428 Second St.
Marietta, OH 45750
740.373.0056

1035 Murdoch Ave.
Parkersburg, WV 26101
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

Perry & Associates

Certified Public Accountants, A.C.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY
Single Audit
For the Year Ended June 30, 2015

Dave Yost · Auditor of State

Board of Commissioners
Coshocton Metropolitan Housing Authority
823 Magnolia Street
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton Metropolitan Housing Authority, Coshocton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2014 through June 30, 2015. 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 Coshocton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

April 15, 2016

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COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY
FOR THE YEAR ENDED JUNE 30, 2015

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PERRY & Associates
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INDEPENDENT AUDITOR'S REPORT

January 29, 2016

Coshocton Metropolitan Housing Authority
Coshocton County
823 Magnolia Street
Coshocton, Ohio 43812

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Coshocton Metropolitan Housing Authority,** Coshocton County, Ohio (the Authority), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Coshocton Metropolitan Housing Authority, Coshocton County, as of June 30, 2015 and the changes in its financial position and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, during the year ended June 30, 2015, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Financial Data Schedule presented on pages 39-43 presents additional analysis as required by the United States Department of Housing and Urban Development and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

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

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) for the Coshocton Metropolitan Housing Authority (Coshocton MHA) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in Coshocton MHA's financial position. It is designed to focus on the financial activity for the fiscal year ended June 30, 2015, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Overview of the Financial Statements

The Basic Financial Statements included elsewhere in this report are:

the Statement of Net Position,
the Statement of Revenues, Expenses & Changes in Fund Net Position, and
the Statement of Cash Flows.

The **Statement of Net Position** is very similar to, and what most people would think of as, a Balance Sheet. In the first half it reports the value of assets Coshocton MHA holds at 6/30/15, that is, the cash Coshocton MHA has, the amounts that are owed Coshocton MHA from others, and the value of the equipment Coshocton MHA owns. In the other half of the report it shows the liabilities Coshocton MHA has, that is, what Coshocton MHA owes others at 6/30/15; and what Net Position (or what is commonly referred to as Equity) Coshocton MHA has at 6/30/15. The two parts of the report are in balance, thus why many might refer to this type of report as a Balance Sheet, in that the total of the assets part equals the total of the liabilities plus net position (or equity) part.

In the statement, the Net Position part is broken out into three broad categories:

Net Investment in Capital Assets,
Restricted Net Position, and
Unrestricted Net Position.

The balance in Net Investment in Capital Assets reflects the value of capital assets, that is assets such as land, buildings, & equipment, reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding amount of debt yet owed on those assets.

The balance in Restricted Net Position reflects the value of assets reported in the top part of the statement that are restricted for use by law or regulation, or when the use of those assets is restricted by constraints placed on the assets by creditors.

The balance in Unrestricted Net Position is what is left over of Net Position after what is classified in the two previously mentioned components of Net Position. It reflects the value of assets available to Coshocton MHA to use to further its purposes.

The **Statement of Revenues, Expenses & Changes in Fund Net Position** is very similar to and may commonly be referred to as an Income Statement. It is in essence a report showing what Coshocton MHA earned, that is what its revenues or incomes were, versus what expenses Coshocton MHA had over the same period. And then it shows how the Fund Net Position (or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if Coshocton MHA had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the Net Position (or equity). The bottom line of the report, the Ending Total Net Position, is what is referred to in the above discussion of the Statement of Net Position that when added to the liabilities Coshocton MHA has equals the total assets Coshocton MHA has.

The **Statement of Cash Flows** is a report that shows how the amount of cash Coshocton MHA had at the end of the previous year was impacted by the activities of the current year. It breaks out in general categories the cash coming in and the cash going out. It helps the reader to understand the sources and uses of cash by Coshocton MHA during the year to include a measurement of cash gained or used by operating activities, by activities related to acquiring capital assets, and by activities related to investing activities.

The Authority's Business Type Funds

The financial statements included elsewhere in this report are presented using the Authority-wide perspective meaning the activity reported reflects the summed results of all the programs, or business type funds of Coshocton MHA. Coshocton MHA consists exclusively of Enterprise Funds. The full accrual basis of accounting is used for Enterprise Funds. That method of accounting is very similar to accounting used in the private sector.

Coshocton MHA's programs include the following:

the Low Rent Public Housing program,
the Section 8 Housing programs,
the Rural Housing program, and
the State & Local program.

Under the Low Rent Public Housing program, Coshocton MHA rents dwelling units it owns to low to moderate-income families. Through an Annual Contributions Contract (commonly referred to as an ACC) with HUD, HUD provides an operating subsidy to Coshocton MHA to help support the operations of the program. In addition, HUD provides funds for physical improvements to Coshocton MHA's properties and funds for management improvements through Capital Fund Program grants.

Under the Section 8 Housing Choice Voucher program, Coshocton MHA subsidizes the rents of low to moderate-income families through Housing Assistance Payments contracts when those families rent from private landlords. This is called a tenant-based program because when the tenant family moves, the rental assistance goes with the family to the new rental unit.

Under the Rural Housing program, the US Department of Agriculture provided a low interest loan to Coshocton MHA to finance the construction of the dwelling units and then also provides rental assistance to the low to moderate-income families that rent them from the owner, Coshocton MHA.

Under its Local program, Coshocton MHA operates coin laundry facilities in its Public Housing rental housing developments and assigns 100% of the proceeds against a debt owed to the Public Housing program of the agency.

Condensed Financial Statements

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

Table 1 – Condensed Statement of Net Position Compared to Prior Year
(Values Rounded to Nearest Thousand)

	2015	2014
Current Assets	$ 316,000	$ 397,000
Capital Assets	1,761,000	1,973,000
Deferred Outflows	32,000	-
Total Assets & Deferred Outflows	2,109,000	2,370,000
Current Liabilities	80,000	94,000
Long-Term Liabilities	1,099,000	736,000
Deferred Inflows	6,000	-
Total Liabilities & Deferred Inflows	1,185,000	830,000
Net Position:		
Net Investment in Capital Assets	1,086,000	1,291,000
Restricted Net Position	45,000	104,000
Unrestricted Net Position	(207,000)	145,000
Total Net Position	924,000	1,540,000
Total Liabilities, Deferred Inflows & Net Position	$ 2,109,000	$ 2,370,000

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

Total Net Position decreased from the prior year-end by $616,000, but to know what that means requires a look at the changes in the components of Net Position. Unrestricted Net Positon decreased by $352,000. A loss from operations contributed but the primary cause of that very large change was the implementation of the new accounting standard called GASB 68. These issues will be discussed in the next section where we discuss Table 2, the Modified Statement of Revenues, Expenses and Changes in Net Position. The change in Net Investment in Capital Assets component of Net Position decreased by $205,000 and closely corresponds to the change in Capital Assets because that is what that component of Net Position represents. This change is discussed more fully in the coming section where we discuss Table 3, Condensed Statement of Changes in Capital Assets.

Restricted Net Position decreased by $59,000. Part of that was a $27,000 reduction in Restricted Net Position in the Housing Choice Voucher program, the result of actions taken by management to more fully spend funding provided by HUD to make rental assistance payments on behalf of program participants and changes made by HUD in how that funding is provided moving the process to more like a just in time funding process. The remainder of the change in Restricted Net Position was in the agency's Rural Housing Program. The USDA permitted the agency to use restricted program resources in the period to reduce an intercompany debt the program had with the Public Housing Program.

Current Assets decreased from the prior year by $81,000 (or 20%). That closely corresponds to the reduction in Restricted Net Position addressed above and the drop in current liabilities. The drop in current liabilities means cash was used to pay down bills to a lower level at the current year-end than what was the case at the prior year-end.

Non-current liabilities increased sharply in the period, also primarily a result of the implementation of the new accounting standard GASB 68. And new balances appeared on the financials this year, Deferred Outflow and Deferred Inflows. Again the implementation of GASB 68 was the cause for these balances.

The following is a modified **Statement of Revenues, Expenses & Changes in Net Position**. Coshocton MHA is engaged only in business type activities.

Table 2 – Modified Statement of Revenues, Expenses & Changes in Net Position
(Values Rounded to Nearest Thousand)

	2015	2014
Revenues		
Tenant Revenues - Rents & Other	$ 193,000	$ 198,000
Operating Subsidies & Grants	1,480,000	1,381,000
Capital Grants	26,000	9,000
Investment Income	-	-
Other Revenues	10,000	16,000
Total Revenues	1,709,000	1,604,000
Expenses		
Administrative	450,000	480,000
Tenant Services	39,000	46,000
Utilities	119,000	115,000
Maintenance	233,000	229,000
General	114,000	69,000
Housing Assistance Payments	810,000	740,000
Depreciation	242,000	247,000
Total Expenses	2,007,000	1,926,000
Prior Period Adjustment	(318,000)	-
Net Increase (Decrease) in Net Position	$ (616,000)	$ (322,000)

For more detailed information see Combined Statement of Revenues, Expenses and Changes in Net Position presented elsewhere in this report.

Revenues increased $105,000 from the prior period, about 7%. The change was concentrated in Subsidies and Grants. Grants for all agency programs increased from the prior period but the largest increases were in funding for the Public Housing and Housing Choice Voucher programs. In the past several years HUD has funded those programs at prorations well below 100% and in this period increased slightly the prorations at which the programs were funded.

Overall expenses increased by $81,000 but the increase in HAP expense was essentially responsible for it all. HAP expense is the rental assistance the agency pays to landlords to help make rents affordable for agency clients assisted by the Section 8 Housing Choice Voucher program. HUD provides restricted funding to be used for this purpose only. So the increase in HAP expense reflects actions taken by management to more fully spend the restricted funds HUD provided for this purpose. Otherwise more significant reductions were realized in Administrative expense and Tenant Services, the result of belt tightening by management in this extended period of funding of programs by HUD at levels well below full funding levels. Those savings however were offset by the increase in General expenses. That increase was primarily the result of a liability incurred by the agency from their participation in an Ohio PHA healthcare pool and actions taken by the pool to change third party administrators.

The most significant balance on the statement however is the prior period adjustment amount to reduce Net Position by more than $318,000. This was the result of the implementation of GASB 68. GASB 68 has been prominently cited throughout this MD&A because implementation of the new accounting standard has had a very big impact on the financial statements of the authority. The implementation of GASB 68 will have a similar impact on the financial statements of almost all units of government in Ohio. Essentially what it requires of Coshocton MHA is to report on its financial statements what is determined to be its share of the unfunded pension liability of the Ohio Public Employees Retirement System (OPERS). Despite that the very large Net Pension Liability reported by Coshocton MHA (almost $343,000) does not represent a true liability of the agency in terms of if operations ceased today there is no invoice in that amount to be paid, the concept behind the standard is that ultimately for OPERS to resolve the unfunded pension liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of Coshocton MHA are participants in OPERS and that Coshocton MHA makes retirement contributions to OPERS on behalf of all of its employees.

The following is a condensed **Statement of Changes in Capital Assets** comparing the balance in capital assets at the year-end versus at the end of the prior year.

Table 3 – Condensed Statement of Changes in Capital Assets
(Values Rounded to Nearest Thousand)

	2015	2014
Land and Land Rights	$ 439,000	$ 439,000
Buildings & Improvements	7,960,000	7,922,000
Equipment	310,000	310,000
Accumulated Depreciation	(6,948,000)	(6,706,000)
Construction in Progress	-	8,000
Total	1,761,000	1,973,000

Capital Assets dropped by about $87,000 meaning depreciation on assets outpaced additions to capitals assets in the period. The agency had minimal capital additions in the period and those were primarily made using the Capital Fund Program grant.

The following is a **comparison of debt outstanding** at the year-end versus at the end of the prior year.

Table 4 - Condensed Statement of Changes in Debt Outstanding
(Values Rounded to Nearest Thousand)

	2015	2014
Current Portion of Debt	$ 7,000	$ 7,000
Long Term Portion of Debt	668,000	675,000
Total	$ 675,000	$ 682,000

Debt was reduced by about $7000 during year-end 2015. That is the result of regular payments on the loan from the US Department of Agriculture made several years ago to enable the agency to develop rental property owned by Coshocton MHA.

Economic Factors

Budget problems of the Federal government continue to take a significant toll on the agency's ability to administer its programs because the Authority relies on funding from HUD to operate its programs. Funds to administer the Section 8 Housing Choice Voucher program and the Public Housing program have been cut drastically for several years. Weathering that storm for a few years was difficult. Weathering that storm for the many years it has continued has a potential to have devastating consequences. Unless a change is realized, and nothing indicates one will be, the agency will have to continue to reduce the number of families provided rental assistance under its Section 8 Housing Choice Voucher program and significantly impact the agency's ability to maintain its Public Housing properties and level of service to the residents of that program.

Financial Contact

Questions concerning this report or requests for additional information should be directed to Gregory J. Darr, Executive Director of the Coshocton Metropolitan Housing Authority, 823 Magnolia Street, Coshocton, Ohio, 43812.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	$	176,528
Cash and Cash Equivalents - Restricted		67,312
Receivable, Net		15,816
Inventory		5,992
Prepaid Expenses		50,571
Total Current Assets		316,219
Noncurrent Assets		
Non-Depreciable Capital Assets		438,538
Depreciable Capital Assets, Net of Depreciation		1,322,478
Total Noncurrent Assets		1,761,016
Deferred Outflows of Resources		32,182
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$	2,109,417
LIABILITIES		
Current Liabilities		
Accounts Payable	$	14,958
Accrued Wages/Payroll Taxes		4,059
Prepaid Rent		4,204
Tenant Security Deposits		27,728
Current Portion Long-Term Debt		7,285
Other Current Liabilities		21,929
Total Current Liabilities		80,163
Noncurrent Liabilities		
Accrued Compensated Absences, Net of Current Portion		65,021
Long-Term Debt, Net of Current Portion		667,936
Net Pension Liability		342,656
Other Non-Current Liabilities		24,000
Total Noncurrent Liabilities		1,099,613
TOTAL LIABILITIES		1,179,776
Deferred Inflows of Resources		6,020
NET POSITION		
Net Investment in Captial Assets		1,085,795
Restricted Net Position		44,879
Unrestricted Net Position		(207,053)
TOTAL NET POSITION		923,621
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION	$	2,109,417

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

Operating Revenue	
Government Operating Grants	$ 1,479,719
Tenant Revenue	193,239
Other Income	10,059
Total Operating Revenue	1,683,017
Operating Expenses	
Administration	450,402
Tenant Services	39,313
Utilities	119,460
Maintenance	233,597
Protective Services	4,500
General	96,887
Housing Assistance Payments	809,902
Depreciation	242,281
Total Operating Expenses	1,996,342
Net Operating Income (Loss)	(313,325)
Nonoperating Revenues/(Expenses)	
Investment Income - Unrestricted	92
Interest Expense	(61,099)
Interest Subsidy	48,812
Total Nonoperating Revenues/(Expenses)	(12,195)
Income/(Loss) before Capital Grants	(325,520)
Capital Grants	26,130
Change in Net Position	(299,390)
Total Net Position - Beginning of Year	1,540,887
Prior Period Restatement - See Note 13	(317,876)
Total Net Position - Ending	$ 923,621

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities	
Receipts from Residents	$ 193,186
Receipts from Operating Grants	1,471,349
Other Receipts	9,024
Payments for Housing Assistance	(809,902)
Payments for General and Administration Expense	(929,339)
Net Cash (Used) by Operating Activities	(65,682)
Cash Flows from Capital and Related Financing Activities	
Payments on Long-Term Debt	(6,660)
Interest Paid on Long-Term Debt	(12,287)
Capital Grants Received	26,130
Acquisition of Capital Assets	(30,133)
Net Cash (Used) by Capital and Other Related Finaning Activities	(22,950)
Cash Flows from Investing Activities	
Investment Income	92
Net Cash Provided from Investing Activities	92
Net Increase (Decrease) in Cash	(88,540)
Cash and Cash Equivalents at Beginning of Year	332,380
Cash and Cash Equivalents at End of Year	$ 243,840
Reconciliation of Net Operating Income to Net Cash Used by Operating Activities	
Operating Income (Loss)	$ (313,325)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	242,281
(Increase) Decrease in:	
Accounts Receivable	(11,093)
Prepaid Expenses	(28,974)
Inventory	441
Increase (Decrease) in:	
Accounts Payable	(4,296)
Compensated Absences	(594)
Wages and Benefits Payable	(12,629)
Tenant Security Deposits	1,635
Other Liabilities	60,872
Net Cash Used by Operating Activities	$ (65,682)

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

NOTE 1: DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

Summary of Significant Accounting Policies

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

Reporting Entity

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

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

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

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

Basis of Presentation

The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

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

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

Measurement Focus

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

Enterprise Fund

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

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

Projects - Conventional Public Housing and Capital Fund Programs

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

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

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 Assistant Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income.

Rural Housing Program

The United States Department of Agriculture provided a low interest loan to the Coshocton Metropolitan Housing Authority to finance the construction of the dwelling units and then also provides rental assistance to the low to moderate-income families that rent them from the owner, Coshocton MHA.

Accounting and Reporting for Nonexchange Transactions

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

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

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

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

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

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

Cash and Cash Equivalents
For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less, and all non-negotiable certificates of deposits regardless of maturity.

Investments
Investments are restricted by the provisions of the HUD regulations (See Note 3). Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2015 totaled $92.

Receivables - Net of Allowance
Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for doubtful accounts at June 30, 2015 was $600.

Prepaid Expenses
Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

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

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charges as expenditures when used. There was no allowance for obsolete inventory at June 30, 2015.

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 expensed as incurred. The Authority's capitalization policy is $1,000. The following are the useful lives used for depreciation purposes:

Buildings and Improvements	15-40 years
Furniture and Equipment	3-7 years

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

Due From/To Other Programs
On the basic financial statements, inter-program receivables and payables listed on the FDS are eliminated.

A summary of changes in inter-company Accounts Receivable and Accounts Payable:

	Balance 6/30/2014	Change	Balance 6/30/2015
Public Housing Due From Section 8 HCV	$ 10,126	$ 85,429	$ 95,555
Public Housing Due From Other Federal Program 1	36,043	14,828	50,871
Total Due From	46,169	100,257	146,426
Section 8 HCV Due to Public Housing	10,126	85,429	95,555
Other Federal Program 1 Due to Public Housing	36,043	(14,828)	21,215
Total Due To	$ 46,169	$ 70,601	$ 116,770

Due From/To Other Programs

In fiscal year-end 2012, the Authority adopted a plan to repay the inter-company accounts payable between the Other Federal Program 1 (the Parkview North Property) and the Public Housing program. In fiscal year-end 2014 the Board adopted a resolution acknowledging the 2012 repayment plan and authorizing the Executive Director of the Authority to make payments from the Parkview North property to the Public Housing program to achieve the goal of the 2012 plan. The 2012 plan called for the repayment to be completed at some point in calendar year 2016.

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

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

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

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

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

The following is a summary of changes in the compensated absence liability.

	Balance 6/30/2014	Increases	Decreases	Balance 6/30/2015	Due Within One Year
Compensated Absences	$ 65,615	$ 24,132	$(24,726)	$ 65,021	-

Unearned Revenue
Unearned revenue have been satisfied.

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

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

Operating expenses are those expenses that are expended directly for the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, depreciation, bad debt and housing assistance payments.

Capital Grant
This represents grants provided by HUD that the Authority spends on capital assets.

Budgetary Accounting
The Authority annually prepares its program budgets as prescribed by the Department of Housing and Urban Development and Department of Agriculture. These budgets are adopted by the Board of the Housing Authority and submitted to the Federal agencies, as applicable.

Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Pensions
For purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position on the pension plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Deferred Outflows/Inflows of Resources
In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then.

For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 11)

NOTE 3: **DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

At fiscal year end June 30, 2015, the carrying amount of the Authority's deposits totaled $243,840 and its bank balance was $301,264. Based on the criteria described in GASB Statement No. 40, Deposits and Investments Risk Disclosures, as of June 30, 2015, $13,838 was exposed to custodial risk as discussed below, while $287,426 was covered by the Federal Depository Insurance Corporation.

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

Investments

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

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

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

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

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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

The Agency had no investments at June 30, 2015.

	Balance 6/30/2015
Cash Restricted:	
Parkview North Security Deposits	$ 522
Parkview North Replacement Reserve	42,722
Unspent HUD Revenues Provided for Payment of Rental Assistance in the Housing Choice Voucher Program	2,107
Security Deposits - Public Housing	21,961
Total Cash Restricted	67,312
Cash Unrestricted	176,528
Total	$ 243,840

NOTE 4: **CAPITAL ASSETS**

The following is a summary of changes to capital assets:

	Balance 6/30/2014	Additions	Transfers/ Disposals	Balance 6/30/2015
Capital Assets Not Being Depreciated				
Land and Land Easements	$ 438,538	-	$ 0	$ 438,538
Construction in Progress	8,525	-	(8,525)	$ -
Total Capital Assets Not Being Depreciated	447,063	-	(8,525)	438,538
Capital Assets Being Depreciated				
Buildings and Improvements	7,922,197	30,133	8,525	7,960,855
Furniture, Equipment, and Machinery	309,896	-	-	309,896
Total Capital Assets Being Depreciated	8,232,093	30,133	8,525	8,270,751
Accumulated Depreciation				
Buildings	(6,420,227)	(234,882)	-	(6,655,109)
Furniture and Equipment	(285,765)	(7,399)	-	(293,164)
Total Accumulated Depreciation	(6,705,992)	(242,281)	-	(6,948,273)
Depreciable Assets, Net	1,526,101	(212,148)	8,525	1,322,478
Total Capital Assets, Net	$ 1,973,164	$ (212,148)	-	$ 1,761,016

NOTE 5: RISK MANAGEMENT

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

NOTE 6: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – OPERS is a cost-sharing, multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642, by calling (800) 222-7377, or by visiting the OPERS Web site at www.opers.org.

OPERS administers three retirement plans, as described below:

- The Traditional Pension Plan (TP) - a defined benefit plan;

- The Member-Directed Plan (MD) - a defined 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 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.

Pension Benefits – All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension and Combined plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

Disability Benefits – OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Contributions – The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for fiscal year ended June 30, 2015. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

Plan members were required to contribute 10 percent of their annual covered salary. The Authority was required to contribute 14 percent, a portion of which is set aside for funding post-retirement health care coverage. The Authority's contractually required contributions to OPERS for fiscal year 2015 were $41,646 for the Traditional Plan. Total contractually required contributions, including contributions for post-retirement health care, was $48,587. The full amount was contributed during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

	Traditional	Total
Proportionate Share of the Net Pension Liability (Asset)	$342,656	$342,656
Proportionate Share of the Net Pension Liability	0.002841%	
Pension Expense	$37,411	$37,411

At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional	Total
Deferred Outflows of Resources		
Differences between expected and actual experience	$18,283	$18,283
Authority contributions subsequent to the measurement date	13,899	13,899
Total Deferred Outflows of Resources	$32,182	$32,182
Deferred Inflows of Resources		
Net difference between projected and actual earnings on pension plan investments	$6,020	$6,020
Total Deferred Inflows of Resources	$6,020	$6,020

$13,899 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Fiscal Year Ending June 30:	Traditional Plan	Total
2016	$1,793	$1,793
2017	1,793	1,793
2018	4,106	4,106
2019	4,571	4,571
2020	0	0
Thereafter	0	0
Total	$12,263	$12,263

Actuarial Assumptions - OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., future employment, mortality, cost trends). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

Actuarial Information	Traditional Pension Plan	Combined Plan
Valuation Date	December 31, 2014	December 31, 2014
Experience Study	5 year Period Ended December 31, 2010	5 year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)	4.25% - 8.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
Total	100.00 %	5.28 %

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Discount Rate The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (8.0 percent) than the current rate.

Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Pension Plan	$630,389	$342,656	$100,316

NOTE 7: **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.

NOTE 7: **POST-EMPLOYMENT BENEFITS** (Continued)

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, or by calling 614-222-5601 or 1-800-222-7377.

B. **Funding Policy**

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In fiscal year ending 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.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1.0 percent for Coshocton Metropolitan Housing Authority for calendar year 2013. Effective January 1, 2014, the portion of the employer contributions allocated to health care was raised to 2.0 percent for both plans as recommended by the OPERS Actuary.

The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended June 30, 2015, 2014 and 2013 which were used to fund post-employment benefits were $6,941, $5,179, and $8,925, 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, 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 8: LONG-TERM OBLIGATIONS

The Authority is obligated on a mortgage payable to the United States Department of Agriculture-Rural Development, which matures in November 2040. The date of the loan was October 30, 1990 for the amount of $744,314 with an interest rate of 9 percent. Rural Development requires monthly installments of $1,579. This monthly installment represents discounted monthly payments of $4,068 of which is subsidized by the U.S. Department of Agriculture - Rural Development.

The following is a summary of changes in long-term obligations for the year ended June 30, 2015:

Description	Balance 06/30/21014	Issued	Retired	Balance 6/30/2015	Due Within One Year
Loan Payable	$ 681,881	$ -	$ (6,660)	$ 675,221	$ 7,285
Net Pension Liability	334,917	7,739	-	342,656	-
Compensated Absences	65,615	24,132	(24,726)	65,021	-
Total	$ 1,082,413	$ 31,871	$ (31,386)	$ 1,082,898	$ 7,285

Discounted debt maturities for the period after June 30, 2014 are estimated as follows:

Maturity Date	Principal Amount	Interest Amount	Total
2016	$ 7,285	$ 60,474	$ 67,759
2017	7,969	59,790	67,759
2018	8,716	59,043	67,759
2019	9,533	58,226	67,759
2020	10,428	57,331	67,759
2021-2025	68,783	270,014	338,797
2026-2030	107,692	231,105	338,797
2031-2035	168,611	170,186	338,797
2036-2040	263,991	74,806	338,797
2041	22,213	419	22,632
Total	$ 675,221	$ 1,041,394	$ 1,716,615

NOTE 9: RESTRICTED NET POSITION

The Agency had the following restricted net position at June 30, 2015:

Parkview North Replacement Reserve	$ 42,772
Unspent HUD Revenues provided for payment of Rental Assistance in the Housing Choice Voucher Program	2,107
Total Restricted Net Position	$ 44,879

NOTE 10: **CONTINGENCIES**

Grants
Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at June 30, 2015.

Litigations
In the normal course of operations, the Authority may be subject to litigations and claims. At June 30, 2015, the Authority was not aware of any such matters.

NOTE 11: **NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

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

NOTE 12: **2003 INSPECTOR GENERAL REPORT**

Inspector General Audit
The financial data schedule submitted to REAC included a non-current receivable in the Low Rent Program and an offsetting liability in the State and Local program in the amount of $455,399 related to an audit finding identified in a 2003 report by the Inspector General's Office. In accordance with generally accepted accounting principles, these amounts are not reflected in the agency wide financial statements because they are inter-agency receivables and payables. In addition management believes it is not likely that the receivable will ever be fully collected and the payable will ever be fully repaid. This information was reflected on the financial data schedule submitted to REAC as instructed by HUD.

Coshocton MHA signed a repayment agreement with HUD related to this amount due to the Public Housing program. The agreement specifies that laundry income the PHA collects will be applied against the amount to be paid back to the Public Housing program. Based on this arrangement, it will take well over 100+ years for the liability to be satisfied.

The amount applied to the balance during the audit period was $1,608.

Balance 06/30/2014	Payment Made in Period	06/30/2015
$ 457,007	$ (1,608)	$ 455,399

NOTE 13: **CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSMENT**

For fiscal year 2015, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net Position June 30, 2014	$ 1,540,887
Restatement	
Net Pension Liability (OPERS Traditional Plan)	(334,917)
Deferred Outflow - Payments Subsequent to Measurement Date	17,041
Net Position June 30, 2014 - Restated	$ 1,223,011

NOTE 14: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During the fiscal year, the Authority adopted the following GASB statements.

For 2015, the Authority has implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68.*

The objective of GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, is to improve financial reporting by state and local government pension plans. The provision of this Statement are effective for periods beginning after June 15, 2014, and have been implemented by the Authority.

The objective of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No.27,* is to improve accounting and financial reporting by state and local governments for pensions. The provisions of this Statement are effective for periods beginning after June 15, 2014, and have been implemented by the Authority.

The objective of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68,* is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The provisions of this Statement should be applied simultaneously with the provisions of Statement No. 68, and have been implemented by the Authority.

Required Supplementary Information

Coshocton MHA

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Two Fiscal Years (1)

Traditional Plan	2015	2014
Authority's Proportion of the Net Pension Liability / Asset	0.002841%	0.002841%
Authority's Proportionate Share of the Net Pension Liability	$342,656	$334,917
Authority's Covered-Employee Payroll	$3,635,517	$3,676,033
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	9.43%	9.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Coshocton MHA

Required Supplementary Information

Schedule of the Authority's Contributions

Ohio Public Employees Retirement System

Last Ten Fiscal Years

	2015	2014	2013	2012	2011
Contractually Required Contributions					
Traditional Plan	$41,646	$48,337	[1]	[1]	[1]
Total Required Contributions	$41,646	$48,337	$49,980	$44,969	$38,893
Contributions in Relation to the Contractually Required Contribution	($41,646)	($48,337)	($49,980)	($44,969)	($38,893)
Contribution Deficiency / (Excess)	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll					
Traditional Plan	$347,050	$402,808	[1]	[1]	[1]
Contributions as a Percentage of Covered-Employee Payroll					
Traditional Plan	12.00%	12.00%	13.00%	10.00%	10.00%

[1] – Information prior to 2014 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan and other post employement benefits in addition to the Traditional and Combined plans.

Coshocton MHA
Required Supplementary Information
Schedule of the Authority's Contributions
Ohio Public Employees Retirement System
Last Ten Fiscal Years

	2010	2009	2008	2007	2006
Contractually Required Contributions					
Traditional Plan	[1]	[1]	[1]	[1]	[1]
Total Required Contributions	$44,896	$45,724	$43,413	$44,061	$42,877
Contributions in Relation to the Contractually Required Contribution	($44,896)	($45,724)	($43,413)	($44,061)	($42,877)
Contribution Deficiency / (Excess)	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll					
Traditional Plan	[1]	[1]	[1]	[1]	[1]
Contributions as a Percentage of Covered-Employee Payroll					
Traditional Plan	9.00%	8.50%	7.00%	7.77%	9.04%

[1] – Information prior to 2014 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan and other post employment benefits in addition to the Traditional and Combined plans.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Direct Programs:		
Public Housing Programs		
Low Rent Public Housing Program	14.850	$ 421,353
Section 8 Housing Choice Vouchers	14.871	891,351
Public Housing Capital Fund	14.872	160,080
Total Public Housing Program		1,472,784
Total U. S. Department of Housing and Urban Development		1,472,784
U.S. Department of Agriculture - Rural Housing Service		
Direct Program:		
Rural Rental Housing Loan	10.415	33,065
Total U.S. Department of Agriculture - Rural Housing Service		33,065
Total Expenditures of Federal Awards		$1,505,849

The accompanying notes are an integral part of the schedule.

NOTE 1: **PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the federal grant activity of the Authority. This Schedule has been prepared on the accrual basis of accounting as required by accounting principles generally accepted in the United States of America. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Required Supplementary Information

Coshocton Metropolitan Housing Authority
Financial Data Schedule
June 30, 2015

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	$162,898	$13,630				$176,528		$176,528
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted		$2,107		$42,772		$44,879		$44,879
114 Cash - Tenant Security Deposits	$21,911			$522		$22,433		$22,433
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	$184,809	$15,737	$0	$43,294	$0	$243,840	$0	$243,840
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects		$8,370				$8,370		$8,370
124 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous								
126 Accounts Receivable - Tenants	$2,683			$2,552		$5,235		$5,235
126.1 Allowance for Doubtful Accounts -Tenants	-$600			$0		-$600		-$600
126.2 Allowance for Doubtful Accounts - Other	$0	$0				$0		$0
127 Notes, Loans, & Mortgages Receivable - Current								
128 Fraud Recovery	$4,211	$2,402				$6,613		$6,613
128.1 Allowance for Doubtful Accounts - Fraud	-$1,400	-$2,402				-$3,802		-$3,802
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	$4,894	$8,370	$0	$2,552	$0	$15,816	$0	$15,816
131 Investments - Unrestricted								
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	$49,842			$729		$50,571		$50,571
143 Inventories	$5,992					$5,992		$5,992
143.1 Allowance for Obsolete Inventories	$0					$0		$0
144 Inter Program Due From	$116,770					$116,770	-$116,770	$0
145 Assets Held for Sale								
150 Total Current Assets	$362,307	$24,107	$0	$46,575	$0	$432,989	-$116,770	$316,219
161 Land	$438,538					$438,538		$438,538
162 Buildings	$7,186,061			$774,794		$7,960,855		$7,960,855
163 Furniture, Equipment & Machinery - Dwellings	$55,182					$55,182		$55,182
164 Furniture, Equipment & Machinery - Administration	$249,475			$5,239		$254,714		$254,714
165 Leasehold Improvements								
166 Accumulated Depreciation	-$6,495,415			-$452,858		-$6,948,273		-$6,948,273
167 Construction in Progress								
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	$1,433,841	$0	$0	$327,175	$0	$1,761,016	$0	$1,761,016
171 Notes, Loans and Mortgages Receivable - Non-Current	$455,399	$126,970				$582,369	-$582,369	$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								

173 Grants Receivable - Non Current								
174 Other Assets								
176 Investments in Joint Ventures								
180 Total Non-Current Assets	$1,889,240	$126,970	$0	$327,175	$0	$2,343,385	-$582,369	$1,761,016
200 Deferred Outflow of Resources	$24,353	$4,711		$3,118		$32,182		$32,182
290 Total Assets and Deferred Outflow of Resources	$2,275,900	$155,788	$0	$376,868	$0	$2,808,556	-$699,139	$2,109,417
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	$9,208	$374		$86		$9,668		$9,668
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable	$3,437	$394		$228		$4,059		$4,059
322 Accrued Compensated Absences - Current Portion								
324 Accrued Contingency Liability								
325 Accrued Interest Payable				$5,114		$5,114		$5,114
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government	$1,081			$4,209		$5,290		$5,290
341 Tenant Security Deposits	$21,911			$5,817		$27,728		$27,728
342 Unearned Revenue	$4,204					$4,204		$4,204
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				$7,285		$7,285		$7,285
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities								
346 Accrued Liabilities - Other	$16,815					$16,815		$16,815
347 Inter Program - Due To		$95,555		$21,215		$116,770	-$116,770	$0
348 Loan Liability - Current								
310 Total Current Liabilities	$56,656	$96,323	$0	$43,954	$0	$196,933	-$116,770	$80,163
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				$667,936		$667,936		$667,936
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Non-current Liabilities - Other	$15,000	$5,400	$126,970	$3,600	$455,399	$606,369	-$582,369	$24,000
354 Accrued Compensated Absences - Non Current	$49,766	$9,546		$5,709		$65,021		$65,021
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities	$259,302	$50,155		$33,199		$342,656		$342,656
350 Total Non-Current Liabilities	$324,068	$65,101	$126,970	$710,444	$455,399	$1,681,982	-$582,369	$1,099,613
300 Total Liabilities	$380,724	$161,424	$126,970	$754,398	$455,399	$1,878,915	-$699,139	$1,179,776
400 Deferred Inflow of Resources	$4,556	$881		$583		$6,020		$6,020
508.4 Net Investment in Capital Assets	$1,433,841			-$348,046		$1,085,795		$1,085,795
511.4 Restricted Net Position	$0	$2,107		$42,772		$44,879		$44,879
512.4 Unrestricted Net Position	$456,779	-$8,624	-$126,970	-$72,839	-$455,399	-$207,053		-$207,053
513 Total Equity - Net Assets / Position	$1,890,620	-$6,517	-$126,970	-$378,113	-$455,399	$923,621	$0	$923,621

600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$2,275,900	$155,788	$0	$376,868	$0	$2,808,556	-$699,139	$2,109,417

70300 Net Tenant Rental Revenue	$115,613			$68,061		$183,674		$183,674
70400 Tenant Revenue - Other	$9,565					$9,565		$9,565
70500 Total Tenant Revenue	$125,178	$0	$0	$68,061	$0	$193,239	$0	$193,239
70600 HUD PHA Operating Grants	$555,303	$891,351				$1,446,654		$1,446,654
70610 Capital Grants	$26,130					$26,130		$26,130
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue						$0	$0	$0
70800 Other Government Grants				$33,065		$33,065		$33,065
71100 Investment Income - Unrestricted	$64	$5		$23		$92		$92
71200 Mortgage Interest Income								
71300 Proceeds from Disposition of Assets Held for Sale								
71310 Cost of Sale of Assets								
71400 Fraud Recovery		$1,080				$1,080		$1,080
71500 Other Revenue	$3,896	$827		$2,648	$1,608	$8,979		$8,979
71600 Gain or Loss on Sale of Capital Assets								
72000 Investment Income - Restricted								
70000 Total Revenue	$710,571	$893,263	$0	$103,797	$1,608	$1,709,239	$0	$1,709,239
91100 Administrative Salaries	$177,411	$50,150		$19,360		$246,921		$246,921
91200 Auditing Fees	$4,164	$3,000		$500		$7,664		$7,664
91300 Management Fee								
91310 Book-keeping Fee								
91400 Advertising and Marketing	$900			$248		$1,148		$1,148
91500 Employee Benefit contributions - Administrative	$51,743	$13,734		$5,832		$71,309		$71,309
91600 Office Expenses	$61,746	$17,617		$9,020		$88,383		$88,383
91700 Legal Expense	$8,297	$2,809				$11,106		$11,106
91800 Travel	$1,597					$1,597		$1,597
91810 Allocated Overhead								
91900 Other	$12,266	$7,133		$2,875		$22,274		$22,274
91000 Total Operating - Administrative	$318,124	$94,443	$0	$37,835	$0	$450,402	$0	$450,402
92000 Asset Management Fee								
92100 Tenant Services - Salaries	$2,676					$2,676		$2,676
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services	$413					$413		$413
92400 Tenant Services - Other	$36,224					$36,224		$36,224
92500 Total Tenant Services	$39,313	$0	$0	$0	$0	$39,313	$0	$39,313
93100 Water	$78,915			$6,359		$85,274		$85,274
93200 Electricity	$20,321			$6,152		$26,473		$26,473
93300 Gas	$6,177			$1,536		$7,713		$7,713
93400 Fuel								
93500 Labor								
93600 Sewer								
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense								
93000 Total Utilities	$105,413	$0	$0	$14,047	$0	$119,460	$0	$119,460

94100 Ordinary Maintenance and Operations - Labor	$79,187			$13,835		$93,022		$93,022
94200 Ordinary Maintenance and Operations - Materials and Other	$53,004			$9,957		$62,961		$62,961
94300 Ordinary Maintenance and Operations Contracts	$38,507			$5,558		$44,065		$44,065
94500 Employee Benefit Contributions - Ordinary Maintenance	$23,096			$4,168		$27,264		$27,264
94000 Total Maintenance	$193,794	$0	$0	$33,518	$0	$227,312	$0	$227,312
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs	$4,500					$4,500		$4,500
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services								
95000 Total Protective Services	$4,500	$0	$0	$0	$0	$4,500	$0	$4,500
96110 Property Insurance	$24,623			$4,885		$29,508		$29,508
96120 Liability Insurance		$7,763				$7,763		$7,763
96130 Workmen's Compensation								
96140 All Other Insurance								
96100 Total insurance Premiums	$24,623	$7,763	$0	$4,885	$0	$37,271	$0	$37,271
96200 Other General Expenses	$31,753	$5,700		$3,600		$41,053		$41,053
96210 Compensated Absences	$1,348					$1,348		$1,348
96300 Payments in Lieu of Taxes	$1,081			$4,208		$5,289		$5,289
96400 Bad debt - Tenant Rents	$11,926					$11,926		$11,926
96500 Bad debt - Mortgages								
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses	$46,108	$5,700	$0	$7,808	$0	$59,616	$0	$59,616
96710 Interest of Mortgage (or Bonds) Payable				$12,287		$12,287		$12,287
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$12,287	$0	$12,287	$0	$12,287
96900 Total Operating Expenses	$731,875	$107,906	$0	$110,380	$0	$950,161	$0	$950,161
97000 Excess of Operating Revenue over Operating Expenses	-$21,304	$785,357	$0	-$6,583	$1,608	$759,078	$0	$759,078
97100 Extraordinary Maintenance	$6,285					$6,285		$6,285
97200 Casualty Losses - Non-capitalized								
97300 Housing Assistance Payments		$809,902				$809,902		$809,902
97350 HAP Portability-In								
97400 Depreciation Expense	$221,908			$20,373		$242,281		$242,281
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	$960,068	$917,808	$0	$130,753	$0	$2,008,629	$0	$2,008,629
10010 Operating Transfer In	$127,665					$127,665		$127,665
10020 Operating transfer Out	-$127,665					-$127,665		-$127,665
10030 Operating Transfers from/to Primary Government								
10040 Operating Transfers from/to Component Unit								
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss								
10080 Special Items (Net Gain/Loss)								
10091 Inter Project Excess Cash Transfer In								

10092 Inter Project Excess Cash Transfer Out								
10093 Transfers between Program and Project - In								
10094 Transfers between Project and Program - Out								
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$249,497	-$24,545	$0	-$26,956	$1,608	-$299,390	$0	-$299,390
11020 Required Annual Debt Principal Payments	$0	$0	$0	$7,285	$0	$7,285		$7,285
11030 Beginning Equity	$2,380,668	$64,555	-$126,970	-$320,359	-$457,007	$1,540,887		$1,540,887
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$240,551	-$46,527		-$30,798		-$317,876		-$317,876
11050 Changes in Compensated Absence Balance								
11060 Changes in Contingent Liability Balance								
11070 Changes in Unrecognized Pension Transition Liability								
11080 Changes in Special Term/Severance Benefits Liability								
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity		-$8,624				-$8,624		-$8,624
11180 Housing Assistance Payments Equity		$2,107				$2,107		$2,107
11190 Unit Months Available	1572	3024		276		4872		4872
11210 Number of Unit Months Leased	1558	2653		271		4482		4482
11270 Excess Cash	$188,352					$188,352		$188,352
11610 Land Purchases	$0					$0		$0
11620 Building Purchases	$26,130					$26,130		$26,130
11630 Furniture & Equipment - Dwelling Purchases	$0					$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0					$0		$0
11650 Leasehold Improvements Purchases	$0					$0		$0
11660 Infrastructure Purchases	$0					$0		$0
13510 CFFP Debt Service Payments	$0					$0		$0
13901 Replacement Housing Factor Funds	$0					$0		$0

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

January 29, 2016

Coshocton Metropolitan Housing Authority
Coshocton County
823 Magnolia Street
Coshocton, Ohio 43812

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Coshocton Metropolitan Housing Authority**, Coshocton County, (the Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2016, wherein we noted the Authority adopted Governmental Accounting Standard No. 68, Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27 and Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Perry & Associates CPA's A.C.

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

January 29, 2016

Coshocton Metropolitan Housing Authority
Coshocton County
823 Magnolia Street
Coshocton, Ohio 43812

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

We have audited the **Coshocton Metropolitan Housing Authority's** (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Coshocton Metropolitan Housing Authority's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Authority's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Coshocton Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

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

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

Perry & Associates CPA's A.C.

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
COSHOCTON COUNTY
FOR THE YEAR ENDED JUNE 30, 2015

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

COSHOCTON COUNTY METROPOLITAN HOUSING AUTHORITY

COSHOCTON 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
APRIL 28, 2016