

Cambridge Metropolitan Housing Authority

Financial Statements

For the Year Ended March 31, 2015





# Dave Yost • Auditor of State

Board of Commissioners  
Cambridge Metropolitan Housing Authority  
PO Box 1388  
Cambridge, Ohio 43725

We have reviewed the *Independent Auditor's Report* of the Cambridge Metropolitan Housing Authority, Guernsey County, prepared by Salvatore Consiglio, CPA, Inc., 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 Cambridge 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

December 3, 2015

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CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cambridge Metropolitan Housing  
Authority

I have audited the accompanying financial statements of the business-type activities of Cambridge Metropolitan Housing Authority, Ohio, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Cambridge Metropolitan Housing Authority as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

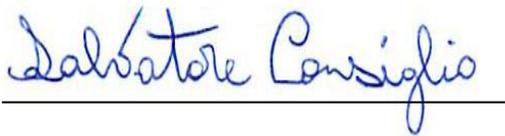
### *Other Information*

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

The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The financial data schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditure of Federal Awards, the financial data schedule ("FDS") is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated September 30, 2015, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Salvatore Consiglio". The signature is written in a cursive style and is positioned above a horizontal line.

Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
September 30, 2015

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015

Unaudited

The Cambridge Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis (MD&A) 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 position, and (d) identify individual fund issues of concerns.

Since the MD&A is designed to focus of the 2015 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

**FINANCIAL HIGHLIGHTS**

- The Authority's total net position decreased by \$350,983 (or 5.8 percent) during fiscal year ended 2015. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position. Net Position was \$5,741,614 and \$6,092,597 for 2015 and 2014 respectively.
- The business-type activities revenue increased by \$47,129 (or 1.0 percent) during fiscal year ended 2015 and \$4,864,817 and \$4,817,688 for 2015 and 2014 respectively.
- The total expenses of all Authority programs decreased by \$273,019 (or 5.0 percent). Total expenses were \$5,215,800 and \$5,488,819 for fiscal year ended 2015 and 2014 respectively.

**USING THIS ANNUAL REPORT**

This is a different presentation of the Authority's previous financial statements. The following graphic outlines these changes and are provided for your review:

<p>MD &amp; A -Management Discussion and Analysis-</p> <hr/>
<p>Basic Financial Statements -Statement of Net Position- -Statement of Revenues, Expenses and Changes in Net Position- -Statement of Cash Flows- -Notes to Financial Statements-</p>

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015  
Unaudited

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

**Authority financial Statements**

The Authority financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority.

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

The focus of the Statement of Net Position (the "Unrestricted 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:

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, constructions, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditor (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Position Invested in Capital Assets, Net of Related Debt", or "Restricted Net Position".

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

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015

Unaudited

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

The authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

**AUTHORITY PROGRAMS**

Many of the programs maintained by the Authority are done so as required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Conventional Public Housing (PH) – 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 and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program (CFP) – This is the primary funding source for physical and management improvements to the Authority's properties. Funds are allocated by a formula allocation and are based on the size and age of the properties.

Housing Choice Voucher Program (HCV) – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords who own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The Authority earns administrative fees to cover the cost of administering the program.

Other Business Activity – Business activity represents other services that the PHA provides to Noble Metropolitan Housing Authority, Monroe Metropolitan Housing Authority and Cambridge Management Corporation for a fee for services that the PHA provides to the entities. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015

Unaudited

**AUTHORITY STATEMENTS**

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1  
STATEMENT OF NET POSITION**

	<b><u>2015</u></b>	<b><u>2014</u></b>
Current and Other Assets	\$ 1,163,350	\$ 1,045,456
Capital Assets	<u>4,908,866</u>	<u>5,298,779</u>
Total Assets	<u>\$ 6,072,216</u>	<u>\$ 6,344,235</u>
Current Liabilities	\$ 274,078	\$ 186,561
Long-Term Liabilities	<u>56,524</u>	<u>65,077</u>
Total Liabilities	<u>330,602</u>	<u>251,638</u>
Net Position:		
Net Investment in Capital Assets	4,908,866	5,298,779
Restricted Net Position	78,278	-
Unrestricted Net Position	<u>754,470</u>	<u>793,818</u>
Total Net Position	<u>5,741,614</u>	<u>6,092,597</u>
Total Liabilities and Net Position	<u>\$ 6,072,216</u>	<u>\$ 6,344,235</u>

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

**Major Factors Affecting the Statement of Net Position**

During 2015, current assets increased by \$117,894 and current liabilities increased by \$87,517. The increase in current assets is mainly due to the change in cash due to the result of current activities. The increase in liability is due to the year-end outstanding vendor invoices that were not paid until the following month.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015

Unaudited

Capital assets also changed, decreasing from \$5,298,779 to \$4,908,866. The \$389,913 decrease may be contributed primarily to a combination of total acquisitions of \$50,229 less current year depreciation of \$440,143.

The following table presents details on the change in Net Position.

**TABLE 2**  
**CHANGE OF NET POSITION**

			<b>Net Investment in Capital</b>	
	<b>Unrestricted</b>	<b>Assets</b>	<b>Restricted</b>	
Beginning Balance - March 31, 2014	\$ 793,818	\$ 5,298,779	\$ -	
Results of Operation	(429,261)	-	78,278	
Adjustments:				
Current year Depreciation Expense (1)	440,143	(440,143)	-	
Capital Expenditure (2)	<u>(50,229)</u>	<u>50,229</u>	<u>-</u>	
Ending Balance -March 31, 2015	<u>\$ 754,470</u>	<u>\$ 4,908,866</u>	<u>\$ 78,278</u>	

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.

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

(3) The net restricted position is the amount of equity restricted for Housing Assistance Payments.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer presentation of financial position.

The following schedule compares the revenues and expenses for the current and previous fiscal year. The authority is engaged on in Business-Type Activities.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015  
Unaudited

**TABLE 3**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<u>2015</u>	<u>2014</u>
<b><u>Revenues</u></b>		
Total Tenant Revenues	\$ 663,226	\$ 652,323
Operating Subsidies	3,745,946	3,666,056
Capital Grants	35,314	69,363
Investment Income	858	1,019
Other Revenues	419,473	428,927
<b>Total Revenues</b>	<b><u>4,864,817</u></b>	<b><u>4,817,688</u></b>
<b><u>Expenses</u></b>		
Administrative	768,977	770,619
Tenant Services	44,911	4,887
Utilities	145,975	132,543
Maintenance	654,176	689,463
General Expenses	121,545	114,098
Housing Assistance Payments	3,040,073	3,304,586
Depreciation	440,143	472,623
<b>Total Expenses</b>	<b><u>5,215,800</u></b>	<b><u>5,488,819</u></b>
<b>Net Increases (Decreases)</b>	<b><u>\$ (350,983)</u></b>	<b><u>\$ (671,131)</u></b>

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

Operating Subsidy reflects an increase of \$79,890 or 2.2%. Capital grants decreased by \$34,049 due to capital funded activities during the year. Total tenant revenue increased by \$10,903 (or 1.7%). The increase in tenant revenue was primarily due to increase in tenant rents and units leased. The decrease in other revenue was mainly due to less management fee received for the administration of other housing authorities due to less administration money received from HUD.

Total expenses decreased \$273,019 due to decrease in maintenance expense, housing assistance payments and depreciation expense.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015

Unaudited

**CAPITAL ASSETS**

As of year-end, the Authority had \$4,908,866 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$389,913 or 7.4% from the end of 2014. This decrease was due to depreciation expense.

**TABLE 4**

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

	<u>2015</u>	<u>2014</u>
Land and Land Rights	\$ 415,810	\$ 415,810
Buildings	11,484,725	11,482,245
Leasehold Improvements	886,554	886,554
Equipment	1,063,353	1,027,136
Construction in Progress	62,812	51,280
Accumulated Depreciation	<u>(9,004,388)</u>	<u>(8,564,246)</u>
 Total	 <u>\$ 4,908,866</u>	 <u>\$ 5,298,779</u>

The following reconciliation identifies the change in Capital Assets:

**TABLE 5**

**CHANGE IN CAPITAL ASSETS**

Beginning Balance - March 31, 2014	\$	5,298,779
Current year Additions		50,229
Current year Depreciation Expense		<u>(440,143)</u>
 Ending Balance - March 31, 2015	 \$	 <u><u>4,908,866</u></u>

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2015

Unaudited

Current year Additions are summarized as follows:

Equipment	\$ 36,217
Building Improvements	<u>14,012</u>
Total 2015 Additions	<u><u>\$ 50,229</u></u>

**DEBT OUTSTANDING**

As of year-end, the Authority has no outstanding debt.

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- 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**

The individual to be contacted regarding this report is Jolinda Baranich, Executive Director, Cambridge Metropolitan Housing Authority, P.O. Box 1388, Cambridge, OH 43725.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**March 31, 2015**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 778,986
Restricted cash and cash equivalents	142,960
Receivables, net	182,716
Prepaid expenses and other assets	58,688
<b><i>Total current assets</i></b>	<b><u>1,163,350</u></b>

**Noncurrent assets**

Capital assets:

Non-Depreciable capital assets	478,622
Depreciable capital assets	13,434,632
Less accumulated depreciation	(9,004,388)

<b><i>Total noncurrent assets</i></b>	<b><u>4,908,866</u></b>
<b>Total assets</b>	<b><u>\$ 6,072,216</u></b>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 160,678
Accounts payable - Other Governments	62,767
Tenant security deposits	39,652
Unearned revenue	10,981
<b><i>Total current liabilities</i></b>	<b><u>274,078</u></b>

**Noncurrent liabilities**

Accrued Compensated Absences	19,219
Noncurrent liabilities - other	37,305
<b><i>Total noncurrent liabilities</i></b>	<b><u>56,524</u></b>
<b>Total liabilities</b>	<b><u>\$ 330,602</u></b>

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**March 31, 2015**

***NET POSITION***

Net Invested in capital assets	\$ 4,908,866
Restricted net position	78,278
Unrestricted net position	754,470
<b>Total net position</b>	<b><u>5,741,614</u></b>
<b>Total liabilities and net position</b>	<b><u><u>\$ 6,072,216</u></u></b>

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended March 31, 2015**

***OPERATING REVENUES***

Tenant revenue	\$ 663,226
Government operating grants	3,745,946
Other revenue	419,473
<b>Total operating revenues</b>	<b><u>4,828,645</u></b>

***OPERATING EXPENSES***

Administrative	768,977
Tenant services	44,911
Utilities	145,975
Maintenance	654,176
General	121,545
Housing assistance payment	3,040,073
Depreciation	440,143
<b>Total operating expenses</b>	<b><u>5,215,800</u></b>
<b>Operating income (loss)</b>	<b><u>(387,155)</u></b>

***NONOPERATING REVENUES (EXPENSES)***

Capital grant revenue	35,314
Interest Income	858
<b>Total nonoperating revenues (expenses)</b>	<b><u>36,172</u></b>
Change in net position	(350,983)
Total net position - beginning	6,092,597
<b>Total net position - ending</b>	<b><u><u>\$ 5,741,614</u></u></b>

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Fund Type**  
**For the Year Ended March 31, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating grants received	\$3,741,703
Receipts from tenants	664,931
Other revenue received	287,773
Cash payments for administrative	(1,673,045)
Cash payments for HAP	(3,028,056)

**Net cash provided (used) by operating activities** **(6,694)**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earned	858
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**Net cash provided (used) by investing activities** **858**

**CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES**

Acquisition of capital assets	(50,229)
Capital grant received	35,314

**Net cash provided (used) by capital and related activities** **(14,915)**

Net increase (decrease) in cash	(20,751)
Cash and cash equivalents - Beginning of year	942,697

**Cash and cash equivalents - End of year** **\$ 921,946**

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended March 31, 2015**

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Net Operating Income (Loss)	\$ (387,155)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating	
- Depreciation	440,143
- (Increases) Decreases in Accounts Receivable	(134,108)
- (Increases) Decreases in Other Current Assets	(4,537)
- Increases (Decreases) in Accounts Payable	76,488
- Increases (Decreases) in Accounts Payable Other Governements	12,229
- Increases (Decreases) in Tenant Security Deposit	437
- Increases (Decreases) in Unearned Revenue	(1,637)
- Increases (Decreases) in Non-Current Liabilities Other	(8,554)
	(8,554)
<b>Net cash provided by operating activities</b>	<b>\$ (6,694)</b>

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

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

**NOTE1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Reporting Entity**

The Cambridge Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, located in Findlay, Ohio. The Authority was created under the Ohio Revised Code, Section 3735.27, to engage in the acquisition, development, leasing, and administration of 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 accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 61, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

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

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

**Basis of Presentation**

The Authority's basic financial statements consist of a statement of net positions, a statement of revenues, expenses, and changes in net positions, 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 positions, 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 positions. The statement of revenues, expenses and changes in net positions 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 flows needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating 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.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

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

**Description of programs**

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

A. **Public Housing Program**

The Public Housing Program is designed to provide low-cost housing within the Perry County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

B. **Capital Fund Program**

The Capital Fund Program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

C. **Housing Choice Voucher Program**

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

D. **Business Activity**

Business activity represents other services that the PHA provides to Noble Metropolitan Housing Authority, Monroe Metropolitan Housing Authority and Cambridge Management Corporation for a fee for services that the PHA provides to the entities. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

**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.

**Investments**

Investments are stated at fair value. The Authority is authorized to invest in nonnegotiable certificates of deposit and money market investments.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(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 earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 7.

**Capital Assets**

Capital assets are recorded at cost. Costs with a threshold of \$ 1,000 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
Furniture, Equipment, and Machinery	10 years

**Capitalization of Interest**

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

NOTE 2: **DEPOSITS AND INVESTMENTS**

**A. Deposits**

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

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

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

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

At year-end, the carrying amount of the Authority's deposits was \$921,946 (including \$778,986 of unrestricted funds, \$142,960 of restricted funds. The unrestricted cash includes \$250 of petty cash); and the bank balance was \$946,787.

**Custodial Credit Risk**

Custodial credit risk 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 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits totaling \$250,000 were covered by Federal Depository Insurance and deposits totaling \$696,787 were uninsured and collateralized with securities held by the financial institution's trust department or agent, but not in the Authority's name.

**B. Investments**

HUD, State statute, and Board resolutions authorize the Authority to invest in obligations of the U. S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage,

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

**B. Investments** (Continued)

the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. 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. At March 31, 2015, the Authority held no investments as defined by GASB Statement No. 40.

**Interest Rate Risk**

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires those funds which are not operating reserve funds to be invested in investments with a maximum term of one year or the Authority's operating cycle. For investments of the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

Generally, the Authority places no limit on the amount it may invest in any one insurer. However, the investment policy limits the investment of HUD-approved mutual funds to no more than 20 percent of the Authority's available investment funds. The Authority's deposits in financial institutions represent 100 percent of its deposits.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015  
(CONTINUED)**

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of year-end, the Authority had no exposure to foreign currency rate risk, as regulated by HUD.

NOTE 3: **RESTRICTED ASSETS**

The Authority's assets restricted as to purpose are as follows:

- Tenant Security Deposit	\$39,652
- FSS Escrow Funds held for tenants	21,493
- Restricted for Housing Assistance Payments	78,278
- Tenant Council Funds	3,537
Total Restricted Cash on Hand	\$142,960

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**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

NOTE 4: **CAPITAL ASSETS**

A summary of capital assets at March 31, 2015 by class is as follows:

	Balance 03/31/13	Additions	Adj.	Balance 03/31/14
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$415,810	\$0	\$0	\$415,810
Construction in Progress	51,280	\$11,532		62,812
<b>Total Capital Assets Not Being Depreciated</b>	<b>467,090</b>	<b>11,532</b>	<b>0</b>	<b>478,622</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings	11,482,245	2,480	0	11,484,725
Leasehold Improvements	886,554	0	0	886,554
Furnt, Mach. and Equip.	1,027,136	36,217	0	1,063,353
<b>Total Capital Assets Being Depreciated</b>	<b>13,395,935</b>	<b>38,697</b>	<b>0</b>	<b>13,434,632</b>
<b>Accumulated Depreciation:</b>				
Buildings	(7,372,581)	(327,663)	1	(7,700,243)
Leasehold Improvements	(598,940)	(36,645)	0	(635,585)
Furnt, Mach. and Equip.	(592,724)	(75,835)	0	(668,559)
<b>Total Accumulated Depreciation</b>	<b>(8,564,245)</b>	<b>(440,143)</b>	<b>1</b>	<b>(9,004,388)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>4,831,690</b>	<b>(401,446)</b>	<b>1</b>	<b>4,430,244</b>
<b>Total Capital Assets, Net</b>	<b>\$5,298,780</b>	<b>(\$389,914)</b>	<b>\$1</b>	<b>\$4,908,866</b>

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

**NOTE 5: DEFINED BENEFIT PENSION PLANS**

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer 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 pension 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 provide 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-Direct Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2015, member and employer rates were consistent across all three plans. The 2015 member contribution rates were 10.0% for members 14.0% for employers of covered payroll. The Authority's required contributions to OPERS for the years ended March 31, 2015, 2014 and 2013 were \$71,487, \$76,984 and \$85,152, respectively. The full amount has been contributed for 2014 and 2013. Ninety percent has been contributed for 2015, with the remainder being reported as a liability with the enterprise fund.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

NOTE 6: **POST-EMPLOYMENT BENEFITS**

**A. Plan Description**

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

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

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

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

OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**B. Funding Policy**

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

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015  
(CONTINUED)**

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

**B. Funding Policy (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014 and 2013, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2015 and 2014, the employer contribution allocated to the health care plan was 2.0 percent. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended March 31, 2015, 2014, and 2013, which were used to fund post-employment benefits were \$10,208, \$5,499, and \$30,221, respectively; 92 percent has been contributed for 2015 and 100 percent has been contributed for 2014 and 2013.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

NOTE 7: **COMPENSATED ABSENCES**

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

All permanent employees will earn 4.615 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated up to 960 hours. Upon separation employees are not paid for sick leave not taken, except for one-fourth (1/4) accumulated sick leave upon retirement. 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. Upon separation, no payment for unused vacation is made to employees.

The following is a summary of changes in compensated absence liability:

	<b>Balance</b>		<b>Balance</b>	<b>Due Within</b>
	<b><u>03/31/14</u></b>	<b><u>Change</u></b>	<b><u>03/31/15</u></b>	<b><u>One Year</u></b>
Compensated Absence Liability	\$39,737	(\$20,518)	\$19,219	\$0

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

**NOTE 8: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. 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 State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-nine (39) Ohio housing authorities, of which Cambridge is one. Settled claims have not exceeded the Authority's insurance in any of the past three years.

**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 federal 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: MANAGEMENT AGREEMENTS**

The Cambridge Metropolitan Housing Authority (the "Authority") entered into housing management agreements with the Noble Metropolitan Housing Authority (Noble) and Monroe Metropolitan Housing Authority (Monroe) on March 30, 1987 and August 27, 1990, respectively. Pursuant to these agreements, the Authority provides all management services to Noble and Monroe in order that they shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the parties have executed or may, from time to time, execute with HUD. As compensation for these services, Noble and Monroe transfer to the Authority the monthly earned administrative fees as determinable by HUD or an allocation of actual expenses as determined through the budget process. Total management fees earned for the fiscal year ended March 31, 2015, by the Authority from Noble and Monroe were \$106,214 and \$82,359, respectively. The additional management fees of \$176,293 are made up from the agreements with several other entities.

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**(CONTINUED)**

**NOTE 11: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the accrual basis of accounting prescribed by the U.S. Department of Housing and Urban Development.

**NOTE 12: SUBSEQUENT EVENTS**

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through September 30, 2015, the date on which the financial statements were available to be issued.

Cambridge Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$121,833	\$118,570	\$298,312		\$240,271	\$778,986	\$0	\$778,986
113 Cash - Other Restricted	\$3,537	\$99,771	\$0		\$0	\$103,308	\$0	\$103,308
114 Cash - Tenant Security Deposits	\$39,277	\$0	\$375		\$0	\$39,652	\$0	\$39,652
100 Total Cash	\$164,647	\$218,341	\$298,687	\$0	\$240,271	\$921,946	\$0	\$921,946
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0		\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$76,012	\$0	\$0	\$2,719	\$0	\$78,731	\$0	\$78,731
124 Accounts Receivable - Other Government	\$0	\$0	\$0		\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$3,094	\$3,224	\$97,589		\$0	\$103,907	\$0	\$103,907
126 Accounts Receivable - Tenants	\$2,100	\$0	\$0		\$0	\$2,100	\$0	\$2,100
126.1 Allowance for Doubtful Accounts -Tenants	(\$2,022)	\$0	\$0		\$0	(\$2,022)	\$0	(\$2,022)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$79,184	\$3,224	\$97,589	\$2,719	\$0	\$182,716	\$0	\$182,716
142 Prepaid Expenses and Other Assets	\$11,989	\$18,956	\$24,325		\$0	\$55,270	\$0	\$55,270
143 Inventories	\$3,418	\$0	\$0		\$0	\$3,418	\$0	\$3,418
144 Inter Program Due From	\$0	\$2,719	\$0		\$0	\$2,719	(\$2,719)	\$0
150 Total Current Assets	\$259,238	\$243,240	\$420,601	\$2,719	\$240,271	\$1,166,069	(\$2,719)	\$1,163,350
161 Land	\$404,075	\$11,735	\$0		\$0	\$415,810	\$0	\$415,810
162 Buildings	\$10,885,459	\$599,266	\$0		\$0	\$11,484,725	\$0	\$11,484,725
163 Furniture, Equipment & Machinery - Dwellings	\$149,484	\$0	\$0		\$0	\$149,484	\$0	\$149,484
164 Furniture, Equipment & Machinery - Administration	\$684,102	\$168,648	\$61,119		\$0	\$913,869	\$0	\$913,869

Cambridge Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
165 Leasehold Improvements	\$828,752	\$57,802	\$0		\$0	\$886,554	\$0	\$886,554
166 Accumulated Depreciation	(\$8,748,329)	(\$236,799)	(\$19,260)		\$0	(\$9,004,388)	\$0	(\$9,004,388)
167 Construction in Progress	\$62,812	\$0	\$0		\$0	\$62,812	\$0	\$62,812
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,266,355	\$600,652	\$41,859	\$0	\$0	\$4,908,866	\$0	\$4,908,866
180 Total Non-Current Assets	\$4,266,355	\$600,652	\$41,859	\$0	\$0	\$4,908,866	\$0	\$4,908,866
200 Deferred Outflow of Resources	\$0	\$0	\$0		\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,525,593	\$843,892	\$462,460	\$2,719	\$240,271	\$6,074,935	(\$2,719)	\$6,072,216
312 Accounts Payable <= 90 Days	\$43,151	\$13,741	\$31,725		\$3,873	\$92,490	\$0	\$92,490
321 Accrued Wage/Payroll Taxes Payable	\$30,991	\$8,453	\$28,080		\$664	\$68,188	\$0	\$68,188
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0		\$12,017	\$12,017	\$0	\$12,017
333 Accounts Payable - Other Government	\$50,750	\$0	\$0		\$0	\$50,750	\$0	\$50,750
341 Tenant Security Deposits	\$39,277	\$0	\$375		\$0	\$39,652	\$0	\$39,652
342 Unearned Revenue	\$3,981	\$0	\$7,000		\$0	\$10,981	\$0	\$10,981
347 Inter Program - Due To	\$0	\$0	\$0	\$2,719	\$0	\$2,719	(\$2,719)	\$0
310 Total Current Liabilities	\$168,150	\$22,194	\$67,180	\$2,719	\$16,554	\$276,797	(\$2,719)	\$274,078
353 Non-current Liabilities - Other	\$15,812	\$21,493	\$0		\$0	\$37,305	\$0	\$37,305
354 Accrued Compensated Absences - Non Current	\$0	\$10,772	\$8,447		\$0	\$19,219	\$0	\$19,219

Cambridge Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$15,812	\$32,265	\$8,447		\$0	\$56,524	\$0	\$56,524
300 Total Liabilities	\$183,962	\$54,459	\$75,627	\$2,719	\$16,554	\$333,321	(\$2,719)	\$330,602
400 Deferred Inflow of Resources	\$0	\$0	\$0		\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$4,266,355	\$600,652	\$41,859		\$0	\$4,908,866	\$0	\$4,908,866
511.4 Restricted Net Position	\$0	\$78,278	\$0		\$0	\$78,278	\$0	\$78,278
512.4 Unrestricted Net Position	\$75,276	\$110,503	\$344,974	\$0	\$223,717	\$754,470	\$0	\$754,470
513 Total Equity - Net Assets / Position	\$4,341,631	\$789,433	\$386,833	\$0	\$223,717	\$5,741,614	\$0	\$5,741,614
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,525,593	\$843,892	\$462,460	\$2,719	\$240,271	\$6,074,935	(\$2,719)	\$6,072,216
70300 Net Tenant Rental Revenue	\$633,297	\$0	\$9,000		\$0	\$642,297	\$0	\$642,297
70400 Tenant Revenue - Other	\$20,629	\$0	\$300		\$0	\$20,929	\$0	\$20,929
70500 Total Tenant Revenue	\$653,926	\$0	\$9,300	\$0	\$0	\$663,226	\$0	\$663,226
70600 HUD PHA Operating Grants	\$253,019	\$3,300,472	\$0	\$8,157	\$184,298	\$3,745,946	\$0	\$3,745,946
70610 Capital Grants	\$35,314	\$0	\$0		\$0	\$35,314	\$0	\$35,314
71100 Investment Income - Unrestricted	\$148	\$453	\$255		\$2	\$858	\$0	\$858
71400 Fraud Recovery	\$0	\$1,872	\$0		\$0	\$1,872	\$0	\$1,872
71500 Other Revenue	\$2,583	\$49,945	\$364,866		\$207	\$417,601	\$0	\$417,601

Cambridge Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
70000 Total Revenue	\$944,990	\$3,352,742	\$374,421	\$8,157	\$184,507	\$4,864,817	\$0	\$4,864,817
91100 Administrative Salaries	\$101,083	\$146,794	\$108,356		\$10,306	\$366,539	\$0	\$366,539
91200 Auditing Fees	\$4,105	\$5,302	\$3,380		\$366	\$13,153	\$0	\$13,153
91400 Advertising and Marketing	\$6,341	\$98	\$61		\$2	\$6,502	\$0	\$6,502
91500 Employee Benefit contributions - Administrative	\$77,514	\$61,295	\$40,821		\$4,259	\$183,889	\$0	\$183,889
91600 Office Expenses	\$5,447	\$7,072	\$2,422		\$3,818	\$18,759	\$0	\$18,759
91700 Legal Expense	\$1,679	\$137	\$76		\$10	\$1,902	\$0	\$1,902
91800 Travel	\$323	\$743	\$208		\$51	\$1,325	\$0	\$1,325
91900 Other	\$55,213	\$83,759	\$35,541		\$2,395	\$176,908	\$0	\$176,908
91000 Total Operating - Administrative	\$251,705	\$305,200	\$190,865	\$0	\$21,207	\$768,977	\$0	\$768,977
92000 Asset Management Fee	\$0	\$0	\$0		\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$22,862	\$0	\$6,143	\$0	\$29,005	\$0	\$29,005
92200 Relocation Costs	\$0	\$0	\$0		\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$9,963	\$0	\$2,014	\$0	\$11,977	\$0	\$11,977
92400 Tenant Services - Other	\$3,929	\$0	\$0		\$0	\$3,929	\$0	\$3,929
92500 Total Tenant Services	\$3,929	\$32,825	\$0	\$8,157	\$0	\$44,911	\$0	\$44,911
93100 Water	\$43,925	\$0	\$0		\$0	\$43,925	\$0	\$43,925
93200 Electricity	\$78,504	\$0	\$0		\$0	\$78,504	\$0	\$78,504
93300 Gas	\$22,290	\$0	\$0		\$0	\$22,290	\$0	\$22,290

Cambridge Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
93800 Other Utilities Expense	\$1,256	\$0	\$0		\$0	\$1,256	\$0	\$1,256
93000 Total Utilities	\$145,975	\$0	\$0	\$0	\$0	\$145,975	\$0	\$145,975
94100 Ordinary Maintenance and Operations - Labor	\$249,221	\$0	\$112,231		\$0	\$361,452	\$0	\$361,452
94200 Ordinary Maintenance and Operations - Materials and Other	\$96,172	\$10,432	\$3,699		\$633	\$110,936	\$0	\$110,936
94300 Ordinary Maintenance and Operations Contracts	\$65,230	\$213	\$0		\$0	\$65,443	\$0	\$65,443
94500 Employee Benefit Contributions - Ordinary Maintenance	\$66,483	\$0	\$49,862		\$0	\$116,345	\$0	\$116,345
94000 Total Maintenance	\$477,106	\$10,645	\$165,792	\$0	\$633	\$654,176	\$0	\$654,176
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$11,245	\$14,330	\$2,631		\$0	\$28,206	\$0	\$28,206
96120 Liability Insurance	\$11,245	\$14,330	\$2,632		\$0	\$28,207	\$0	\$28,207
96130 Workmen's Compensation	\$4,150	\$5,341	\$2,075		\$0	\$11,566	\$0	\$11,566
96100 Total insurance Premiums	\$26,640	\$34,001	\$7,338	\$0	\$0	\$67,979	\$0	\$67,979
96300 Payments in Lieu of Taxes	\$50,750	\$0	\$0		\$0	\$50,750	\$0	\$50,750
96400 Bad debt - Tenant Rents	\$2,816	\$0	\$0		\$0	\$2,816	\$0	\$2,816
96000 Total Other General Expenses	\$53,566	\$0	\$0	\$0	\$0	\$53,566	\$0	\$53,566
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0		\$0	\$0	\$0	\$0

Cambridge Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
96900 Total Operating Expenses	\$958,921	\$382,671	\$363,995	\$8,157	\$21,840	\$1,735,584	\$0	\$1,735,584
97000 Excess of Operating Revenue over Operating Expenses	(\$13,931)	\$2,970,071	\$10,426	\$0	\$162,667	\$3,129,233	\$0	\$3,129,233
97300 Housing Assistance Payments	\$0	\$2,849,067	\$0		\$152,616	\$3,001,683	\$0	\$3,001,683
97350 HAP Portability-In	\$0	\$38,390	\$0		\$0	\$38,390	\$0	\$38,390
97400 Depreciation Expense	\$394,401	\$41,618	\$4,124		\$0	\$440,143	\$0	\$440,143
90000 Total Expenses	\$1,353,322	\$3,311,746	\$368,119	\$8,157	\$174,456	\$5,215,800	\$0	\$5,215,800
10010 Operating Transfer In	\$74,990	\$0	\$0		\$0	\$74,990	(\$74,990)	\$0
10020 Operating transfer Out	(\$74,990)	\$0	\$0		\$0	(\$74,990)	\$74,990	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$408,332)	\$40,996	\$6,302	\$0	\$10,051	(\$350,983)	\$0	(\$350,983)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$4,749,963	\$748,437	\$380,531	\$0	\$213,666	\$6,092,597	\$0	\$6,092,597
11170 Administrative Fee Equity	\$0	\$711,155	\$0	\$0	\$0	\$711,155	\$0	\$711,155
11180 Housing Assistance Payments Equity	\$0	\$78,278	\$0	\$0	\$0	\$78,278	\$0	\$78,278

Cambridge Metropolitan Housing Authority  
 FDS Schedule Submitted to REAC  
 Proprietary Fund Type - Enterprise Fund  
 March 31, 2015

	Project Total	14.871 Housing Choice Vouchers	Business Activities	14.896 PIH Family Self- Sufficiency Program	14.856 Lower Income Housing Assistance Program Section 8 Moderate Rehabilitate	Subtotal	ELIM	Total
11190 Unit Months Available	\$2,160	\$8,340	\$0	\$0	\$576	\$11,076	\$0	\$11,076
11210 Number of Unit Months Leased	\$2,150	\$8,275	\$0	\$0	\$570	\$10,995	\$0	\$10,995
11270 Excess Cash	(\$13,283)	\$0	\$0	\$0	\$0	(\$13,283)	\$0	(\$13,283)
11650 Leasehold Improvements Purchases	\$45,349	\$0	\$0	\$0	\$0	\$45,349	\$0	\$45,349

Cambridge Metropolitan Housing Authority  
 Schedule of Expenditure of Federal Award  
 For the Year Ended March 31, 2015

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Housing and Urban Development</b>		
Direct Program		
Low Rent Public Housing	14.850	\$187,243
Section 8 Moderate Rehabilitation	14.856	184,298
Housing Choice Voucher Program	14.871	3,300,472
Public Housing Capital Fund Program	14.872	101,090
Family Self Sufficiency Program	14.896	<u>8,157</u>
<b>Total Expenditure of Federal Award</b>		<b><u><u>\$3,781,260</u></u></b>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Cambridge Metropolitan Housing Authority

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Cambridge Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise Cambridge Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated September 30, 2015.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Cambridge Metropolitan Housing Authority, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cambridge Metropolitan Housing Authority, Ohio's, internal control. Accordingly, I do not express an opinion on the effectiveness of Cambridge Metropolitan Housing Authority, Ohio's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-01 that I consider to be significant deficiencies.

### **Compliance and Other Matters**

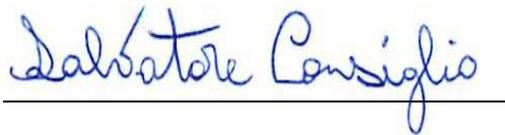
As part of obtaining reasonable assurance about whether Cambridge Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Agency Response to Finding**

Cambridge Metropolitan Housing Authority, Ohio's response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. Cambridge Metropolitan Housing Authority, Ohio's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Salvatore Consiglio

Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
September 30, 2015



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

Board of Commissioners  
Cambridge Metropolitan Housing Authority

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

I have audited Cambridge Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Cambridge Metropolitan Housing Authority's major federal programs for the year ended March 31, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

My responsibility is to express an opinion on compliance for each of Cambridge Metropolitan Housing Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of the Authority's compliance.

## **Opinion on Each Major Federal Program**

In my opinion, Cambridge Metropolitan Housing Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2015.

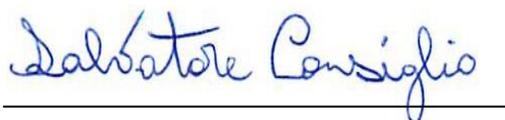
## **Report on Internal Control Over Compliance**

Management of the Cambridge Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



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Salvatore Consiglio, CPA, Inc.  
North Royalton, Ohio  
September 30, 2015

Cambridge Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 March 31, 2015

1. SUMMARY OF AUDITOR'S RESULTS	
Type of Financial Statement Opinion	Unmodified
Were there any material weakness reported at the financial statement level (GAGAS)?	No
Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	Yes
Was there any reported non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant internal control deficiency reported for the major federal programs?	No
Type of report issued on compliance for major programs	Unmodified
Are there any reportable findings under § .510?	No
Major Programs (list):	<ul style="list-style-type: none"> <li>• CFDA # 14.871 Housing Choice Voucher Program</li> </ul>
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

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

**FINDING NUMBER 2015-01**

**Significant Deficiency**

**Control over Financial Statement Preparation**

Audit procedures over the financial statements revealed several errors. Management did not adequately review the financial statements prior to filing with Real Estate Assessment Center (REAC) in order to prevent, detect and correct misstatements. In addition, I also noted that the Authority did not file the financial statement with the Auditor of State of Ohio using the Annual Financial Data Reporting System. The report mailed to the Auditor of State of Ohio consisted only of the Financial Data Schedule filed with REAC. This report did not include all of the required financial statements and information.

The above errors was due to inadequate policies and procedures related to controls in place over the financial statements preparation and also due to implementation of new accounting software during the audit period. Fiscal staff were not aware of the new filing requirement with the Auditor of State.

Audit adjustments were necessary to fairly state the statements. All adjustments have been properly recorded and reflected in the financial statements presented with this audit report.

**Recommendation:** The Authority should implement policies and procedures to ensure that financial statements are properly reviewed and agreed with accounting system prior to making them available for public inspection. In addition, proper procedures should be implement to ascertain that all communication from the Auditor of State Office is forwarded to the fiscal staff to ascertain that implementation of any new requirement is properly implements and complied with. This will prevent penalties and fines from being imposed on the Authority.

**Corrective Action:** I have not received a response from management of corrective action implement to resolve this finding.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There are no findings or questioned costs for the year ended March 31, 2015.

Cambridge Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
March 31, 2015

The audit report for the fiscal year ending March 31, 2014 contained no audit findings.



# Dave Yost • Auditor of State

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**

**GUERNSEY 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  
DECEMBER 17, 2015**