

**ASHTABULA METROPOLITAN
HOUSING AUTHORITY
ASHTABULA COUNTY
Single Audit
For the Year Ended December 31, 2013**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Commissioners
Ashtabula Metropolitan Housing Authority
3526 Lake Avenue
Ashtabula, Ohio 44004

We have reviewed the *Independent Auditor's Report* of the Ashtabula Metropolitan Housing Authority, Ashtabula County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2013 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashtabula 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

July 14, 2014

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**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY**

FOR THE YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

June 20, 2014

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Ashtabula Metropolitan Housing Authority**, Ashtabula County, Ohio (the Authority), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula Metropolitan Housing Authority, Ashtabula County as of and for the year ended December 31, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 supplemental financial data schedule presented on pages 27 through 30 presents additional analysis as is required by the U.S Department of Housing and Urban Development and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2014, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

As management of Ashtabula Metropolitan Housing Authority (the Authority), we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Special Conditions and Economic Factors

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

Contacting The Authority

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the Ashtabula Metropolitan Housing Authority.

Overview of the Financial Statements

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

The Statement of Net Position:

This statement reports all financial and capital resources for the Authority. The statement is presented in the format where assets minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

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".

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Statement of Revenue, Expenses, and Change in Net Position

Reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.

This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

Statement of Cash Flows

Presents information on the effects changes in assets and liabilities have on cash during the course of the Fiscal Year.

Notes to the Basic Financial Statements

Provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

Analysis of the Housing Activity

Our overall analysis of the Authority as a whole begins on the following pages. The most important question asked about the Authority's finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of net position, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in it. One can think of the Authority's net position as the difference between what the Authority owns (assets) to what the Authority owes (liabilities).

The change in net position analysis will assist the reader with measuring the health or financial position of the Authority. Over time, significant changes in the Authority's net position is an indicator of whether its financial health is improving or deteriorating.

To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actual does.

The following is a brief description of the programs and services that the Authority provides for the residents of Ashtabula County, Ohio:

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Analysis of the Housing Activity (Continued)

Housing Authority Programs

Low Income Public Housing (LIPH)

The Authority has 555 units in its Public Housing inventory. The Authority is responsible for the management, maintenance, and utilities costs for all units. The units must be maintained in accordance with HUD established housing quality standards. An annual inspection of each unit must be performed by the Housing Authority to assure that they meet or exceed these standards.

Each Authority Public Housing building, and the units that comprise those buildings, are subject to random third party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has a Project Expense Level (PEL). The PEL reflects estimated allowable operating expenditures and is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD.

HUD funds the difference between these allowable costs incurred for all units leased units and the actual tenant revenue generated. Tenant rent is based on 30% of their adjusted household income. Actual funding received from HUD is made by the results of this formula calculation, subject to pro-ration in accordance with total funds actually appropriated by Congress. Actual funding is made by HUD, by formula, in accordance with total funds appropriated by Congress.

Section 8 Housing Choice Vouchers (HCV)

HUD has contracted with the Authority to provide support for the Housing Choice Voucher Program. The Authority pays a Housing Assistance Payments to Landlords for Low Income tenants.

The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted income.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program, however, they are responsible for annually inspecting the units to assure that they meet or exceed HUD established Housing quality standards.

Rural Housing and Economic Development Program

This program consists of grants that are meant to meet rural communities' housing and economic development needs. Recent appropriations acts have provided funding for this program, which is used to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Analysis of the Housing Activity (Continued)

Housing Authority Programs (Continued)

Business Activities

This Authority assists the local mental health group in administering a Shelter Plus Care program. This program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immune deficiency syndrome (AIDS), and related diseases. Rental assistance must be matched by an equal value in cash or in-kind provided by the grantee from federal or private sources to be used for supportive services.

Capital Fund Program

Tenant Revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day to day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance.

The purpose of the capital fund grants is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority.

This grant program is awarded by HUD, by formula allocation, on an annual basis. The Authority generally has two years to obligate the funds from these capital fund grants, and three to years to fully expend them. As formal contracts are awarded from this program, funds are requisitioned from HUD to pay periodic requests from the contractors.

Work completed under this grant program is temporarily charged to Construction in Progress. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and audited, the work items are moved from Construction in Progress and placed into the Capital Assets. Depreciation begins at this point.

Supportive Housing Program

Grants offered through a competitive process for new construction, acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing, as well as supportive services to homeless individuals and families; grants to fund a portion of annual operating costs; and grants for technical assistance.

Condensed Comparative Financial Statements

Analysis of Net Position (Statement of Net Position)

Total Net position for FY 2013 was \$15,238,204 and for FY 2012 the amount was \$15,793,455. This represents an overall net decrease of \$555,251, or 3.5%

Cash and Cash Equivalents (Including Investments) increased to \$3,969,454 in FY 2013 from \$3,835,845 in FY 2012, or by \$133,609, or 3.5%. The upward change in the authority's cash balance is primarily due to an increase in HCV restricted cash.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Condensed Comparative Financial Statements (Continued)

Receivables decreased to \$16,372 in FY 2013 from \$32,999 in FY 2012. This represents a decrease of \$16,627, or 50.4%. This change was the result of a decrease in tenant receivables.

Other Current Assets increased to \$146,757 in FY 2013 from \$132,382 in FY 2012, or by \$14,375, or 10.9%. This change was primarily due to an increase in pre-paid expenses.

Capital Assets decreased to \$11,805,822 in FY 2013 from \$12,523,441 in FY 2012, or by \$717,619, or 5.7%. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities increased to \$382,784 in FY 2013 from \$344,655 in FY 2012, or by \$38,129, or 11.1%. This change is primarily the result of increases in HUD accounts payables.

Non Current Liabilities decreased to \$317,417 in FY 2013 from \$386,557 in FY 2012, or by \$69,140, or 17.9%. Primarily, this change was a result of a decrease in long term debt, net of current.

The table below illustrates the changes in net position between December 31, 2013 and 2012 for the Authority as a whole:

	2013	2012	Net Change	% Variance
Cash and Cash Equivalents	\$ 3,969,454	\$ 3,835,845	\$ 133,609	3.5%
Receivables	16,372	32,999	(16,627)	-50.4%
Other Current Assets	146,757	132,382	14,375	10.9%
Capital Assets	11,805,822	12,523,441	(717,619)	-5.7%
Total Assets	15,938,405	16,524,667	(586,262)	-3.5%
Current Liabilities	382,784	344,655	38,129	11.1%
Non-Current Liabilities	317,417	386,557	(69,140)	-17.9%
Total Liabilities	700,201	731,212	(31,011)	-4.2%
Net Investment in Capital Assets	11,600,324	12,241,613	(641,289)	-5.2%
Restricted	452,038	267,838	184,200	68.8%
Unrestricted	3,185,842	3,284,004	(98,162)	-3.0%
Total Net Position	15,238,204	15,793,455	(555,251)	-3.5%
Total Liabilities and Net Position	\$ 15,938,405	\$ 16,524,667	\$ (586,262)	-3.5%

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Analysis of Entity-Wide Revenues (Statement of Revenues, Expenses, and Changes in Net Position)

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2013 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Low Income Public Housing (LIPH)	\$ 3,176,710
Section 8 Housing Choice Vouchers (HCV)	2,853,677
Public Housing Capital Fund Program (CFP)	808,831
Rural Housing & Economic Development (RH)	337,963
Shelter Plus Care (SPC)	15,196
Supportive Housing for Persons w/ Disabilities (SH)	254,066
 Total Revenue	 <u><u>\$ 7,446,443</u></u>

Total revenues for FY 2013 were \$7,446,443 as compared to \$7,989,730 of total revenues for FY 2012. Comparatively, FY 2012 revenues exceeded FY 2013 revenues by \$543,287, or 6.8%. The primary reason for this change was the result of reduced funding from HUD operating grants and capital grants.

	2013		2012	Net Change	% Change
Total Tenant Revenue	\$ 1,318,222	\$	1,160,473	\$ 157,749	13.6%
HUD Operating Grants	5,495,668		5,871,102	-375,434	-6.4%
HUD Capital Grants	411,675		858,378	-446,703	-52.0%
Investment Income	3,805		6,312	-2,507	-39.7%
Other Revenue	217,073		93,465	123,608	132.3%
Total Revenue	<u><u>\$ 7,446,443</u></u>	\$	<u><u>7,989,730</u></u>	<u><u>\$ (543,287)</u></u>	<u><u>-6.8%</u></u>

Analysis of Entity-Wide Expenditures

Total Expenditures for FY 2013 were \$8,001,694 as compared to the \$8,060,009 of total expenditures for FY 2012. This represents a decrease of \$58,316, or 0.7%.

Administrative expenditures for FY 2013 were \$1,677,025 as compared to \$1,439,838 in FY 2012. This represents an increase of \$237,187, or 16.5%. This change is primarily the result of an increase in administrative salaries and benefits.

Utilities expenditures for FY 2013 were \$700,706 as compared to \$688,774 in FY 2012. This represents an increase of \$11,932, or 1.7%. The cause for this change is due to increases in sewage and water costs from the prior fiscal year.

Maintenance expenditures for FY 2013 were \$1,561,003 as compared to \$1,601,787 in FY 2012. This represents a decrease of \$40,784, or 2.5%. The main reason for this change was due to decreases in maintenance salaries and benefits.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Analysis of Entity-Wide Expenditures (Continued)

General expenditures for FY 2013 were \$196,448 as compared to \$150,462 for FY 2012. This represents an increase of \$45,986, or 30.6%. The main cause for this change was due to increases in compensated absences expense.

The table below illustrates the change in expenses for the Authority for fiscal year 2013 compared to fiscal year 2012:

	2013	2012	Net Change	% Change
Administrative	\$ 1,677,025	\$ 1,439,838	\$ 237,187	16.5%
Tenant Services	6,553	9,649	-3,096	-32.1%
Utilities	700,706	688,774	11,932	1.7%
Maintenance	1,561,003	1,601,787	-40,784	-2.5%
Protective Services	112,781	130,637	-17,856	-13.7%
General Expense	196,448	150,462	45,986	30.6%
Housing Assistance Payments	2,594,240	2,979,260	-385,020	-12.9%
Depreciation Expense	1,152,938	1,059,602	93,336	8.8%
Total Expenses	\$ 8,001,694	\$ 8,060,009	\$ (58,315)	-0.7%

ANALYSIS OF CAPITAL ASSET ACTIVITY

The table below illustrates the changes in Capital Assets experienced from January 1, 2013 through December 31, 2013.

	2013	2012	Net Change	% Change
Land	\$ 1,113,241	\$ 1,113,241	\$ -	0.0%
Buildings	31,124,663	28,865,220	2,259,443	7.8%
Furniture, Equip., & Mach. - Dwelling	515,912	492,268	23,644	4.8%
Furniture, Equip., & Mach. - Administrative	1,000,328	1,000,328	-	0.0%
Construction in Progress	563,625	2,411,393	(1,847,768)	-76.6%
Total Capital Assets	34,317,769	33,882,450	435,319	1.3%
Accumulated Depreciation	22,511,947	21,359,009	1,152,938	5.4%
Net Capital Assets	\$ 11,805,822	\$ 12,523,441	\$ (717,619)	-5.7%

As previously mentioned, work completed under the capital fund grant program is temporarily charged to Construction in Process. When all of the funds allocated to a specific grant have been fully expended, approved by HUD, and audited, the work items are moved from Construction in Process and placed into the Capital Assets.

Increases in the various capital asset accounts, in the amount of \$435,319, have been offset by the net change to accumulated depreciation, in the amount of \$1,152,938. This reflects a net decrease in Capital Assets in the amount of \$717,619, or by 5.7%. For further information regarding the Authority's capital assets refer to Note 3 to the basic financial statements.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
UNAUDITED**

Debt

The Authority has two loans payable to the Rural Economic and Community Development Services. The total balance due on the loans at December 31, 2013 was \$205,498. Further detailed information is available in Note 10 to the basic financial statements.

Contacting the Authority

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the Ashtabula Metropolitan Housing Authority.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
STATEMENT OF NET POSITION

AS OF DECEMBER 31, 2013

ASSETS

Current Assets

Cash and Cash Equivalents - Unrestricted	\$	1,958,834
Cash and Cash Equivalents - Restricted		541,279
Investments - Unrestricted		1,469,341
Accounts Receivable, Net		16,372
Prepaid Expenses		35,266
Inventories, Net		111,491
Total Current Assets		4,132,583

Noncurrent Assets

Capital Assets:		
Non-depreciable Capital Assets		1,676,866
Depreciable Capital Assets, Net		10,128,956
Total Noncurrent Assets		11,805,822
Total Assets	\$	15,938,405

LIABILITIES

Current Liabilities

Accounts Payable	\$	63,499
Accrued Compensated Absences, Current		21,450
Tenant Security Deposits		89,241
Accrued Wages and Payroll Taxes		45,366
Accounts Payable - Other Government		67,008
Unearned Revenues		11,836
Current Portion of Long-Term Debt		81,135
Interest Payable		940
Other Current Liabilities		2,309
Total Current Liabilities		382,784

Noncurrent Liabilities

Long-Term Debt, Net of Current		124,363
Accrued Compensated Absences - Net of Current Portion		193,054
Total Noncurrent Liabilities		317,417
Total Liabilities		700,201

NET POSITION

Net Investment in Capital Assets		11,600,324
Restricted		452,038
Unrestricted		3,185,842
Total Net Position		15,238,204
Total Liabilities and Net Position	\$	15,938,405

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

OPERATING REVENUES	
Governmental Grants	\$ 5,495,668
Tenant Revenue	1,318,222
Other Revenue	217,073
Total Operating Revenues	7,030,963
 OPERATING EXPENSES	
Housing Assistance Payments	2,594,240
Administrative	1,677,025
Utilities	700,706
Tenant Services	6,553
Maintenance	1,561,003
Protective Services	112,781
General	181,479
Depreciation	1,152,938
Total Operating Expenses	7,986,725
Operating (Loss)	(955,762)
 NONOPERATING REVENUES (EXPENSES)	
Interest and Investment Revenue	3,805
Interest Expense	(14,969)
Total Nonoperating Revenues (Expenses)	(11,164)
(Loss) before Capital Grants	(966,926)
 Capital Grants	411,675
Change in Net Position	(555,251)
Total Net Position - Beginning	15,793,455
Total Net Position - Ending	\$ 15,238,204

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Cash Flows from Operating Activities</u>	
Cash Received from HUD	\$ 5,526,143
Cash Received from Tenants	1,337,146
Cash Payments for Housing Assistance	(2,594,240)
Cash Payments for Administrative Expenses	(1,657,254)
Cash Payments for Operating Expenses	(2,575,080)
Cash Received - Other	208,032
Net Cash Flows Provided/(Used) by Operating Activities	<u>244,747</u>
<u>Cash Flows from Investing Activities</u>	
Purchase of Investments	(433,638)
Interest and Investment Income Received	3,805
Net Cash Flows Provided/(Used) by Investing Activities	<u>(429,833)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Payments on Debt	(76,330)
Interest on Debt	(14,969)
Acquisition of Capital Assets	(435,319)
Capital Grants Received	411,675
Net Cash Flows Provided/(Used) by Capital and Related Financing Activities	<u>(114,943)</u>
Increase (Decrease) in Cash and Cash Equivalents	(300,029)
Cash - Beginning of Period	2,800,142
Cash - End of Period	<u>\$ 2,500,113</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Net Operating Loss	\$ (955,762)
Adjustment to reconcile operating loss to net cash used by operating activities	
- Depreciation	1,152,938
- (Increase) Decrease in:	
Other Accounts Receivable	16,627
Prepaid Expenses	(13,355)
Inventory	(1,020)
- (Decrease) Increase:	
Accounts Payable	1,817
Other Current Liabilities	(3,680)
Accounts Payable HUD and Other Governments	30,475
Accrued Compensated Absences - Current	1,352
Tenants' Security Deposits	(5,361)
Accrued Wages and Payroll Taxes	6,244
Unearned Revenue (Prepaid Rent)	2,297
Accrued Compensated Absences - Long-Term	12,175
Net Cash Provided by Operating Activities	<u>\$ 244,747</u>

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Ashtabula Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

The 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 Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board. The Authority’s basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows.

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

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

Measurement Focus and Basis of Accounting

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	7 years
Autos	5 years
Computers	3 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of 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; and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when incurred with the amount reported as a liability. Information regarding compensated absences is detailed in Note 7.

Change in Accounting Principles

For 2013, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities."

The objective of GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011, and the implementation of this Statement did not result in any change in the Authority's financial statements.

The objective of GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-an Amendment of GASB Statements No. 14 and No. 34", is to improve financial reporting for a governmental financial reporting entity. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012 and have been implemented by the Authority.

The objective of GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", is to incorporate into the GASBs authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011, and the implementation of this Statement did not result in any change to the Authority's financial statements.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

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

Change in Accounting Principles (Continued)

GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012, and have been implemented by the Authority; however, there was no effect on the financial statements of the Authority.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits

At December 31, 2013, the carrying amount of the Authority's cash deposits was \$3,969,154 and its bank balance was \$4,084,105. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2013, deposits totaling \$591,444 were covered by Federal Depository Insurance and deposits totaling \$3,492,661 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

Cash on Hand

At December 31, 2013, the Authority had un-deposited cash on hand, including petty cash, of \$300.

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. However, at December 31, 2013, the Authority investments were limited to non-negotiable certificate of deposits.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represents 100 percent of its deposits.

Cash and investments at year-end were as follows:

<u>Cash and Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years) <1</u>
Carrying Amount of Deposits	\$ 3,969,154	\$ 3,969,154
Petty Cash	300	300
Totals	<u>\$ 3,969,454</u>	<u>\$ 3,969,454</u>

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 3: CAPITAL ASSETS

A summary of capital assets at December 31, 2013 by class is as follows:

	<u>1/1/2013</u>	<u>Reclass</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2013</u>
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 1,113,241	\$ -	\$ -	\$ -	\$ 1,113,241
Construction in Progress	2,411,393	0	411,675	(2,259,443)	563,625
Total Capital Assets Not Being Depreciated	3,524,634	0	411,675	(2,259,443)	1,676,866
<u>Capital Assets Being Depreciated</u>					
Buildings and Improvements	28,865,220	0	2,259,443	0	31,124,663
Furniture, Equipment, and Machinery - Dwellings	492,268	0	23,644	0	515,912
Furniture, Equipment, and Machinery - Administrative	1,000,328	0	0	0	1,000,328
Subtotal Capital Assets Being Depreciated	30,357,816	-	2,283,087	0	32,640,903
<u>Accumulated Depreciation</u>					
Buildings and Improvements	(20,019,990)	0	(1,096,445)	0	(21,116,435)
Furniture, Equipment, and Machinery - Dwellings	(463,989)	0	(13,600)	0	(477,589)
Furniture, Equipment, and Machinery - Administrative	(875,030)	0	(42,893)	0	(917,923)
Total Accumulated Depreciation	(21,359,009)	0	(1,152,938)	0	(22,511,947)
Depreciation Assets, Net	8,998,807	0	1,130,149	0	10,128,956
Total Capital Assets, Net	\$ 12,523,441	\$ -	\$ 1,541,824	\$ (2,259,443)	\$ 11,805,822

NOTE 4: RESTRICTED NET POSITION

The Authority's restricted net assets are as follows:

Cash Held for South Ridge Village Reserve for Replacement	\$ 91,444
Unspent Funding Provided by HUD to pay Section 8 Housing Choice Voucher Housing Assistance Payments	360,594
Total Restricted Net Assets	\$ 452,038

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 5: DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or calling 614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. The employee contribution rate for 2013 was 10.0% for employees. The 2013 employer contribution rate was 14.0% of covered payroll. The Authority's contributions to PERS for the years ended December 31, 2013, 2012 and 2011 were \$181,632; \$165,685; and \$159,133; respectively, 100% has been contributed for the above years, respectively.

NOTE 6: POST-EMPLOYMENT BENEFITS

Plan Description

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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 6: POST-EMPLOYMENT BENEFITS (Continued)

Plan Description (Continued)

In order to qualify for post-retirement health care coverage, age and service retirees under the Tradition Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

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

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The 2013 employer contribution rate was 14.0% of covered payroll for employees. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for employees. Active members do not make contributions to the OPEB plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1% 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. The Authority's actual contributions for 2013, 2012 and 2011 which were used to fund OPEB were \$51,892; \$47,336; and \$55,770 for employees. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was raised to 2% for both plans, as recommended by the OPERS Actuary. The OPERS Retirement Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 7: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 10 hours sick leave per month of service. Unused sick leave may be accumulated without limit. At the time of separation, union employees receive payment for thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation.

At December 31, 2013, based on the vesting method, \$214,504 was accrued by the Authority for unused vacation and sick time. The current portion is \$21,450 and the long term portion is \$193,054.

NOTE 8: INSURANCE

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the Housing Authority Insurance Group. (HAI Group). HAI Group is a public housing authority-owned organization dedicated to providing reliable insurance solutions and related services to the public and affordable housing community in a manner which exceeds expectations. Deductibles and coverage limits are summarized below:

<u>Type of Coverage</u>	<u>Deductible Limits</u>	<u>Coverage</u>
Property	\$1,000	\$250,000,000 (per occurrence)
Boiler and Machinery	\$1,000	50,000,000
General Liability	\$0	6,000,000
Automobile	\$500/0	ACV/6,000,000
Public Officials	\$0	6,000,000
Employee Dishonesty	\$0	500,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 9: CONTINGENCIES

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 10: LONG-TERM DEBT

Changes in the Authority's long-term debt during fiscal year 2013 are as follows:

	<u>Balance at</u> <u>1/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/2013</u>	<u>Due Within</u> <u>One Year</u>
Loan Payable - Rural Economic and Community Development - 8% Interest, \$840,000, dated December 12, 1979	\$ 220,833	\$ -	\$ (52,505)	\$ 168,328	\$ 56,795
Loan Payable - Rural Economic and Community Development - 9% Interest, \$312,600, dated December 12, 1979	60,995	-	(23,825)	37,170	24,340
Total Loans Payable	281,828	-	(76,330)	205,498	81,135
Compensated Absences	200,977	13,527	-	214,504	21,450
Total	<u>\$ 482,805</u>	<u>\$ 13,527</u>	<u>\$ (76,330)</u>	<u>\$ 420,002</u>	<u>\$ 102,585</u>

Long-term debt consists of two term loans payable in the amount of \$312,600 at 9 percent and \$840,000 at 8 percent, with the Rural Economic and Community Development Services, payable over a period of 40 years. Monthly payments are \$2,277 and \$5,357, respectively. Interest incurred during 2013 was \$14,969. The Rural Economic and Community Development Services interest credit is reduced by rent collections by the Authority in excess of maximum contract rates. The balance due at December 31, 2013, was \$205,498, of which \$81,136 was the current portion.

The following is a summary of the Authority's future debt service requirements for mortgages payable as of December 31, 2013:

<u>Ended December 31:</u>	Principal	Interest	Payments
2014	\$ 81,135	\$ 10,473	\$ 91,608
2015	72,150	4,127	76,277
2016	52,213	1,542	53,755
Total	<u>\$ 205,498</u>	<u>\$ 16,142</u>	<u>\$ 221,640</u>

ASHTABULA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

NOTE 11: CONSTRUCTION AND OTHER COMMITMENTS

The Authority had no material construction commitments at December 31, 2013.

NOTE 12: INTERPROGRAM RECEIVABLES/PAYABLES

Inter-program balance at December 31, 2013, consists of the following receivables and payables:

	<u>Due From</u>	<u>Due To</u>
Central Office Cost Center	\$ 5,461	\$ -
Supportive Housing for Persons with Disabilities	-	-
Shelter Plus Care	-	-
N/C S/R Section 8 Program	-	-
Housing Choice Voucher Program	-	56,607
Rural Housing and Economic Development	51,146	-
Total	<u>\$ 56,607</u>	<u>\$ 56,607</u>

These inter-program Due From/Due To arise from allocation of wages and benefits, supplies, and other costs. These balances are eliminated for the Statement of Net Position on page 12.

NOTE 13: ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2013, consisted of the following:

HUD	\$ 2,101
Tenants – (net of allowance of \$5,000)	4,747
Fraud Recovery	8,410
Interest	<u>1,114</u>
	<u>\$ 16,372</u>

Supplemental Information

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
FINANCIAL DATA SCHEDULE

Line Item No.	Description	14.871	14.182	14.181	14.238	14.250	COCC Fund 100	COCC CFP	COCC Fund 100	All AMP Total	Subtotal	Elimination	Entity Wide Total
		HCV Fund 004	N/C S/R Fund 004	Mainstream Fund 004	Shelter Plus Fund 004	SRV Fund 300							
111	Cash-unrestricted	454,813	23,301	140,244	3,051	212,753	75,204	0	75,204	1,049,468	1,958,834	0	1,958,834
112	Cash-restricted-modernization and development	0	0	0	0	0	0	0	0	0	0	0	0
113	Cash-other restricted	360,594	0	0	0	91,444	0	0	0	0	452,038	0	452,038
114	Cash-tenant security deposits	0	0	0	0	8,565	0	0	0	80,676	89,241	0	89,241
115	Cash - Restricted for payment of current liability	0	0	0	0	0	0	0	0	0	0	0	0
100	Total Cash	815,407	23,301	140,244	3,051	312,762	75,204	0	75,204	1,130,144	2,500,113	0	2,500,113
121	Accounts receivable - PHA projects	2,101	0	0	0	0	0	0	0	0	2,101	0	2,101
122	Accounts receivable - HUD other projects	0	0	0	0	0	0	0	0	0	0	0	0
124	Account receivable - other government	0	0	0	0	0	0	0	0	0	0	0	0
125	Account receivable - miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
126	Accounts receivable - tenants	0	0	0	0	0	0	0	0	9,747	9,747	0	9,747
126.1	Allowance for doubtful accounts - tenants	0	0	0	0	0	0	0	0	(5,000)	(5,000)	0	(5,000)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0	0	0	0	0	0	0
127	Notes, Loans, & Mortgages Receivable - Current	0	0	0	0	0	0	0	0	0	0	0	0
128	Fraud recovery	0	0	0	0	0	0	0	0	8,410	8,410	0	8,410
128.1	Allowance for doubtful accounts - fraud	0	0	0	0	0	0	0	0	0	0	0	0
129	Accrued interest receivable	524	0	0	0	0	590	0	590	0	1,114	0	1,114
120	Total receivables, net of allowance for doubtful accounts	2,625	0	0	0	0	590	0	590	13,157	16,372	0	16,372
131	Investments - unrestricted	1,037,973	0	0	0	0	431,368	0	431,368	0	1,469,341	0	1,469,341
132	Investments - restricted	0	0	0	0	0	0	0	0	0	0	0	0
135	Investments - Restricted for payment of current liability	0	0	0	0	0	0	0	0	0	0	0	0
142	Prepaid expenses and other assets	1,058	0	0	0	1,022	13,174	0	13,174	20,012	35,266	0	35,266
143	Inventories	0	0	0	0	0	0	0	0	114,971	114,971	0	114,971
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0	0	(3,480)	(3,480)	0	(3,480)
144	Inter program - due from	0	0	0	0	51,146	5,461	0	5,461	0	56,607	(56,607)	0
145	Assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
150	Total Current Assets	1,857,063	23,301	140,244	3,051	364,930	525,797	0	525,797	1,274,804	4,189,190	(56,607)	4,132,583
161	Land	10,243	0	0	0	128,500	116,940	0	116,940	857,558	1,113,241	0	1,113,241
162	Buildings	0	0	0	0	1,286,725	3,004,682	0	3,004,682	26,833,256	31,124,663	0	31,124,663
163	Furniture, equipment and machinery - dwellings	0	0	0	0	50,457	68,700	0	68,700	396,755	515,912	0	515,912
164	Furniture, equipment and machinery - administration	55,469	0	0	0	0	137,379	0	137,379	807,480	1,000,328	0	1,000,328
165	Leasehold improvements	0	0	0	0	0	0	0	0	0	0	0	0
166	Accumulated depreciation	(15,654)	0	0	0	(1,063,425)	(2,585,795)	0	(2,585,795)	(18,847,073)	(22,511,947)	0	(22,511,947)
167	Construction in progress	0	0	0	0	0	0	0	0	563,625	563,625	0	563,625
168	Infrastructure	0	0	0	0	0	0	0	0	0	0	0	0
160	Total capital assets, net of accumulated depreciation	50,058	0	0	0	402,257	741,906	0	741,906	10,611,601	11,805,822	0	11,805,822
171	Notes, Loans, & mortgages receivable – Non-current	0	0	0	0	0	0	0	0	0	0	0	0
172	Notes, Loans, & mortgages receivable – Non-current - past due	0	0	0	0	0	0	0	0	0	0	0	0
173	Grants receivable – Non-current	0	0	0	0	0	0	0	0	0	0	0	0
174	Other assets	0	0	0	0	0	0	0	0	0	0	0	0
176	Investment in joint venture	0	0	0	0	0	0	0	0	0	0	0	0
180	Total Non-current Assets	50,058	0	0	0	402,257	741,906	0	741,906	10,611,601	11,805,822	0	11,805,822
190	Total Assets	1,907,121	23,301	140,244	3,051	767,187	1,267,703	0	1,267,703	11,886,405	15,995,012	(56,607)	15,938,405

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Line Item No.	Description	14.871 HCV Fund 004 Total	14.182 N/C S/R Fund 004 Total	14.181 Mainstream Fund 004 Total	14.238 Shelter Plus Fund 004 Total	14.250 SRV Fund 300 Total	COCC Fund 100	COCC CFP	COCC Fund 100 Total	All AMP Total Total	Subtotal Total	Elimination	Entity Wide Total
311	Bank overdraft	0	0	0	0	0	0	0	0	0	0	0	0
312	Accounts payable <= 90 days	514	0	0	0	674	30,957	0	30,957	31,354	63,499	0	63,499
313	Accounts payable > 90 days past due	0	0	0	0	0	0	0	0	0	0	0	0
321	Accrued wage/payroll taxes payable	7,634	0	0	0	4,114	16,595	0	16,595	17,023	45,366	0	45,366
322	Accrued compensated absences - current portion	5,203	0	0	0	2,055	6,275	0	6,275	7,917	21,450	0	21,450
324	Accrued contingency liability	0	0	0	0	0	0	0	0	0	0	0	0
325	Accrued interest payable	0	0	0	0	940	0	0	0	0	940	0	940
331	Accounts payable - HUD PHA Programs	0	0	18,989	0	0	0	0	0	0	18,989	0	18,989
332	Accounts payable - PHA Projects	7,736	0	0	0	0	0	0	0	0	7,736	0	7,736
333	Accounts payable - other government	0	0	0	0	0	0	0	0	40,283	40,283	0	40,283
341	Tenant security deposits	0	0	0	0	8,565	0	0	0	80,676	89,241	0	89,241
342	Deferred revenue	0	0	0	0	1,948	0	0	0	9,888	11,836	0	11,836
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	0	0	0	0	81,135	0	0	0	0	81,135	0	81,135
344	Current portion of long-term debt - operating borrowings	0	0	0	0	0	0	0	0	0	0	0	0
345	Other current liabilities	0	0	0	0	0	2,309	0	2,309	0	2,309	0	2,309
346	Accrued liabilities - other	0	0	0	0	0	0	0	0	0	0	0	0
347	Inter program - due to	56,607	0	0	0	0	0	0	0	0	56,607	(56,607)	0
348	Loan liability - current	0	0	0	0	0	0	0	0	0	0	0	0
310	Total Current Liabilities	77,694	0	18,989	0	99,431	56,136	0	56,136	187,141	439,391	(56,607)	382,784
351	Capital Projects/ Mortgage Revenue Bonds	0	0	0	0	124,363	0	0	0	0	124,363	0	124,363
352	Long-term debt, net of current - operating borrowings	0	0	0	0	0	0	0	0	0	0	0	0
353	Non-current liabilities - other	0	0	0	0	0	0	0	0	0	0	0	0
354	Accrued compensated absences- Non-current	46,828	0	0	0	18,494	56,479	0	56,479	71,253	193,054	0	193,054
355	Loan liability - Non-current	0	0	0	0	0	0	0	0	0	0	0	0
356	FASB 5 Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
357	Accrued Pension and OPEB Liability	0	0	0	0	0	0	0	0	0	0	0	0
350	Total Non-current liabilities	46,828	0	0	0	142,857	56,479	0	56,479	71,253	317,417	0	317,417
300	Total Liabilities	124,522	0	18,989	0	242,288	112,615	0	112,615	258,394	756,808	(56,607)	700,201
508.1	Invested in capital assets, net of related debt	50,058	0	0	0	196,750	741,906	0	741,906	10,611,601	11,600,324	0	11,600,324
511.1	Restricted Net Assets	360,594	0	0	0	91,444	0	0	0	0	452,038	0	452,038
512.1	Unrestricted Net Assets	1,371,947	23,301	121,255	3,051	236,696	413,182	0	413,182	1,016,410	3,185,842	0	3,185,842
513	Total Equity/Net Assets	1,782,599	23,301	121,255	3,051	524,899	1,155,088	0	1,155,088	11,628,011	15,238,204	0	15,238,204
600	Total Liabilities and Equity/Net assets	1,907,121	23,301	140,244	3,051	767,187	1,267,703	0	1,267,703	11,886,405	15,995,012	(56,607)	15,938,405
70300	Net tenant rental revenue	0	0	0	0	136,733	0	0	0	981,999	1,118,732	0	1,118,732
70400	Tenant revenue - other	0	0	0	0	9,671	0	0	0	189,819	199,490	0	199,490
70500	Total Tenant Revenue	0	0	0	0	146,404	0	0	0	1,171,818	1,318,222	0	1,318,222
70600-010	Housing assistance payments	2,530,479	0	0	0	0	0	0	0	0	2,530,479	0	2,530,479
70600-020	Ongoing administrative fees earned	222,168	0	0	0	0	0	0	0	0	222,168	0	222,168
70600-030	Hard to house fee revenue	0	0	0	0	0	0	0	0	0	0	0	0
70600-031	FSS Coordinator	0	0	0	0	0	0	0	0	0	0	0	0
70600-040	Actual independent public accountant audit costs	0	0	0	0	0	0	0	0	0	0	0	0
70600-050	Total preliminary fees earned	0	0	0	0	0	0	0	0	0	0	0	0
70600-060	All other fees	0	0	0	0	0	0	0	0	0	0	0	0
70600-070	Admin fee calculation description	0	0	0	0	0	0	0	0	0	0	0	0
70600	HUD PHA operating grants	2,752,647	0	253,821	0	186,364	0	3,832	3,832	2,299,003	5,495,668	0	5,495,668
70610	Capital grants	0	0	0	0	0	0	0	0	411,675	411,675	0	411,675
70710	Management Fee	0	0	0	0	0	410,991	0	410,991	0	410,991	(410,991)	0
70720	Asset Management Fee	0	0	0	0	0	66,600	0	66,600	0	66,600	(66,600)	0
70730	Book-Keeping Fee	0	0	0	0	0	87,443	0	87,443	0	87,443	(87,443)	0
70740	Front Line Service Fee	0	0	0	0	0	0	0	0	0	0	0	0
70750	Other Fees	0	0	0	0	0	155,088	0	155,088	0	155,088	(155,088)	0
70700	Total Fee Revenue	0	0	0	0	0	720,122	0	720,122	0	720,122	(720,122)	0
70800	Other government grants	0	0	0	0	0	0	0	0	0	0	0	0
71100	Investment income - unrestricted	1,913	0	245	0	0	1,636	0	1,636	0	3,794	0	3,794
71200	Mortgage interest income	0	0	0	0	0	0	0	0	0	0	0	0
71300	Proceeds from disposition of assets held for sale	0	0	0	0	0	0	0	0	0	0	0	0
71310	Cost of sale of assets	0	0	0	0	0	0	0	0	0	0	0	0
71400	Fraud recovery	10,396	0	0	0	0	0	0	0	0	10,396	0	10,396
71500	Other revenue	88,721	0	0	15,196	5,184	97,577	0	97,577	0	206,678	0	206,678
71600	Gain or loss on sale of capital assets	0	0	0	0	0	0	0	0	0	0	0	0
72000	Investment income - restricted	0	0	0	0	11	0	0	0	0	11	0	11
70000	Total Revenue	2,853,677	0	254,066	15,196	337,963	819,335	3,832	823,167	3,882,496	8,166,565	(720,122)	7,446,443
91100	Administrative salaries	253,100	0	33,607	9,406	58,170	371,741	0	371,741	328,034	1,054,058	(155,088)	898,970
91200	Auditing fees	0	0	0	0	0	0	0	0	10,207	10,207	0	10,207
91300	Management Fee	64,541	0	0	0	0	0	0	0	346,450	410,991	(410,991)	0
91310	Book-Keeping Fee	38,025	0	0	0	0	0	0	0	49,418	87,443	(87,443)	0
91400	Advertising and Marketing	0	0	0	0	0	0	0	0	0	0	0	0
91500	Employee benefit contributions - administrative	99,276	0	13,182	3,690	17,436	210,313	0	210,313	123,813	467,710	0	467,710
91600	Office Expenses	15,395	0	2,044	572	1,864	27,851	0	27,851	76,335	124,061	0	124,061

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91700	Legal Expense	0	0	0	0	0	18,337	0	18,337	49,656	67,993		67,993
91800	Travel	0	0	0	0	0	3	0	3	11	14		14
91810	Allocated Overhead	0	0	0	0	0	0	0	0	0	0		0
91900	Other	3,069	0	406	113	7,749	31,050	0	31,050	65,682	108,069		108,069
91000	Total Operating-Administrative	473,406	0	49,239	13,781	85,219	659,295	0	659,295	1,049,606	2,330,546	(653,522)	1,677,024
92000	Asset Management Fee	0	0	0	0	0	0	0	0	66,600	66,600	(66,600)	0
92100	Tenant services - salaries	0	0	0	0	0	0	0	0	0	0		0
92200	Relocation Costs	0	0	0	0	0	0	0	0	0	0		0
92300	Employee benefit contributions - tenant services	0	0	0	0	0	0	0	0	0	0		0
92400	Tenant services - other	0	0	0	0	0	0	0	0	6,553	6,553		6,553
92500	Total Tenant Services	0	0	0	0	0	0	0	0	6,553	6,553	0	6,553
93100	Water	0	0	0	0	2,764	1,006	0	1,006	241,242	245,012		245,012
93200	Electricity	0	0	0	0	18,168	11,248	0	11,248	186,838	216,254		216,254
93300	Gas	0	0	0	0	16,047	1,660	0	1,660	64,937	82,644		82,644
93400	Fuel	0	0	0	0	0	0	0	0	0	0		0
93500	Labor	0	0	0	0	0	0	0	0	0	0		0
93600	Sewer	0	0	0	0	18,760	180	0	180	137,856	156,796		156,796
93700	Employee benefit contributions - utilities	0	0	0	0	0	0	0	0	0	0		0
93800	Other utilities expense	0	0	0	0	0	0	0	0	0	0		0
93000	Total Utilities	0	0	0	0	55,739	14,094	0	14,094	630,873	700,706	0	700,706
94100	Ordinary maintenance and operations - labor	0	0	0	0	17,299	8,479	0	8,479	395,698	421,476		421,476
94200	Ordinary maintenance and operations - materials and other	675	0	90	25	10,392	16,050	0	16,050	239,211	266,443		266,443
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash Removal Contracts	0	0	0	0	1,992	5,408	0	5,408	74,502	81,902		81,902
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling Contracts	0	0	0	0	0	0	0	0	564	564		564
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	0	0	0	0	0	0	0	0	0	0		0
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance Contracts	0	0	0	0	0	0	0	0	16,028	16,028		16,028
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds Contracts	0	0	0	0	0	0	0	0	630	630		630
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround Contracts	0	0	0	0	0	0	0	0	0	0		0
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	0	0	0	0	0	0	0	0	0	0		0
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	0	0	0	0	0	0	0	0	24,827	24,827		24,827
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	0	0	0	0	75	0	0	0	15,525	15,600		15,600
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	0	0	0	0	0	0	0	0	0	0		0
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance Contracts	0	0	0	0	0	0	0	0	0	0		0
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	17,838	0	2,369	663	38,036	6,363	0	6,363	525,702	590,971		590,971
94300	Ordinary Maintenance and Operations Contracts	17,838	0	2,369	663	40,103	11,771	0	11,771	657,778	730,522	0	730,522
94500	Employee benefit contribution - ordinary maintenance	0	0	0	0	5,185	0	0	0	85,587	90,772		90,772
94000	Total Maintenance	18,513	0	2,459	688	72,979	36,300	0	36,300	1,378,274	1,509,213	0	1,509,213
95100	Protective services - labor	0	0	0	0	0	0	0	0	0	0		0
95200	Protective services - other contract costs	3,539	0	470	132	1,531	18,335	3,832	22,167	84,942	112,781		112,781
95300	Protective services - other	0	0	0	0	0	0	0	0	0	0		0
95500	Employee benefit contributions - protective services	0	0	0	0	0	0	0	0	0	0		0
95000	Total Protective Services	3,539	0	470	132	1,531	18,335	3,832	22,167	84,942	112,781	0	112,781
96110	Property Insurance	0	0	0	0	0	0	0	0	0	0		0
96120	Liability Insurance	0	0	0	0	0	0	0	0	0	0		0
96130	Workmen's Compensation	0	0	0	0	0	0	0	0	0	0		0
96140	All other Insurance	6,399	0	850	238	3,547	19,926	0	19,926	61,727	92,687		92,687
96100	Total Insurance Premiums	6,399	0	850	238	3,547	19,926	0	19,926	61,727	92,687	0	92,687
96200	Other general expenses	0	0	0	0	0	0	0	0	0	0		0
96210	Compensated absences	9,594	0	1,274	357	5,162	0	0	0	26,326	42,713		42,713
96300	Payments in lieu of taxes	0	0	0	0	0	0	0	0	40,283	40,283		40,283
96400	Bad debt - tenant rents	0	0	0	0	0	0	0	0	0	0		0
96500	Bad debt - mortgages	0	0	0	0	0	0	0	0	0	0		0
96600	Bad debt - other	0	0	0	0	0	0	0	0	0	0		0
96800	Severance expense	0	0	0	0	0	5,796	0	5,796	0	5,796		5,796
96000	Total Other General Expenses	9,594	0	1,274	357	5,162	5,796	0	5,796	66,609	88,792	0	88,792
96710	Interest of Mortgage (or Bonds) Payable	0	0	0	0	0	0	0	0	0	0		0
96720	Interest on Notes Payable (Short and Long Term)	0	0	0	0	14,969	0	0	0	14,969	14,969		14,969
96730	Amortization of Bond Issue Costs	0	0	0	0	0	0	0	0	0	0		0
96700	Total Interest Expense and Amortization Cost	0	0	0	0	14,969	0	0	0	14,969	14,969	0	14,969
96900	Total Operating Expenses	511,451	0	54,292	15,196	239,146	753,746	3,832	757,578	3,345,184	4,922,847	(720,122)	4,202,725
97000	Excess Revenue Over Operating Expenses	2,342,226	0	199,774	0	98,817	65,589	0	65,589	537,312	3,243,718	0	3,243,718
97100	Extraordinary maintenance	0	0	0	0	0	0	0	0	51,790	51,790		51,790
97200	Casualty losses- Non-capitalized	0	0	0	0	0	0	0	0	0	0		0
97300-010	Mainstream T & 5 year	0	0	0	0	0	0	0	0	0	0		0
97300-020	Home-Ownership	0	0	0	0	0	0	0	0	0	0		0
97300-025	Litigation	0	0	0	0	0	0	0	0	0	0		0
97300-030	Hope IV	0	0	0	0	0	0	0	0	0	0		0
97300-035	Moving to Work	0	0	0	0	0	0	0	0	0	0		0
97300-040	Tenant Protection	0	0	0	0	0	0	0	0	0	0		0

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97300-050	All Other	2,351,487	0	207,969	0	0	0	0	0	0	2,559,456		2,559,456
97300	Housing assistance payments	2,351,487	0	207,969	0	0	0	0	0	0	2,559,456		2,559,456
97350	HAP Portability-in	34,784	0	0	0	0	0	0	0	0	34,784		34,784
97400	Depreciation expense	11,094	0	0	0	34,931	132,830	0	132,830	974,083	1,152,938		1,152,938
97500	Fraud losses	0	0	0	0	0	0	0	0	0	0		0
97800	Dwelling units rent expense	0	0	0	0	0	0	0	0	0	0		0
90000	Total Expenses	2,908,816	0	262,261	15,196	274,077	886,576	3,832	890,408	4,371,057	8,721,815	(720,122)	8,001,693
10010	Operating transfer in	0	0	0	0	0	0	0	0	26,896	26,896	(26,896)	0
10020	Operating transfer out	0	0	0	0	0	0	0	0	(26,895)	(26,895)	26,895	0
10030	Operating transfers from / to primary government	0	0	0	0	0	0	0	0	0	0		0
10040	Operating transfers from / to component unit	0	0	0	0	0	0	0	0	0	0		0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0	0	0	0	0		0
10080	Special items, net gain/loss	0	0	0	0	0	0	0	0	0	0		0
10091	Inter Project Excess Cash Transfer In	0	0	0	0	0	0	0	0	0	0	0	0
10092	Inter Project Excess Cash Transfer Out	0	0	0	0	0	0	0	0	0	0	0	0
10093	Transfers between Programs and Projects - in	0	0	0	0	0	0	0	0	0	0		0
10094	Transfers between Programs and Projects - out	0	0	0	0	0	0	0	0	0	0		0
10100	Total other financing sources (uses)	0	0	0	0	0	0	0	0	1	1	(1)	0
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(55,139)	0	(8,195)	0	63,886	(67,241)	0	(67,241)	(488,560)	(555,250)	(1)	(555,250)
11020	Required Annual Debt Principal Payments					71,462				0	71,462		71,462
11030	Beginning equity	1,837,738	23,301	129,450	3,051	461,013	1,222,329	0	1,222,329	12,116,572	15,793,454		15,793,455
11040	Prior period adjustments, equity transfers, and correction of errors	0	0	0	0	0	0	0	0	0	0		0
11170-001	Administrative Fee Equity- Beginning Balance	1,661,333									1,661,333		1,661,333
11170-010	Administrative Fee Revenue	222,168									222,168		222,168
11170-020	Hard to House Fee Revenue	0									0		0
11170-021	FSS Coordinator Grant	0									0		0
11170-030	Audit Costs	0									0		0
11170-040	Investment Income	1,913									1,913		1,913
11170-045	Fraud Recovery Revenue	5,198									5,198		5,198
11170-050	Other Revenue	119,950									119,950		119,950
11170-051	Comment for Other Revenue										0		0
11170-060	Total Admin Fee Revenues	349,229									349,229		349,229
11170-080	Total Operating Expenses	511,451									511,451		511,451
11170-090	Depreciation	11,094									11,094		11,094
11170-095	Housing Assistance Portability In	34,784									34,784		34,784
11170-100	Other Expenses										0		0
11170-101	Comment for Other Expense										0		0
11170-110	Total Expenses	557,329									557,329		557,329
11170-002	Net Administrative Fee	(208,100)									(208,100)		(208,100)
11170-003	Administrative Fee Equity- Ending Balance	1,453,233									1,453,233		1,453,233
11170	Administrative Fee Equity	1,453,233									1,453,233		1,453,233
11180-001	Housing Assistance Payments Equity - Beginning Balance	176,405									176,405		176,405
11180-010	Housing Assistance Payment Revenues	2,530,479									2,530,479		2,530,479
11180-015	Fraud Recovery Revenue	5,198									5,198		5,198
11180-020	Other Revenue	0									0		0
11180-021	Comment for Other Revenue										0		0
11180-025	Investment Income	0									0		0
11180-030	Total HAP Revenues	2,535,677									2,535,677		2,535,677
11180-080	Housing Assistance Payments	2,351,487									2,351,487		2,351,487
11180-090	Other Expenses	31,229									31,229		31,229
11180-091	Comments for Other Expenses										0		0
11180-100	Total Housing Assistance Payments Expenses	2,382,716									2,382,716		2,382,716
11180-002	Net Housing Assistance Payments	152,961									152,961		152,961
11180-003	Housing Assistance Payments Equity-Ending Balance	329,366									329,366		329,366
11180	Housing Assistance Payments Equity	329,366									329,366		329,366
11190-210	Total ACC HCV Units	0									0		0
11190-220	Unfunded Units	0									0		0
11190-230	Other Adjustments										0		0
11190	Unit Months Available	5,988	0	720	624	480	0	0	0	6,660	14,472		14,472
11210	Unit Months Leased	5,070	0	720	554	470	0	0	0	6,589	13,403		13,403
11270	Excess Cash												
11610	Land Purchases									0	0		0
11620	Building Purchases									0	0		0
11630	Furniture & Equipment-Dwelling Purchases									411,675	411,675		411,675
11640	Furniture & Equipment-Administrative Purchases									0	0		0
11650	Leasehold Improvements Purchases									0	0		0
11660	Infrastructure Purchases									0	0		0
13510	CFFP Debt Service Payments									0	0		0
13901	Replacement Housing Factor Funds									0	0		0

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		
<i>Direct Programs:</i>		
Public Housing Programs:		
Public Housing Operating Subsidy	14.850	\$ 1,905,679
Public Housing Capital Fund	14.872	808,831
Total Public Housing Programs		2,714,510
Section 8 Programs:		
Section 8 Project Based Cluster:		
Section 8 New Construction	14.182*	186,364
Total Section 8 Project Based Cluster		186,364
Supportive Housing for Persons with Disabilities	14.181	253,821
Housing Choice Vouchers	14.871	2,752,647
Total Section 8 Programs		3,192,832
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		5,907,342
TOTAL FEDERAL AWARDS EXPENDITURES		\$ 5,907,342

* Represents rental assistance for South Ridge Village Rural Housing Project #41-004-341031866

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures includes the federal grant activity of the Authority and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

June 20, 2014

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

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 **Ashtabula Metropolitan Housing Authority**, Ashtabula County, (the Authority) as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 20, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



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Marietta, Ohio

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

June 20, 2014

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

We have audited the **Ashtabula 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 Ashtabula Metropolitan Housing Authority's major federal program for the year ended December 31, 2013. The *Summary of Audit Results* in the accompanying schedule of audit findings identifies the Authority's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Ashtabula 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 December 31, 2013.

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

1. SUMMARY OF AUDIT 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):	Section 8 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

ASHTABULA METROPOLITAN HOUSING AUTHORITY

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 24, 2014**