$56,027)	\$56,027	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$265,438	(\$265,438)	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	(\$265,438)	\$265,438	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,729	(\$141,778)	(\$1,808,076)	\$0	(\$1,808,076)
11030 Beginning Equity	\$0	\$1,726,127	\$40,224,518	\$0	\$40,224,518
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	(\$529,334)	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$206,289	\$0	\$206,289

TRUMBULL METROPOLITAN HOUSING AUTHORITY
 WARREN, OH
 FINANCIAL DATA SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2014

	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	Elim	Total
11170 Administrative Fee Equity	\$0	\$0	\$65,384	\$0	\$65,384
11180 Housing Assistance Payments Equity	\$0	\$0	\$56,159	\$0	\$56,159
11190 Unit Months Available	0	0	\$30,883	0	\$30,883
11210 Number of Unit Months Leased	0	0	\$28,665	0	\$28,665
11270 Excess Cash	\$0	\$0	\$1,965,059	\$0	\$1,965,059
11620 Building Purchases	\$0	\$0	\$474,864	\$0	\$474,864

Trumbull Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
June 30, 2014

Capital Fund and Replacement Grant Number OH12R00850211

1. The Program Costs are as follows:

Funds Approved	\$4,329
Funds Expended	<u>4,329</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$4,329
Funds Expended	<u>4,329</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -0-</u>

2. All modernization work in connection with the Capital Fund Program has been completed.
3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.
4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

Trumbull Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
June 30, 2014

Capital Fund and Replacement Grant Number OH12R00850212

1. The Program Costs are as follows:

Funds Approved	\$9,073
Funds Expended	<u>9,073</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$9,073
Funds Expended	<u>9,073</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -0-</u>

2. All modernization work in connection with the Capital Fund Program has been completed.
3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.
4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.



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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
Trumbull 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 Trumbull Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Trumbull Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated December 19, 2014. My report includes a reference to other auditors who audited the financial statements of The Warren Housing Development Corporation and Western Reserve Housing Development Corporation, as described in my report on the Trumbull Metropolitan Housing Authority financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

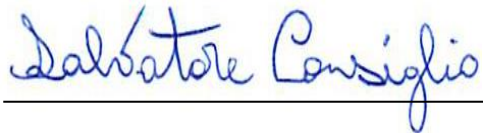
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify 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 Trumbull 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.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
December 19, 2014



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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
Trumbull Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

I have audited Trumbull 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 Trumbull Metropolitan Housing Authority's major federal programs for the year ended June 30, 2014. 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 Trumbull 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, Trumbull 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, 2014.

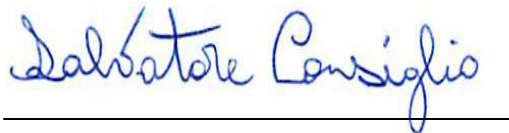
Report on Internal Control Over Compliance

Management of the Trumbull 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.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
December 19, 2014

Trumbull Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 June 30, 2014

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"> • CFDA # 14.850 Public Housing Program • CFDA # 14.872 Public Housing Capital Fund Program
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, 2014.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no Findings or questioned costs for the year ended June 30, 2014.

Trumbull Metropolitan Housing Authority
Schedule of Prior Audit Findings
June 30, 2014

The audit report for the fiscal year ending June 30, 2013 contained no audit findings.



Dave Yost • Auditor of State

TRUMBULL METROPOLITAN HOUSING AUTHORITY

TRUMBULL 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 24, 2015**