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**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
Single Audit  
For the Year Ended March 31, 2015**

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*...“bringing more to the table”*

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- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

Board of Commissioners  
Harrison Metropolitan Housing Authority  
P.O. Box 146  
82450 Cadiz-Jewett Rd.  
Cadiz, OH 43907

We have reviewed the *Independent Auditor's Report* of the Harrison Metropolitan Housing Authority, Harrison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period April 1, 2014 through March 31, 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 Harrison Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

March 8, 2016

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**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
FOR THE YEAR ENDED MARCH 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

December 14, 2015

Harrison Metropolitan Housing Authority  
Harrison County  
P.O. Box 146  
82450 Cadiz-Jewett Rd.  
Cadiz, OH 43907

To the Board of Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of **Harrison Metropolitan Housing Authority**, Harrison County, Ohio (the Authority), as of and for the year ended March 31, 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 did not audit the financial statements of Enterprise Housing Property Preservation, LLC, the Authority's discretely presented component unit. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amount included for the discretely presented component unit, is based solely on the report of other auditors. 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. The other auditors audited the financial statements of Enterprise Housing Property Preservation, LLC in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*.

...***"bringing more to the table"***

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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 opinions.

### ***Opinion***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Harrison Metropolitan Housing Authority, Harrison County, Ohio, as of March 31, 2015, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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 actual modernization cost certificates presented on page 35 and the supplemental financial data schedules presented on pages 29 through 34 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of federal awards expenditures provides additional information 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 basic financial statements.



The actual modernization cost certificates, supplemental financial data schedules, and schedule of federal awards expenditures 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 these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and 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 December 14, 2015, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

The management of the Harrison Metropolitan Housing Authority's (the "Authority" or Primary Government) offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended March 31, 2015. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual account issues or concerns.

The management's Discussion and Analysis (MD&A) is designed to focus on the fiscal year ended March 31, 2015 activities, resulting changes, and currently known facts. Please read it in conjunction with the Authority's financial statements (beginning on page 11). In accordance with GASB Statement No. 34, paragraph 10, the financial information and discussion presented below focuses on the primary government. Due to the significance of the component unit when compared to the primary government, the financial information is provided for the component unit in some instances to provide for a more complete and meaningful discussion of financial results. Regardless discussion in the MD&A attempts to distinguish between information pertaining to the primary government and that of its component unit.

**FINANCIAL HIGHLIGHTS**

The management of the Harrison Metropolitan Housing Authority created an independent for profit limited liability company, Enterprise Housing Property Preservation, L.L.C.

The primary government's programs include: Conventional Public-Housing, Capital Fund Program (CFP), Housing Choice Voucher Program, State/Local, and USDA Rural Development. The discretely presented Component Unit consists of Enterprise Housing Property Preservation, L.L.C. Page 15 of the notes to the financial statements provides further explanation of the component unit.

- Net position for the primary government was \$1,325,901 and \$1,467,456 for the fiscal years ended March 31, 2015 and 2014, respectively. The Authority's net position decreased by \$141,555 or 9.6% during 2015, based on the current year activity.
- Revenues for the primary government decreased by \$147,098 or 10.8% during 2015, and were \$1,212,496 and \$1,359,594 for 2015 and 2014, respectively.
- Expenses decreased by \$535,768 or 28.4% during 2015 and were \$1,354,051 and \$1,889,819 for 2015 and 2014, respectively.
- Net position for the component unit was \$430,066 and \$369,168 for the fiscal years ended March 31, 2015 and 2014, respectively. The component unit Enterprise Housing Property Preservation, L.L.C.'s net position increased by \$60,898 or 16.5% during 2015, based on the current year activity.
- Revenues for the component unit decreased \$184,922 or 50.1% during 2015, and were \$184,246 and \$369,168 for 2015 and 2014, respectively.
- Expenses increased by \$123,348 or 100.0% during 2015 and were \$123,348 and \$0 for 2015 and 2014, respectively

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

**USING THIS ANNUAL REPORT**

The following outlines the format of this report:

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented (pages 11-13) are those of the Authority as a whole (Authority-wide) and the component unit, discretely reported. The financial statements are further detailed by major account. This perspective (Authority-wide, major account, and component unit) allows the user to address relevant questions, broadens a basis for comparison year to year or Authority to Authority) and enhances the Authority's accountability.

These statements include a **Statement of Net Position**, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format that reflects assets, minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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

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

**Restricted** - This component of net position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted** - Consists of net position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position".

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

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

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

**FINANCIAL STATEMENTS BY MAJOR FUND**

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

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

**THE AUTHORITY'S PROGRAMS**

**Business Type Programs**

***Conventional Public Housing and Capital Fund Program*** – 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% of adjusted gross household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for the Authority's physical and management improvements. Funds are allocated by a formula allocation and based on size and age of the Authority's units.

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

***USDA Rural Development*** – Under the USDA Rural Development Program, the Authority rents units that it owns to low-income households. The USDA Rural Development Program is operated under a contract with the United States Department of Agriculture, and the USDA provides Operating Subsidy to enable the PHA to provide housing at a rent that is based upon 30% of adjusted gross household income.

***State/Local*** – The State and Local Programs include activity for management of a multi-family project, Bingham Terrace and management of USDA Rural Development properties.

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

***Enterprise Housing Property Preservation, L.L.C.*** - provides routine building maintenance, scheduled property maintenance, unit renovation services to home owners, landlords, banking institutions, real estate agencies and commercial businesses of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Jefferson, and Muskingum counties. Also, Enterprise Housing Property Preservation L.L.C. purchases various types of residential properties assesses and renovates as needed and either utilizes them as an income producing rental or places them back on the open market for resale.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

**AUTHORITY-WIDE STATEMENTS**

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

**Table 1  
Statement of Net Position – Primary Government**

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$ 384,053	\$ 342,795	\$ 41,258
Capital Assets	1,335,601	1,502,448	(166,847)
Non-Current Assets	375,000	375,000	-
<b>Total Assets</b>	<b><u>2,094,654</u></b>	<b><u>2,220,243</u></b>	<b><u>(125,589)</u></b>
<b>Liabilities</b>			
Current Liabilities	114,372	86,533	26,942
Long-Term Liabilities	654,381	666,254	(10,976)
<b>Total Liabilities</b>	<b><u>768,753</u></b>	<b><u>752,787</u></b>	<b><u>15,966</u></b>
<b>Net Position</b>			
Net Investment in Capital Assets	681,199	834,781	(153,582)
Restricted	-	66,365	(66,365)
Unrestricted	644,702	566,310	78,392
<b>Total Net Position</b>	<b><u>\$1,325,901</u></b>	<b><u>\$ 1,467,456</u></b>	<b><u>\$ (141,555)</u></b>

For more detailed information see page 11 for the Statement of Net Position.

**MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION**

During 2015, total assets for the primary government decreased by \$125,589. Most of the decrease is due to the sale of assets which was no longer needed or used by the primary government and a transfer of unrestricted assets to the component unit Enterprise Housing Property Preservation, L.L.C. Total liabilities increased by \$15,966 and the total net position decreased by \$141,555 for the primary government.

During 2015, total assets for the component unit increased by \$74,046. Total liabilities increased by \$13,148 and the total net position increased by \$60,898 for the component unit Enterprise Housing Property Preservation, L.L.C.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

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

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in Business-Type Activities only.

*Table 2*  
**Statement of Revenues, Expenses and Changes in Net Position – Primary Government**

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<b>Revenues</b>			
Tenant Revenue	\$ 240,217	\$ 234,542	\$ 5,675
Operating Subsidies	884,741	1,038,736	(153,995)
Capital Grants	-	14,985	(14,985)
Investment/Other Income	87,538	71,331	16,207
<b>Total Revenue</b>	<b><u>1,212,496</u></b>	<b><u>1,359,594</u></b>	<b><u>(147,098)</u></b>
<b>Expenses</b>			
Administration	279,498	276,820	2,678
Tenant Services	844	552	292
Utilities	104,999	98,392	6,607
Maintenance	102,870	213,446	(110,576)
General, Insurance & Interest	46,716	60,628	(13,912)
Housing Assistance Payments	639,636	728,900	(89,264)
Other Non-Operating Expenses	51,832	369,168	(317,336)
Depreciation	127,656	141,913	(14,257)
<b>Total Expenses</b>	<b><u>1,354,051</u></b>	<b><u>1,889,819</u></b>	<b><u>(535,768)</u></b>
<b>Total Net Position</b>	<b><u>\$ (141,555)</u></b>	<b><u>\$ (530,225)</u></b>	<b><u>\$ 388,670</u></b>

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

Tenant rent increased slightly during 2015 in comparison to 2014. Operating subsidies were funded by HUD at a lower percentage of the eligible amount in calendar year 2015 compared to calendar year 2014 and HUD began the process of recapturing HUD held HAP reserves. Capital grants (expenditures) decreased from 2014 to 2015 mostly due to a decrease in capital projects underway.

Total administrative expenses increased slightly from 2014 to 2015. Utility costs continue to rise in 2015 due, in part, to a winter more severe than 2014. Maintenance costs decreased, largely to the contracting out of maintenance and unit turn-around.

The primary government contributed \$51,832 in unrestricted assets to its component unit Enterprise Housing Property Preservation, L.L.C. in 2015.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of March 31, 2015, the Authority had \$1,335,601 invested in a variety of capital assets as reflected in the following Table; this represents a net decrease of \$166,847.

**Table 4  
Capital Assets (Net of Depreciation)-Primary Government**

<b>Capital Assets</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Land	\$ 137,179	\$ 140,679	\$ (3,500)
Buildings	4,866,344	4,927,737	(61,393)
Furniture and Equipment	166,768	232,876	(66,107)
Accumulated Depreciation	(3,834,690)	(3,798,844)	(35,846)
<b>Total Capital Assets</b>	<b>\$ 1,335,601</b>	<b>\$ 1,502,448</b>	<b>\$ (166,847)</b>

As of March 31, 2015, the component unit had \$219,392 invested in a variety of capital assets.

The following table summarizes the change in Capital Assets.

**Table 5  
Change in Capital Assets-Primary Government**

	<b>2015</b>
<b>Beginning Balance - Net</b>	<b>\$ 1,502,448</b>
Additions – Operating	2,918
Deletions, Net	(42,109)
Depreciation Expense	(127,656)
<b>Total Capital Assets</b>	<b>\$ 1,335,601</b>

Refer to Note 5 for additional information on Capital Assets.

As of March 31, 2015, the Authority had \$654,402 in debt (mortgages) outstanding compared to \$667,667 the prior year. The component unit however had no debt at the end of 2015.

**Table 6  
Condensed Statement of Changes in Debt Outstanding-Primary Government**

	<b>2015</b>
<b>Beginning Balance – April 1, 2014</b>	<b>\$ 667,667</b>
Current Year Principal Payments	(13,265)
<b>Ending Balance – March 31, 2015</b>	<b>\$ 654,402</b>

Refer to Note 8 for additional information on Debt Outstanding.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
UNAUDITED**

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

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

**FINANCIAL CONTACT**

Questions concerning any of the information provided in this Management Discussion & Analysis should be addressed to:

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**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Primary Government</u>	<u>Component Unit</u>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 220,534	\$ 208,494
Cash and Cash Equivalents - Restricted	23,258	2,025
Receivables - Net of Allowance	115,034	10,125
Prepaid Expenses and Other Assets	25,227	3,178
Total Current Assets	<u>384,053</u>	<u>223,822</u>
Noncurrent Assets:		
Capital Assets		
Land	137,179	51,800
Other Capital Assets - Net	1,198,422	167,592
Total Capital Assets	<u>1,335,601</u>	<u>219,392</u>
Pledged Escrow Receivable - Noncurrent	<u>375,000</u>	<u>-</u>
Total Noncurrent Assets	<u>1,710,601</u>	<u>219,392</u>
<b>Total Assets</b>	<u><u>\$ 2,094,654</u></u>	<u><u>\$ 443,214</u></u>
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	\$ 36,704	\$ 5,029
Accrued Wages/Payroll Taxes	8,747	3,475
Accrued Compensated Absences - Current	13,849	-
Accrued Liabilities - Other	17,603	2,619
Tenant Security Deposits	23,258	2,025
Unearned Revenue	742	-
Current Portion of Long-Term Debt	13,469	-
Total Current Liabilities	<u>114,372</u>	<u>13,148</u>
Noncurrent Liabilities:		
Accrued Compensated Absences - Noncurrent	13,448	-
Long-Term Debt	640,933	-
Total Noncurrent Liabilities	<u>654,381</u>	<u>-</u>
<b>Total Liabilities</b>	<u>768,753</u>	<u>13,148</u>
<b>Net Position</b>		
Net Investment in Capital Assets	681,199	219,392
Unrestricted	644,702	210,674
<b>Total Net Position</b>	<u>1,325,901</u>	<u>430,066</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 2,094,654</u></u>	<u><u>\$ 443,214</u></u>

See accompanying notes to the basic financial statements

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Operating Revenues:</b>		
Tenant Revenue	\$ 240,217	\$ 21,900
Operating Subsidies	884,741	-
Other Revenues	87,402	109,800
Total Operating Revenues	1,212,360	131,700
<b>Operating Expenses:</b>		
Administrative	279,498	32,515
Tenant Services	844	-
Utilities	104,999	568
Maintenance	102,870	78,830
Insurance	27,034	2,247
Payment In Lieu of Taxes (PILOT)	7,603	4,365
Bad Debts	1,202	-
Housing Assistance Payments	639,636	-
Depreciation	127,656	4,823
Total Operating Expenses	1,291,342	123,348
Operating Income/(Loss)	(78,982)	8,352
<b>Non-Operating Revenues (Expenses):</b>		
Interest Revenue	136	714
Interest Expense	(10,877)	-
Other Non-Operating Revenues	-	51,832
Other Non-Operating Expenses	(51,832)	-
Total Non-Operating Revenue (Expenses)	(62,573)	52,546
Change In Net Position	(141,555)	60,898
Net Position Beginning of Year	1,467,456	369,168
Net Position End of Year	\$ 1,325,901	\$ 430,066

See accompanying notes to the basic financial statements

**HARRISON METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED MARCH 31, 2015**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Cash Flows From Operating Activities:</b>		
Cash Received From HUD	\$ 884,741	\$ -
Cash Received From Tenants	216,114	13,800
Cash Received From Other Sources	68,388	109,800
Cash Payments For Housing Assistance Payments	(639,636)	-
Cash Payments For Other Operating Expenses	(511,962)	(110,580)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>17,645</b>	<b>13,020</b>
<b>Cash Flows From Capital And Related Financing Activities:</b>		
Acquisition of Capital Assets and Other Assets	(2,918)	(172,383)
Proceeds from Sale of Capital Assets	9,291	-
Debt Payments - Principal	(13,265)	-
Debt Payments - Interest	(10,877)	-
<b>Net Cash Provided By (Used In) Capital And Related Financing Activities</b>	<b>(17,769)</b>	<b>(172,383)</b>
<b>Cash Flows From Investing Activities:</b>		
Interest Income	136	714
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>136</b>	<b>714</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>12</b>	<b>(158,649)</b>
<b>Cash And Cash Equivalents, Beginning</b>	<b>243,780</b>	<b>369,168</b>
<b>Cash And Cash Equivalents, Ending</b>	<b>\$ 243,792</b>	<b>\$ 210,519</b>
<b>Reconciliation Of Operating Income/(Loss) To Net Cash Provided By (Used In)</b>		
<b>Operating Activities</b>		
Operating Income/(Loss)	\$ (78,982)	\$ 8,352
Adjustments To Reconcile Operating Loss To Net Cash Provided By (Used In)		
<b>Operating Activities:</b>		
Depreciation	127,656	4,823
Gain on sale of capital assets	(19,014)	-
<b>(Increase)Decrease In:</b>		
Receivables - Net of Allowance	(25,557)	(10,125)
Prepaid Expenses	(15,689)	(3,178)
<b>Increase(Decrease) In:</b>		
Accounts Payable	22,648	5,029
Accrued Wages/Payroll Taxes	2,493	3,475
Accrued Compensated Absences	2,120	-
Accrued Liabilities - Other	516	2,619
Tenant Security Deposits	819	2,025
Deferred Revenue	635	-
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 17,645</b>	<b>\$ 13,020</b>
<b>Non-Cash Transaction</b>		
Contribution of net assets	<b>\$ (51,832)</b>	<b>\$ 51,832</b>

See accompanying notes to the basic financial statements

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

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

The Harrison Metropolitan Housing Authority (the "Authority") is a political subdivision created under the Ohio Revised Code, Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The Authority participates in the Section 8 Housing Choice voucher program provided by HUD. This program helps assist families in the payment of rent. Under this program, the Authority determines the amount of subsidy a family will receive using HUD guidelines; however, there is a limit to the amount charged to the family. The Authority participates in the Public Housing Program. Under this program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

The Authority also participates in USDA Rural Development. Under the USDA Rural Development Program, the Authority rents units that it owns to low-income households. The USDA Rural Development Program is operated under a contract with the United States Department of Agriculture, and the USDA provides Operating Subsidy to enable the PHA to provide housing at a rent that is based upon 30% of adjusted gross household income.

The State and Local Program includes an activity for management of a multi-family project, Bingham Terrace and rural development project Dunfee Court and Gable Estates.

**B. Summary of Significant Accounting Policies**

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

**C. Reporting Entity**

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

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**C. Reporting Entity (Continued)**

The component unit column in the financial statements identifies the financial data of the Authority's individual component unit: Enterprise Housing Property Preservation, L.L.C. (the Company). It is reported separately to emphasize that it is a legally separate entity and provides services to clients of the Authority and others.

Enterprise Housing Property Preservation, L.L.C. is an organization that is owned by the Board of Commissioners of Harrison Metropolitan Housing Authority. It was established in 2014 as a for-profit company and is offering residents of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Jefferson, Muskingum and Tuscarawas counties commercial and residential maintenance services that include routine building maintenance, scheduled property maintenance and unit renovation services. Enterprise Housing Property Preservation also purchases various types of residential properties that are assessed and renovated. These properties are either kept as an income producing rental or are placed back on the open market for resale.

**D. Fund Accounting**

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

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

**E. Proprietary Fund Types**

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

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

**F. Measurement Focus/Basis of Accounting**

**Primary Government**

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 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.

**Component Unit**

The Company utilizes the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**G. Recent Accounting Pronouncements**

In June 2012, the GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27". Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The total pension liability will be computed on a different basis than the current actuarial accrued liability and the method of allocating this liability to each participating employer has not yet been determined; while the precise impact is not known, it is deemed likely that this pronouncement will have a material impact on the financial statements. The provisions of this statement are effective and will be implemented by the Authority for the year ending March 31, 2016.

**H. Investments**

**Primary Government**

Investments are restricted by the provisions of the HUD regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2015 totaled \$136 for the primary government.

**Component Unit**

Investments are unrestricted and are valued at market value. Interest income earned in fiscal year 2015 totaled \$714 for the component unit.

**I. Receivables – Net of Allowance**

**Primary Government**

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 was \$51 at March 31, 2015.

**Component Unit**

The Company has not established an allowance for doubtful accounts and does not use the reserve method for recognizing bad debts. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Bad debts are treated as direct write-off in the period management determines that collection is not probable. There were no bad debts expensed for the year ended March 31, 2015.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**J. Capital Assets**

**Primary Government**

Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy is \$1,500. The following are the useful lives used for depreciation purposes:

Buildings	40 years
Building improvements	15 years
Furniture, equipment and machinery	7 years

**Component Unit**

Fixed assets are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Statement of Operations. The rental property is depreciated over estimated service levels as follows:

Buildings and Improvements	7- 40 years
Vehicles	5 years

**K. 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.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**L. 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 statement of net position date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

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

The following is a summary of changes in compensated absences for the year ended March 31, 2015:

	<u>Balance 3/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 3/31/2015</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 25,177	\$ 2,120	\$ -	\$ 27,297	\$ 13,849

**M. Budgetary Accounting**

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. The budget is submitted, reviewed and approved by the Board of the Housing Authority and is submitted to the Department of Housing and Urban Development.

**N. 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.



**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**O. Net Position**

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**P. Operating Revenues and Expenses**

**Primary Government**

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

**Component Unit**

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the company and its tenants are typically one year or less. Service income is recognized as fees become due for monthly fixed fees and recognized as work is completed per-unit fees.

**Q. Capital Contributions**

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 2: DEPOSITS AND INVESTMENTS**

**A. Primary Government**

**Deposits**

At fiscal year end, the carrying amount of the primary government's deposits was \$243,792 and its bank balances totaled \$264,005. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2015, \$250,000 of the primary government's bank balance was covered by Federal Depository Insurance (FDIC). The remainder was collateralized by securities pledged in the name of the Authority. Included in the carrying value of the Authority's deposits is \$200 in petty cash.

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

**Investments**

The Authority has a formal investment policy; although, the authority did not have investments at March 31, 2015.

Cash and cash equivalents included in the primary government's cash position at March 31, 2015, are as follows:

		<u>Cash and Cash Equivalents</u>
Cash – Unrestricted	\$	220,534
Cash – Restricted		<u>23,258</u>
Per GASB Statements No. 3 and No. 40	\$	<u><u>243,792</u></u>

**B. Component Unit**

**Deposits**

At fiscal year end, the carrying amount of the component unit's deposits was \$210,519 and its bank balances totaled \$210,560. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2015, \$250,000 of the component units' bank balance was covered by Federal Depository Insurance (FDIC). The Company has not experience any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Investments**

The Authority has a formal investment policy it relies on to manage the investments of the component unit; however, the component unit had no investments at March 31, 2015.

Cash and cash equivalents included in the component unit's cash position at March 31, 2015, are as follows:

		<u>Cash and Cash Equivalents</u>
Cash – Unrestricted	\$	208,494
Cash – Restricted		<u>2,025</u>
Per GASB Statements No. 3 and No. 40	\$	<u><u>210,519</u></u>

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 3: RESTRICTED CASH**

**Primary Government**

The restricted cash balance of \$23,258 on the financial statements for the primary government represents the following:

Tenant Security Deposits	\$ <u>23,258</u>
Per GASB Statements No. 3 and No. 40	\$ <u><u>23,258</u></u>

**Component Unit**

The restricted cash balance of \$2,025 on the financial statements for the component unit represents the following.

Tenant Security Deposits	\$ <u>2,025</u>
Per GASB Statements No. 3 and No. 40	\$ <u><u>2,025</u></u>

**NOTE 4: INSURANCE COVERAGE**

**Primary Government**

The Authority is covered for property damage, general liability, auto damage and liability, and public officials' liability through the State Housing Authority Risk Pool Association, Inc. (SHARP).

Additionally, workers' compensation is maintained through the State of Ohio, in which rates are calculated retrospectively. The authority is also fully insured through a premium payment plan for employee health care benefits. There was no significant reduction in coverages and no claims exceed insurance coverage during the past three years.

**Component Unit**

The Company is covered for property damage, general liability, auto damage and liability through Nationwide Insurance.

Additionally, workers' compensation is maintained through the State of Ohio, in which rates are calculated retrospectively. There was no significant reduction in coverages and no claims exceed insurance coverage as of the date of this audit report.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes:

**A. Primary Government**

	<u>Balance 3/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2015</u>
<b>Capital Assets Not Depreciated</b>				
Land	\$ 140,679	\$ -	\$ (3,500)	\$ 137,179
<b>Total Capital Assets Not Depreciated</b>	<u>140,679</u>	<u>-</u>	<u>(3,500)</u>	<u>137,179</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Building Improvements	4,927,737	-	(61,393)	4,866,344
Furniture and Equipment	<u>232,876</u>	<u>2,918</u>	<u>(69,026)</u>	<u>166,768</u>
<b>Total Capital Assets Being Depreciated</b>	5,160,613	2,918	(130,419)	5,033,112
Less: Accumulated Depreciation				
Buildings and Building Improvements	(3,583,055)	(115,439)	22,785	(3,675,709)
Furniture and Equipment	<u>(215,789)</u>	<u>(12,217)</u>	<u>69,025</u>	<u>(158,981)</u>
Total Accumulated Depreciation	<u>(3,798,844)</u>	<u>(127,656)</u>	<u>91,810</u>	<u>(3,834,690)</u>
<b>Net Capital Assets Being Depreciated</b>	<u>1,361,769</u>	<u>(124,738)</u>	<u>(38,609)</u>	<u>1,198,422</u>
<b>Total Capital Assets</b>	<u>\$ 1,502,448</u>	<u>\$ (124,738)</u>	<u>\$ (42,109)</u>	<u>\$ 1,335,601</u>

The depreciation periods for the above asset classes are as follows:

Buildings	40 years
Building Improvements	15 years
Furniture and Equipment Dwellings	7 years
Furniture and Equipment Administration	3 to 7 years

**B. Component Unit**

	<u>Balance 3/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2015</u>
<b>Capital Assets Not Depreciated</b>				
Land	\$ -	\$ 51,800	\$ -	\$ 51,800
<b>Total Capital Assets Not Depreciated</b>	<u>-</u>	<u>51,800</u>	<u>-</u>	<u>51,800</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Building Improvements	-	189,199	-	189,199
Furniture and Equipment	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
<b>Total Capital Assets Being Depreciated</b>	-	195,199	-	195,199
Less: Accumulated Depreciation	<u>-</u>	<u>(27,607)</u>	<u>-</u>	<u>(27,607)</u>
<b>Net Capital Assets Being Depreciated</b>	<u>-</u>	<u>167,592</u>	<u>-</u>	<u>167,592</u>
<b>Total Capital Assets</b>	<u>\$ -</u>	<u>\$ 219,392</u>	<u>\$ -</u>	<u>\$ 219,392</u>

The depreciation periods for the above asset classes are as follows:

Buildings and Improvements	7 - 40 years
Vehicles	5 years

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

**Primary Government**

**Ohio Public Employees Retirement System**

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended March 31, 2015, 2014, and 2013 were \$28,755, \$32,556, and \$39,460, respectively. All required contributions have been made through March 31, 2015.

**Component Unit**

The Company offers no pension plan benefits for its employee's.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 7: POST-EMPLOYMENT BENEFITS**

**Primary Government**

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-Direct Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

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

The Ohio Revised Code provides statutory Authority requiring public employers to fund post-employment 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 2015, the Authority contributed at a rate of 14.0 percent of covered payroll or \$28,755. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 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 Retirement Board determines the portion of the employer contribution rate that will be set aside for funding the post-employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.0 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actual Authority contributions for the year ended March 31, 2015, 2014, and 2013, which were used to fund post-employment benefits, were \$5,751, \$6,511 and \$2,819 respectively.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**Primary Government (Continued)**

The Health Care Prevention Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004, was effective January 1, 2007. Members and employers contribution rates increased January 1 of each year from 2006 to 2008. These rates increased allowed additional funds to be allocated to the health care plan.

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

**Component Unit**

The Company offers no post-employment pension plan benefits for its employee's.

**NOTE 8: LONG-TERM DEBT**

**A. Primary Government**

Harrison Metropolitan Housing Authority has the following mortgages outstanding as of March 31, 2015:

***Dunfee Court*** - A first and second mortgage with the United States Department of Agriculture Rural Housing Service for a 12-unit project. Original loan amount \$373,300, dated January 30, 1985. Term of the loan is 50 years with interest rate of 10.75%, discounted to 1%. Balance outstanding as of March 31, 2015 was \$153,538. Second loan amount \$23,580, dated April 25, 1985. Term of the loan is 50 years with interest rate of 11.875%, discounted to 1%. Balance outstanding as of March 31, 2015 was \$10,428.

***Gable Estate*** - United States Department of Agriculture Rural Housing Service loan for a 16-unit project. The amount of the loan was \$541,516, dated April 21, 1993. The term of the loan is 50 years with the interest rate of 7.75%, discounted to 1%. The outstanding balance as of March 31, 2015 was \$490,436.

The following is a summary of change in long-term debt for the year ended March 31, 2015:

<u>Description</u>	<u>Balance 3/31/2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 3/31/2015</u>	<u>Due Within One Year</u>
1st Mortgage Dunfee Court	\$ 161,599	\$ -	\$ 8,061	\$ 153,538	\$ 8,104
2nd Mortgage Dunfee Court	10,930	-	502	10,428	505
Gable Estate	495,138	-	4,702	490,436	4,860
<i>Total Long-term Debt</i>	<u>\$ 667,667</u>	<u>\$ -</u>	<u>\$ 13,265</u>	<u>\$ 654,402</u>	<u>\$ 13,469</u>

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

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

**A. Primary Government (Continued)**

Debt maturities for future years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,469	\$ 6,544	\$ 20,013
2017	13,931	5,854	19,785
2018	14,424	6,270	20,694
2019	14,949	6,126	21,075
2020	15,509	5,976	21,485
2021-2025	87,355	27,429	114,784
2026-2030	108,349	27,429	135,778
2031-2035	112,298	16,909	129,207
2036-2040	126,229	11,369	137,598
2041-2045	147,889	4,001	151,890
	<u>\$ 654,402</u>	<u>\$ 117,907</u>	<u>\$ 772,309</u>

**A. Component Unit**

The Authority's component unit had no outstanding obligations on notes as of March 31, 2015.

**NOTE 9: CONTINGENCIES**

**A. 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 March 31, 2015.

**B. Litigation**

In the normal course of operations, the Authority may be subject to litigations and claims. At March 31, 2015, the Authority was not aware of any such matters.

**NOTE 10: FDS SCHEDULE SUBMITTED TO HUD**

For the fiscal year ended March 31, 2015, the Authority electronically submitted an unaudited version of the statement of net position, statement of revenues, expenses and changes in net position and other data to HUD REAC as required on the GAAP basis.



**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 11: PLEDGED ESCROW RECEIVABLE**

On June 15, 2010 the Authority signed a guarantee agreement to Bingham Terrace Preservation LP, an Ohio Limited Partnership, and Huntington Ohio ARRA Fund LLC, an Ohio Limited Liability Company. The authority is an affiliate of the General Partner of the Partnership, owner of a low-income housing project constructed by the partnership. The obligation of the Authority under the agreement is a pledge of \$500,000, which will be paid to the Primary Government as follows:

<b>Primary Government</b>	
<b>Year Ending March 31:</b>	
2017	\$ 125,000
2027	250,000
<b>Total Pledged</b>	<b>375,000</b>
<b>Current</b>	-
<b>Long-term</b>	<b>\$ 375,000</b>

**NOTE 12: SUBSEQUENT EVENT**

**A. Primary Government**

There were no subsequent events noted through the date of the report, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

**B. Component Unit**

There were no subsequent events noted through the date of the report, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

**NOTE 13: RELATED PARY TRANSACTIONS**

**Maintenance Services Agreement** - The Company has entered into an agreement with the Authority to provide building maintenance services to the properties under the Authority's ownership. The fees are fixed and charged on a monthly basis at a fee determined in the agreement. Service income related to this agreement totaled \$109,800 for the year ended March 31, 2015.

**Administrative Reimbursement Agreement** - The Company has entered into an administrative reimbursement agreement with the Authority to pay for the Company's portion of shared administrative costs in the amount of \$1,000 per month. The Company paid the Authority \$12,000 in relation to these services during the year ended March 31, 2015.

**Equipment Loan Agreement** - The Company has entered into an equipment loan agreement with the Authority to pay for the Company's portion of shared equipment and vehicle costs in the amount of \$467.82 per month. The Company paid the Authority \$4,210 in relation to these services during the year ended March 31, 2015. This agreement expired on December 31, 2014. There will be no further fees paid in connection with this agreement.

**Accounts Receivable – Harrison Metropolitan Housing Authority** - The Company provided funds to the Authority during 2015 to assist with the setup of a bank account. The outstanding advances as of March 31, 2015 totaled \$10,000. These funds will be returned to the Company in 2016.

## Supplemental Information

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2015

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
111 Cash - Unrestricted	23,349	57,717	104,888	34,580	208,494	429,028	-	429,028
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	-	-	-	-	-	-	-
114 Cash - Tenant Security Deposits	12,247	-	11,011	-	2,025	25,283	-	25,283
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100 Total Cash	35,596	57,717	115,899	34,580	210,519	454,311	-	454,311
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	4,047	1,818	-	-	-	5,865	-	5,865
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	106,722	10,125	116,847	-	116,847
126 Accounts Receivable - Tenants	505	-	-	-	-	505	-	505
126.1 Allowance for Doubtful Accounts - Tenants	(51)	-	-	-	-	(51)	-	(51)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-
128 Fraud Recovery	-	2,345	-	-	-	2,345	-	2,345
128.1 Allowance for Doubtful Accounts - Fraud	-	(352)	-	-	-	(352)	-	(352)
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	4,501	3,811	-	106,722	10,125	125,159	-	125,159
131 Investments - Unrestricted	-	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	13,620	3,552	8,055	-	3,178	28,405	-	28,405
143 Inventories	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	26,660	-	26,660	(26,660)	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-
150 Total Current Assets	53,717	65,080	123,954	167,962	223,822	634,535	(26,660)	607,875
161 Land	75,202	-	61,977	-	51,800	188,979	-	188,979
162 Buildings	3,803,047	-	1,063,297	-	189,199	5,055,543	-	5,055,543
163 Furniture, Equipment & Machinery - Dwellings	52,975	-	6,116	-	-	59,091	-	59,091
164 Furniture, Equipment & Machinery - Administration	107,356	-	321	-	6,000	113,677	-	113,677
165 Leasehold Improvements	-	-	-	-	-	-	-	-
166 Accumulated Depreciation	(3,169,105)	-	(665,585)	-	(27,607)	(3,862,297)	-	(3,862,297)
167 Construction in Progress	-	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	869,475	-	466,126	-	219,392	1,554,993	-	1,554,993
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	375,000	-	375,000	-	375,000

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2015

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
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	869,475	-	466,126	375,000	219,392	1,929,993	-	1,929,993
190 Total Assets	923,192	65,080	590,080	542,962	443,214	2,564,528	(26,660)	2,537,868
200 Deferred Outflow of Resources	-	-	-	-	-	-	(26,660)	(26,660)
290 Total Assests and Deferred Outflow of Resources	923,192	65,080	590,080	542,962	443,214	2,564,528	(26,660)	2,537,868
311 Bank Overdraft	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	407	-	480	35,817	5,029	41,733	-	41,733
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	8,747	3,475	12,222	-	12,222
322 Accrued Compensated Absences - Current Portion	3,997	7,688	2,164	-	-	13,849	-	13,849
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	7,603	-	-	10,000	-	17,603	-	17,603
341 Tenant Security Deposits	12,247	-	11,011	-	2,025	25,283	-	25,283
342 Deferred Revenues	737	-	5	-	-	742	-	742
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	13,469	-	-	13,469	-	13,469
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-	2,619	2,619	-	2,619
347 Inter Program - Due To	5,407	5,643	15,610	-	-	26,660	(26,660)	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	30,398	13,331	42,739	54,564	13,148	154,180	(26,660)	127,520
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	640,933	-	-	640,933	-	640,933
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	1,844	9,831	1,773	-	-	13,448	-	13,448
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	1,844	9,831	642,706	-	-	654,381	-	654,381

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2015

Description	Project Total CF and PH	Housing Choice Vouchers 14,871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
300 Total Liabilities	32,242	23,162	685,445	54,564	13,148	808,561	(26,660)	781,901
400 Deferred Inflow of Resources	-	-	-	-	-	-	-	-
508.4 Net Investment in Capital Assets	869,475	-	(188,276)	-	219,392	900,591	-	900,591
511.4 Restricted Net Position	-	-	-	-	-	-	-	-
512.4 Unrestricted Net Position	21,475	41,918	92,911	488,398	210,674	855,376	-	855,376
513 Total Equity - Net Position	890,950	41,918	(95,365)	488,398	430,066	1,755,967	-	1,755,967
600 Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	923,192	65,080	590,080	542,962	443,214	2,564,528	(26,660)	2,537,868
70300 Net Tenant Rental Revenue	149,019	-	85,110	-	21,900	256,029	-	256,029
70400 Tenant Revenue - Other	4,785	-	1,303	-	-	6,088	-	6,088
70500 Total Tenant Revenue	153,804	-	86,413	-	21,900	262,117	-	262,117
70600 HUD PHA Operating Grants	153,611	669,471	61,659	-	-	884,741	-	884,741
70610 Capital Grants	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	128	-	8	-	714	850	-	850
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	2,716	-	-	-	2,716	-	2,716
71500 Other Revenue	4,541	10,734	2,970	47,427	109,800	175,472	-	175,472
71600 Gain or Loss on Sale of Capital Assets	12,502	-	5,195	1,317	-	19,014	-	19,014
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-
70000 Total Revenue	324,586	682,921	156,245	48,744	132,414	1,344,910	-	1,344,910
91100 Administrative Salaries	71,441	43,548	27,281	-	9,738	152,008	-	152,008
91200 Auditing Fees	2,736	1,446	2,679	-	-	6,861	-	6,861
91300 Management Fee	-	-	15,016	-	-	15,016	-	15,016
91310 Book-keeping Fee	-	-	-	-	-	-	-	-
91400 Advertising and Marketing	199	-	-	-	853	1,052	-	1,052
91500 Employee Benefit contributions - Administrative	29,741	20,678	12,786	-	1,436	64,641	-	64,641

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2015

Description	Project Total CF and PH	Housing Choice Vouchers 14,871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
91600 Office Expenses	3,359	13,602	1,920	-	3,920	22,801	-	22,801
91700 Legal Expense	288	-	161	-	2,205	2,654	-	2,654
91800 Travel	247	281	373	-	698	1,599	-	1,599
91810 Allocated Overhead	12,023	-	-	-	-	12,023	-	12,023
91900 Other	2,997	12,627	1,063	883	13,665	31,235	-	31,235
91000 Total Operating - Administrative	123,031	92,182	61,279	883	32,515	309,890	-	309,890
92000 Asset Management Fee	-	-	-	-	-	-	-	-
92100 Tenant Services - Salaries	-	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-
92400 Tenant Services - Other	223	-	621	-	-	844	-	844
92500 Total Tenant Services	223	-	621	-	-	844	-	844
93100 Water	9,893	95	16,808	-	-	26,796	-	26,796
93200 Electricity	69,403	2,095	4,096	-	325	75,919	-	75,919
93300 Gas	253	1,342	1,014	-	243	2,852	-	2,852
93400 Fuel	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-
93000 Total Utilities	79,549	3,532	21,918	-	568	105,567	-	105,567
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-	38,412	38,412	-	38,412
94200 Ordinary Maintenance and Operations - Materials and Other	2,513	3,532	1,664	-	32,739	40,448	-	40,448
94300 Ordinary Maintenance and Operations Contracts	39,841	3,303	42,511	-	2,310	87,965	-	87,965
94500 Employee Benefit Contributions - Ordinary Maintenance	3,799	1,064	-	-	5,369	10,232	-	10,232
94000 Total Maintenance	46,153	7,899	44,175	-	78,830	177,057	-	177,057
95100 Protective Services - Labor	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-
96110 Property Insurance	13,583	4,827	8,624	-	2,247	29,281	-	29,281
96120 Liability Insurance	-	-	-	-	-	-	-	-
96130 Workmen's Compensation	-	-	-	-	-	-	-	-
96140 All Other Insurance	-	-	-	-	-	-	-	-
96100 Total insurance Premiums	13,583	4,827	8,624	-	2,247	29,281	-	29,281

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2015

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
96200 Other General Expense	-	-	4,643	-	-	4,643	-	4,643
96210 Compensated Absences	(295)	3,162	(744)	-	-	2,123	-	2,123
96300 Payments in Lieu of Taxes/Real Estate Taxes	7,603	-	-	-	4,365	11,968	-	11,968
96400 Bad debt - Tenant Rents	-	-	247	-	-	247	-	247
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	955	-	-	-	955	-	955
96800 Severance Expense	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	7,308	4,117	4,146	-	4,365	19,936	-	19,936
96710 Interest of Mortgage (or Bonds) Payable	-	-	10,877	-	-	10,877	-	10,877
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	10,877	-	-	10,877	-	10,877
96900 Total Operating Expenses	269,847	112,557	151,640	883	118,525	653,452	-	653,452
97000 Excess of Operating Revenue over Operating Expenses	54,739	570,364	4,605	47,861	13,889	691,458	-	691,458
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	639,636	-	-	-	639,636	-	639,636
97350 HAP Portability-In	-	-	-	-	-	-	-	-
97400 Depreciation Expense	99,976	-	27,680	-	4,823	132,479	-	132,479
97500 Fraud Losses	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-
90000 Total Expenses	369,823	752,193	179,320	883	123,348	1,425,567	-	1,425,567
10010 Operating Transfer In	-	-	-	-	-	-	-	-
10020 Operating transfer Out	-	-	-	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	(51,832)	51,832	-	-	-
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	-	-	-	-	-	-	-	-

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2015

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
10094 Transfers between Project and Program - Out	-		-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	-	-	-	(51,832)	51,832	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(45,237)	(69,272)	(23,075)	(3,971)	60,898	(80,657)	-	(80,657)
11020 Required Annual Debt Principal Payments	-		24,141	-	-	24,141	-	24,141
11030 Beginning Equity	936,187	111,190	(72,290)	492,369	369,168	1,836,624	-	1,836,624
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-		-	-	-	-	-	-
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	-		-	-	-	-	-	-
XXXXX Ending Equity	890,950	41,918	(95,365)	488,398	430,066	1,755,967	-	1,755,967
11170 Administrative Fee Equity	-	41,918	-	-	-	41,918	-	41,918
11180 Housing Assistance Payments Equity	-	(1,818)	-	-	-	(1,818)	-	(1,818)
11190 Unit Months Available	600	3,180	336	-	34	4,150	-	4,150
11210 Number of Unit Months Leased	595	2,137	330	-	32	3,094	-	3,094
11270 Excess Cash	(6,778)	-	-	-	-	(6,778)	-	(6,778)
11610 Land Purchases	-	-	-	-	48,300	48,300	-	48,300
11620 Building Purchases	-	-	-	-	127,806	127,806	-	127,806
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	6,000	6,000	-	6,000
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-
B/S in Balance	-	-	-	-	-	-	-	-
N/A in Balance	-	-	-	-	-	-	-	-
Inv in F/A net of Debt in Balance	-	-	-	-	-	-	-	-
Restricted N/A in Balance	-	-	-	-	-	-	-	-



**HARRISON METROPOLITAN HOUSING AUTHORITY  
ACTUAL MODERNIZATION COST CERTIFICATES  
FOR THE YEAR ENDED MARCH 31, 2015**

**Modernization Project Number : OH12P067909-97**

Original Funds Approved:	\$ 119,000
Funds Disbursed:	\$ 119,000
Funds Expended (Actual Modernization Cost):	\$ 119,000
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

**Modernization Project Number : OH12P067911-99**

Original Funds Approved:	\$ 66,732
Funds Disbursed:	\$ 66,732
Funds Expended (Actual Modernization Cost):	\$ 66,732
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

**Modernization Project Number : OH12P067502-03**

Original Funds Approved:	\$ 10,847
Funds Disbursed:	\$ 10,847
Funds Expended (Actual Modernization Cost):	\$ 10,847
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

**Modernization Project Number : OH12P067501-13**

Original Funds Approved:	\$ 40,329
Funds Disbursed:	\$ 40,329
Funds Expended (Actual Modernization Cost):	\$ 40,329
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

**Modernization Project Number : OH12P067501-14**

Original Funds Approved:	\$ 45,154
Funds Disbursed:	\$ 45,154
Funds Expended (Actual Modernization Cost):	\$ 45,154
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable

**HARRISON METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED MARCH 31, 2015**

<b>FEDERAL GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
<b><i>DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</i></b>		
Low Rent Public Housing	14.850	\$ 81,485
Public Housing Capital Fund Program	14.872	72,126
Housing Choice Vouchers	14.871	<u>669,471</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>823,082</u>
<b><i>DIRECT FROM U.S. DEPARTMENT OF AGRICULTURE - RURAL HOUSING SERVICE:</i></b>		
Rural Rental Housing Loan	10.415	<u>61,659</u>
<b>Total U.S. Department of Agriculture - Rural Housing Service</b>		<u>61,659</u>
<b>TOTAL - FEDERAL AWARDS EXPENDITURES</b>		<u><u>\$ 884,741</u></u>

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 1 – PRESENTATION**

The accompanying Schedule of Federal Awards Expenditures is a summary of the federal grant activity of the Harrison Metropolitan Housing Authority. This schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred.

**NOTE 2 – COMPONENT UNIT**

There were no federal expenditures for the component unit, Enterprise Housing Property Preservation, L.L.C.



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

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

December 14, 2015

Harrison Metropolitan Housing Authority  
Harrison County  
P.O. Box 146  
82450 Cadiz-Jewett Rd.  
Cadiz, OH 43907

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 business-type activities and the discretely presented component unit of the **Harrison Metropolitan Housing Authority**, Harrison County, (the Authority) as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 14, 2015. Our report refers to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits from the Comptroller General of the United States' *Government Auditing Standards*. Other auditors audited the financial statements of Enterprise Housing Property Preservation, LLC, the Authority's discretely presented component unit, as described in our report on the Authority's financial statement. The financial statements of Enterprise Housing Property Preservation, LLC, the Authority's discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

***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.



***...“bringing more to the table”***

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •  
• Association of Certified Anti - Money Laundering Specialists •



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**  
Certified Public Accountants, A.C.  
Marietta, Ohio



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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**

December 14, 2015

Harrison Metropolitan Housing Authority  
Harrison County  
P.O. Box 146  
82450 Cadiz-Jewett Rd.  
Cadiz, OH 43907

To the Board of Commissioners:

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

We have audited the **Harrison 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 Harrison Metropolitan Authority's major federal program for the year ended March 31, 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.



***... "bringing more to the table"***

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll

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***Opinion on the Major Federal Program***

In our opinion, the Harrison 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 March 31, 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 each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

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

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



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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
FOR THE YEAR ENDED MARCH 31, 2015**

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

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

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None





# Dave Yost • Auditor of State

**HARRISON COUNTY METROPOLITAN HOUSING AUTHORITY**

**HARRISON 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  
MARCH 22, 2016**