

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
Single Audit  
For the Year Ended March 31, 2014**

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





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Harrison Metropolitan Housing Authority, Harrison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period April 1, 2013 through March 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Harrison Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

February 2, 2015, 2015

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**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
FOR THE YEAR ENDED MARCH 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

December 12, 2014

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

To the Board of Commissioners:

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

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of **Harrison Metropolitan Housing Authority**, Harrison County, Ohio (the Authority), as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Harrison Metropolitan Housing Authority, Harrison County, Ohio, as of March 31, 2014, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole. The actual modernization cost certificate presented on page 31 and the supplemental financial data schedules presented on pages 25 through 30 are presented for additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of federal awards expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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.



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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
UNAUDITED**

The management of the Harrison Metropolitan Housing Authority's (the "Authority" or Primary Government) offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended March 31, 2014. This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual account issues or concerns.

The management's Discussion and Analysis (MD&A) is designed to focus on the fiscal year ended March 31, 2014 activities, resulting changes, and currently known facts. Please read it in conjunction with the Authority's financial statements (beginning on page 11). In accordance with GASB Statement No. 34, paragraph 10, the financial information and discussion presented below focuses on the primary government. Due to the significance of the component unit when compared to the primary government, the financial information is provided for the component unit in some instances to provide for a more complete and meaningful discussion of financial results. Regardless discussion in the MD&A attempts to distinguish between information pertaining to the primary government and that of its component unit.

**FINANCIAL HIGHLIGHTS**

The management of the Harrison Metropolitan Housing Authority began an organizational restructure late in December 2013. The primary government created an independent for profit limited liability company, Enterprise Housing Property Preservation, L.L.C.

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

- Net position for the primary government was \$1,467,456 and \$1,997,681 for the fiscal years ended March 31, 2014 and 2013, respectively. The Authority's net position decreased by \$530,225 or 26.5% during 2014, based on the current year activity.
- Net position for the component unit was \$369,168 and \$0 for the fiscal years ended March 31, 2014 and 2013, respectively. The component unit Enterprise Housing Property Preservation, L.L.C.'s net position increased by \$369,168 or 100% during 2014, based on the current year activity.
- Revenues for the primary government decreased by \$91,385 or 6.7% during 2014, and were \$1,359,594 and \$1,450,979 for 2014 and 2013, respectively.
- Expenses increased by \$430,256 or 22.8% during 2013 and were \$1,889,819 and \$1,459,563 for 2014 and 2013, respectively.
- The primary government contributed in unrestricted cash \$369,168 to the component unit Enterprise Housing Property Preservation, L.L.C. in 2014.
- Total revenues for the component unit Enterprise Housing Property Preservation, L.L.C. was \$369,168 for 2014 and total expenses for 2014 were \$0.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
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**USING THIS ANNUAL REPORT**

The following outlines the format of this report:

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
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**FINANCIAL STATEMENTS BY MAJOR FUND**

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

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

**THE AUTHORITY'S PROGRAMS**

**Business Type Programs**

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

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

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

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

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

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
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**AUTHORITY-WIDE STATEMENTS**

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

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

	<u>2014</u>	<u>Restated 2013</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$ 342,795	\$ 793,116	\$ (450,321)
Capital Assets	1,502,448	1,629,377	(126,929)
Non-Current Assets	375,000	375,000	-
<b>Total Assets</b>	<b><u>2,220,243</u></b>	<b><u>2,797,493</u></b>	<b><u>(577,250)</u></b>
<b>Liabilities</b>			
Current Liabilities	86,533	101,189	(14,656)
Long-Term Liabilities	666,254	698,623	(32,369)
<b>Total Liabilities</b>	<b><u>752,787</u></b>	<b><u>799,812</u></b>	<b><u>(47,025)</u></b>
<b>Net Position</b>			
Net Investment in Capital Assets	834,781	928,947	(94,166)
Restricted	66,365	9,712	56,653
Unrestricted	566,310	1,059,022	(492,712)
<b>Total Net Position</b>	<b><u>\$1,467,456</u></b>	<b><u>\$ 1,997,681</u></b>	<b><u>\$ (530,225)</u></b>

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

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

During 2014, total assets for the primary government decreased by \$577,250. Most of the decrease is due to the formation of a component unit Enterprise Housing Property Preservation, L.L.C. Cash associated with that business operation is reported as a component unit for financial statement presentation and is being discretely presented in 2014. Total liabilities decreased by \$47,025 and the total net position by \$530,225 for the primary government.

During 2014, total assets for the component unit was \$369,168, total liabilities were \$0, and total net position was \$369,168.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
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**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

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

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

	<u>2014</u>	<u>2013</u>	<u>Change</u>
<b>Revenues</b>			
Tenant Revenue	\$ 234,542	\$ 234,669	\$ (127)
Operating Subsidies	1,038,736	838,896	199,840
Capital Grants	14,985	56,744	(41,759)
Investment/Other Income	71,331	320,670	(249,339)
<b>Total Revenue</b>	<b><u>1,359,594</u></b>	<b><u>1,450,979</u></b>	<b><u>(91,385)</u></b>
<b>Expenses</b>			
Administration	276,820	314,118	(37,298)
Tenant Services	552	981	(429)
Utilities	98,392	75,643	22,749
Maintenance	213,446	177,549	35,897
General, Insurance & Interest	60,628	66,204	(5,576)
Housing Assistance Payments	728,900	676,138	52,762
Other Non-Operating Expenses	369,168	-	369,168
Depreciation	141,913	148,930	(7,017)
<b>Total Expenses</b>	<b><u>1,889,819</u></b>	<b><u>1,459,563</u></b>	<b><u>430,256</u></b>
<b>Total Net Position</b>	<b><u>\$ (530,225)</u></b>	<b><u>\$ (8,584)</u></b>	<b><u>\$ 521,641</u></b>

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

Tenant rent decreased slightly during 2014 in comparison to 2013. Operating subsidies were funded by HUD at a higher percentage of the eligible amount in calendar year 2014 compared to calendar year 2013. Capital grants (expenditures) decreased from 2013 to 2014 mostly due to a decrease in capital projects underway.

Total administrative expenses decreased slightly from 2013 to 2014. Utility costs continue to rise in 2014 due, in part, to a winter more severe than 2013. Maintenance costs increased, largely due to an increase in benefit costs for maintenance labor and an increase in maintenance supply costs.

The primary government contributed \$369,168 in unrestricted cash to its newly created component unit Enterprise Housing Property Preservation, L.L.C. in 2014.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of March 31, 2014, the Authority had \$1,502,448 invested in a variety of capital assets as reflected in the following Table; this represents a net decrease of \$126,928.

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

<i>Capital Assets</i>	<u>2014</u>	<u>2013</u>	<u>Change</u>
Land	\$ 140,679	\$ 140,679	\$ -
Buildings	4,927,737	4,912,752	14,985
Furniture, Equipment and Machinery	232,876	232,876	-
Accumulated Depreciation	(3,798,844)	(3,656,931)	(141,913)
<b>Total Capital Assets</b>	<b><u>\$ 1,502,448</u></b>	<b><u>\$ 1,629,376</u></b>	<b><u>\$ (126,928)</u></b>

As of March 31, 2014, the component unit had \$0 invested in capital assets.

The following table summarizes the change in Capital Assets.

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

	<u>2014</u>
<b>Beginning Balance - Net</b>	<b><u>\$ 1,629,376</u></b>
Additions – Capital Fund	14,985
Retirements/Transfers	-
Depreciation Expense	(141,913)
<b>Total Capital Assets</b>	<b><u>\$ 1,502,448</u></b>

Refer to Note 5 for additional information on Capital Assets.

As of March 31, 2014, the Authority had \$667,667 in debt (mortgages) outstanding compared to \$700,430 the prior year. The component unit however had no debt at the end of 2014.

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

	<u>2013</u>
<b>Beginning Balance – April 1, 2013</b>	<b><u>\$ 700,430</u></b>
Current Year Principal Payments	(32,763)
<b>Ending Balance – March 31, 2014</b>	<b><u>\$ 667,667</u></b>

Refer to Note 8 for additional information on Debt Outstanding.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2014  
UNAUDITED**

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

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

**FINANCIAL CONTACT**

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

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**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 167,499	\$ 369,168
Cash and Cash Equivalents - Restricted	76,281	-
Receivables - Net of Allowance	89,477	-
Prepaid Expenses and Other Assets	9,538	-
Total Current Assets	342,795	369,168
Noncurrent Assets:		
Capital Assets		
Land	140,679	-
Other Capital Assets - Net	1,361,769	-
Total Capital Assets	1,502,448	-
Pledged Escrow Receivable - Noncurrent	375,000	-
Total Noncurrent Assets	1,877,448	-
<b>Total Assets</b>	<b>\$ 2,220,243</b>	<b>\$ 369,168</b>
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	\$ 14,056	\$ -
Accrued Wages/Payroll Taxes	6,254	-
Accrued Compensated Absences - Current	13,412	-
Accrued Liabilities - Other	17,087	-
Tenant Security Deposits	22,439	-
Unearned Revenue	107	-
Current Portion of Long-Term Debt	13,178	-
Total Current Liabilities	86,533	-
Noncurrent Liabilities:		
Accrued Compensated Absences - Noncurrent	11,765	-
Long-Term Debt	654,489	-
Total Noncurrent Liabilities	666,254	-
<b>Total Liabilities</b>	<b>752,787</b>	<b>-</b>
<b>Net Position</b>		
Net Investment in Capital Assets	834,781	-
Restricted	66,365	-
Unrestricted	566,310	369,168
<b>Total Net Position</b>	<b>1,467,456</b>	<b>369,168</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,220,243</b>	<b>\$ 369,168</b>

See accompanying notes to the basic financial statements

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Operating Revenues:</b>		
Tenant Revenue	\$ 234,542	\$ -
Operating Subsidies	1,038,736	-
Other Revenues	71,288	-
Total Operating Revenues	1,344,566	-
<b>Operating Expenses:</b>		
Administrative	276,820	-
Tenant Services	552	-
Utilities	98,392	-
Maintenance	213,446	-
Insurance	38,168	-
Payment In Lieu of Taxes (PILOT)	7,992	-
Bad Debts	2,304	-
Housing Assistance Payments	728,900	-
Depreciation	141,913	-
Total Operating Expenses	1,508,487	-
Operating (Loss)	(163,921)	-
Non-Operating Revenues (Expenses):		
Interest Revenue	43	-
Interest Expense	(12,164)	-
Capital Grants	14,985	-
Other Non-Operating Revenues	-	369,168
Other Non-Operating Expenses	(369,168)	-
Total Non-Operating Revenue (Expenses)	(366,304)	369,168
Change In Net Position	(530,225)	369,168
Net Position Beginning of Year, Restated (See Note 12)	1,997,681	-
Net Position End of Year	\$ 1,467,456	\$ 369,168

See accompanying notes to the basic financial statements

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Primary Government</b>	<b>Component Unit</b>
<b>Cash Flows From Operating Activities:</b>		
Cash Received From HUD	\$ 1,045,769	\$ -
Cash Received From Tenants	211,764	-
Cash Received From Other Sources	71,288	-
Cash Payments For Housing Assistance Payments	(728,900)	-
Cash Payments For Other Operating Expenses	(644,031)	-
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(44,110)</b>	<b>-</b>
<b>Cash Flows From Capital And Related Financing Activities:</b>		
Capital Grants Received	14,985	-
Acquisition of Capital Assets and Other Assets	(14,985)	-
Debt Payments - Principal	(32,763)	-
Debt Payments - Interest	(12,164)	-
<b>Net Cash Provided By (Used In) Capital And Related Financing Activities</b>	<b>(44,927)</b>	<b>-</b>
<b>Cash Flows From Investing Activities:</b>		
Other Non-Operating Revenues	-	369,168
Other Non-Operating Expenses	(369,168)	-
Interest Income	43	-
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(369,125)</b>	<b>369,168</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(458,162)</b>	<b>369,168</b>
<b>Cash And Cash Equivalents, Beginning</b>	<b>701,942</b>	<b>-</b>
<b>Cash And Cash Equivalents, Ending</b>	<b>\$ 243,780</b>	<b>\$ 369,168</b>
Reconciliation Of Operating Loss To Net Cash Provided By (Used In) Operating Activities		
Operating Loss	\$ (163,921)	\$ -
Adjustments To Reconcile Operating Loss To Net Cash Provided By (Used In) Operating Activities:		
Depreciation	141,913	-
(Increase)Decrease In:		
Receivables - Net of Allowance	(25,730)	-
Prepaid Expenses	18,395	-
Increase(Decrease) In:		
Accounts Payable	(19,664)	-
Accrued Wages/Payroll Taxes	(2,118)	-
Accrued Compensated Absences	(2,970)	-
Accounts Payable - Other Government	7,019	-
Tenant Security Deposits	2,952	-
Deferred Revenue	14	-
Net Cash Provided By Operating Activities	<b>\$ (44,110)</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

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

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

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

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

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

**B. Summary of Significant Accounting Policies**

The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the Authority's accounting policies are described below.

**C. Reporting Entity**

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

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**C. Reporting Entity (Continued)**

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

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

**D. Fund Accounting**

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

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

**E. Proprietary Fund Types**

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

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

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

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

**G. Change in Accounting Principles**

For 2014, 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", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities."

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**G. Change in Accounting Principles (Continued)**

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.

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.

**H. Investments**

Investments are restricted by the provisions of the HUD regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2014 totaled \$43 for the primary government and \$0 for the component unit.

**I. Receivables – Net of Allowance**

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year. The allowance for doubtful accounts was \$159 at March 31, 2014.

**J. Capital Assets**

Capital assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The Authority's capitalization policy is \$250. The following are the useful lives used for depreciation purposes:

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**K. Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**L. Compensated Absences**

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

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

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

The following is a summary of changes in compensated absences for the year ended March 31, 2014:

	<i>Balance 3/31/13</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance 3/31/14</i>	<i>Due Within One Year</i>
Compensated Absences Payable	\$ 28,147	\$ -	\$ 2,970	\$ 25,177	\$ 13,178

**M. Budgetary Accounting**

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

**N. Estimates**

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**O. Net Position**

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

**P. Operating Revenues and Expenses**

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

**Q. Capital Contributions**

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

**NOTE 2: DEPOSITS AND INVESTMENTS**

**A. Primary Government**

**Deposits**

At fiscal year end, the carrying amount of the primary government's deposits was \$243,780 and its bank balances totaled \$270,782. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2014, \$250,000 of the primary government's bank balance was covered by Federal Depository Insurance (FDIC). The remainder was collateralized by securities pledged in the name of the Authority. Included in the carrying value of the Authority's deposits is \$200 in petty cash.

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

**Investments**

The Authority has a formal investment policy; although, the authority did not have investments at March 31, 2014.



**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**A. Primary Government (Continued)**

Cash and cash equivalents included in the primary government's cash position at March 31, 2014, are as follows:

	<u>Cash and Cash Equivalents</u>
Cash – Unrestricted	\$ 167,499
Cash – Restricted	<u>76,281</u>
Per GASB Statements No. 3 and No. 40	<u>\$ 243,780</u>

**B. Component Unit**

**Deposits**

At fiscal year end, the carrying amount of the component unit's deposits was \$369,168 and its bank balances totaled \$369,168. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of March 31, 2014, \$250,000 of the component units' bank balance was covered by Federal Depository Insurance (FDIC). The remainder was collateralized by securities pledged in the name of Enterprise Housing Property Preservation L.L.C ("Corporation") or the Authority.

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

**Investments**

The Authority has a formal investment policy it relies on to manage the investments of the component unit; however, the component unit had no investments at March 31, 2014.

Cash and cash equivalents included in the component unit's cash position at March 31, 2014, are as follows:

	<u>Cash and Cash Equivalents</u>
Cash – Unrestricted	\$ 369,168
Per GASB Statements No. 3 and No. 40	<u>\$ 369,168</u>

**NOTE 3: RESTRICTED CASH**

The restricted cash balance of \$76,281 on the financial statements for the primary government represents the following:

Excess Cash Advanced to the Housing choice Voucher	
Program by HUD for Housing Assistance Payments	\$ 66,365
Tenant Security Deposits	<u>9,916</u>
Per GASB Statements No. 3 and No. 40	<u>\$ 76,281</u>

The component unit had no restricted cash balance.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 4: INSURANCE COVERAGE**

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

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

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes:

**A. Primary Government**

	<i>Balance 3/31/2013</i>	<i>Additions</i>	<i>Deletions/ Transfers</i>	<i>Balance 3/31/2014</i>
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 140,679	\$ -	\$ -	\$ 140,679
<b>Total Capital Assets Not Being Depreciated</b>	<b>140,679</b>	<b>-</b>	<b>-</b>	<b>140,679</b>
<i>Capital Assets, Being Depreciated</i>				
Building and Improvements	4,912,752	14,985	-	4,927,737
Furniture and Equipment	232,876	-	-	232,876
	5,145,628	14,985	-	5,160,613
Less: Accumulated Depreciation				
Buildings and Improvements	(3,443,661)	(139,394)	-	(3,583,055)
Furniture and Equipment	(213,270)	(2,519)	-	(215,789)
<i>Total Accumulated Depreciation</i>	<i>(3,656,931)</i>	<i>(141,913)</i>	<i>-</i>	<i>(3,798,844)</i>
<b>Total Capital Assets Being Depreciated</b>	<b>1,488,697</b>	<b>(126,928)</b>	<b>-</b>	<b>1,361,769</b>
<b>Total Capital Assets, Net</b>	<b>\$ 1,629,376</b>	<b>\$ (126,928)</b>	<b>\$ -</b>	<b>\$ 1,502,448</b>

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

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

**B. Component Unit**

The Authority's component unit held no capital assets as of March 31, 2014.

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System**

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

1. The Traditional Pension Plan – A cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**Ohio Public Employees Retirement System (Continued)**

3. The Combined Plan – A cost-sharing, multiple-employer defined plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended March 31, 2014, 2013, and 2012 were \$32,556, \$39,460, and \$35,001, respectively. All required contributions have been made through March 31, 2014.

**NOTE 7: POST-EMPLOYMENT BENEFITS**

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, the Authority contributed at a rate of 14.0 percent of covered payroll or \$45,579. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

OPERS Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding the post-employment health care benefits. The portion of employer contributions allocated to the health care for members in the Traditional Plan was 1.0 percent during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended March 31, 2014, 2013, and 2012, which were used to fund post-employment benefits were \$6,511, \$2,819 and \$10,000 respectively.

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

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

**NOTE 8: LONG-TERM DEBT**

**A. Primary Government**

Harrison Metropolitan Housing Authority has the following mortgages outstanding as of March 31, 2014:

**Dunfee Court** - A first and second mortgage with the United States Department of Agriculture Rural Housing Service for a 12-unit project. Original loan amount \$373,300 dated January 30, 1985. Term of the loan is 50 years with interest rate of 10.75%, discounted to 1%. Balance outstanding as of March 31, 2014 was \$161,599. Second loan amount \$23,580 dated April 25, 1985. Term of the loan is 50 years with interest rate of 11.875%, discounted to 1%. Balance outstanding as of March 31, 2014 was \$10,930.

**Gable Estate** - United State Department of Agriculture Rural Housing Service loan for a 16-unit project. The amount of the loan was \$541,516 dated April 21, 1993. The term of the loan is 50 years with the interest rate of 7.75%, discounted to 1%. The outstanding balance as of March 31, 2014 was \$495,138.

The following is a summary of change in long-term debt for the year ended March 31, 2014:

<i>Description</i>	<i>Balance 3/31/2013</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 3/31/2014</i>	<i>Due Within One Year</i>
1st Mortgage Dunfee Court	\$ 169,570	\$ -	\$ 7,971	\$ 161,599	\$ 8,023
2nd Mortgage Dunfee Court	11,426	-	496	10,930	500
Gable Estate	499,634	-	4,496	495,138	4,655
Muskingum Duplex	19,800	-	19,800	-	-
<b>Total Long-term Debt</b>	<b>\$ 700,430</b>	<b>\$ -</b>	<b>\$ 32,763</b>	<b>\$ 667,667</b>	<b>\$ 13,178</b>

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

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

**A. Primary Government (Continued)**

Debt maturities for future years are as follows:

<i>Year Ending</i> <u>March 31</u>	<i>Principal</i>	<i>Interest</i>
2015	\$ 13,178	\$ 6,677
2016	13,465	6,545
2017	13,927	5,854
2018	14,419	6,271
2019	14,944	6,127
2020-2024	83,904	30,822
2025-2029	103,521	23,713
2030-2034	115,928	18,078
2035-2039	117,063	12,552
2040-2044	170,022	5,719
2045	7,296	73
<b><i>Total</i></b>	<b><u>\$ 667,667</u></b>	<b><u>\$ 122,431</u></b>

**A. Component Unit**

The Authority's component unit had no outstanding obligations on notes as of March 31, 2014.

**NOTE 9: CONTINGENCIES**

**A. Grants**

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at March 31, 2014.

**B. Litigation**

In the normal course of operations, the Authority may be subject to litigations and claims. At March 31, 2014, the Authority was not aware of any such matters.

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

For the fiscal year ended March 31, 2014, the Authority electronically submitted an unaudited version of the statement of net position, statement of revenues, expenses and changes in net position and other data to HUD REAC as required on the GAAP basis.

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIS FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 11: PLEDGED ESCROW RECEIVABLE**

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

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

**NOTE 12: RESTATEMENT OF NET POSITION**

**A. Primary Government**

	<u>Unrestricted</u>
Net Position at March 31, 2013	\$ 2,122,684
Adjustment to Pledged Escrow Receivable	<u>(125,000)</u>
Net Position at March 31, 2014 - Restated	<u>\$ 1,997,684</u>

A pledged escrow receivable was recorded in the system in the amount of \$125,000 as current pledged escrow receivable and \$375,000 as long-term pledged escrow receivable as of March 31, 2013. The current amount of \$125,000 was received in June of 2012 and was erroneously recorded as revenue along with other developer fees instead of a reduction to pledged escrow receivable in audit period ending March 31, 2013. The pledged escrow receivable as of March 31, 2013 was restated to \$375,000 as a long-term pledged escrow receivable with no current receivable on the books.

**NOTE 13: SUBSEQUENT EVENT**

**A. Primary Government**

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

**B. Component Unit**

There was one subsequent event noted through the date of the report, the date the financial statements were available to be issued. Enterprise Housing Property Preservation, L.L.C. purchased and renovated a single family home located at 210 Burton Drive, Cadiz, Ohio 43907. The purchase price was \$77,694 with no mortgage obligation.

## Supplemental Information

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2014

Description	Project Total CF and PH	Housing Choice Vouchers 14,871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
111 Cash - Unrestricted	1,796	56,931	107,825	947	369,168	536,667	-	536,667
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	66,365	-	-	-	66,365	-	66,365
114 Cash - Tenant Security Deposits	-	-	9,916	-	-	9,916	-	9,916
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-
100 Total Cash	1,796	123,296	117,741	947	369,168	612,948	-	612,948
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-	-
124 Accounts Receivable - HUD	-	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	85,482	-	85,482	-	85,482
126 Accounts Receivable - Tenants	1,205	-	-	-	-	1,205	-	1,205
126.1 Allowance for Doubtful Accounts - Tenants	(159)	-	-	-	-	(159)	-	(159)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-
128 Fraud Recovery	-	3,469	-	-	-	3,469	-	3,469
128.1 Allowance for Doubtful Accounts - Fraud	-	(520)	-	-	-	(520)	-	(520)
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	1,046	2,949	-	85,482	-	89,477	-	89,477
131 Investments - Unrestricted	-	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	3,131	1,276	4,458	673	-	9,538	-	9,538
143 Inventories	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	18,469	-	18,469	(18,469)	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-
150 Total Current Assets	5,973	127,521	122,199	105,571	369,168	730,432	(18,469)	711,963
161 Land	75,202	-	61,977	3,500	-	140,679	-	140,679
162 Buildings	3,803,047	-	1,063,297	61,393	-	4,927,737	-	4,927,737
163 Furniture, Equipment & Machinery - Dwellings	52,975	-	11,800	-	-	64,775	-	64,775
164 Furniture, Equipment & Machinery - Administration	167,780	-	321	-	-	168,101	-	168,101
165 Leasehold Improvements	-	-	-	-	-	-	-	-
166 Accumulated Depreciation	(3,129,552)	-	(646,507)	(22,785)	-	(3,798,844)	-	(3,798,844)
167 Construction in Progress	-	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	969,452	-	490,888	42,108	-	1,502,448	-	1,502,448



HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2014

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	375,000	-	375,000	-	375,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	969,452	-	490,888	417,108	-	1,877,448	-	1,877,448
190 Total Assets	975,425	127,521	613,087	522,679	369,168	2,607,880	(18,469)	2,589,411
311 Bank Overdraft	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	-	-	-	14,056	-	14,056	-	14,056
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	6,254	-	6,254	-	6,254
322 Accrued Compensated Absences - Current Portion	4,215	6,646	2,551	-	-	13,412	-	13,412
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	12,523	-	9,916	-	-	22,439	-	22,439
342 Deferred Revenues	104	-	3	-	-	107	-	107
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	13,178	-	-	13,178	-	13,178
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-	-	-
346 Accrued Liabilities - Other	17,087	-	-	-	-	17,087	-	17,087
347 Inter Program - Due To	3,388	1,973	3,108	10,000	-	18,469	(18,469)	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	37,317	8,619	28,756	30,310	-	105,002	(18,469)	86,533
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	654,489	-	-	654,489	-	654,489
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	1,921	7,712	2,132	-	-	11,765	-	11,765
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	1,921	7,712	656,621	-	-	666,254	-	666,254
300 Total Liabilities	39,238	16,331	685,377	30,310	-	771,256	(18,469)	752,787

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2014

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
508.1 Invested In Capital Assets, Net of Related Debt	969,452	-	(176,779)	42,108	-	834,781	-	834,781
509.2 Fund Balance Reserved	-	-	-	-	-	-	-	-
511.2 Unreserved, Designated Fund Balance	-	-	-	-	-	-	-	-
511.1 Restricted Net Assets	-	66,365	-	-	-	66,365	-	66,365
512.1 Unrestricted Net Assets	(33,265)	44,825	104,489	450,261	369,168	935,478	-	935,478
512.2 Unreserved, Undesignated Fund Balance	-	-	-	-	-	-	-	-
513 Total Equity/Net Assets	936,187	111,190	(72,290)	492,369	369,168	1,836,624	-	1,836,624
600 Total Liabilities and Equity/Net Assets	975,425	127,521	613,087	522,679	369,168	2,607,880	(18,469)	2,589,411
70300 Net Tenant Rental Revenue	143,269	-	75,189	10,100	-	228,558	-	228,558
70400 Tenant Revenue - Other	4,515	-	1,469	-	-	5,984	-	5,984
70500 Total Tenant Revenue	147,784	-	76,658	10,100	-	234,542	-	234,542
70600 HUD PHA Operating Grants	106,928	872,398	59,410	-	-	1,038,736	-	1,038,736
70610 Capital Grants	14,985	-	-	-	-	14,985	-	14,985
70710 Management Fee	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	-	6	37	-	43	-	43
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-
71400 Fraud Recovery- HAP (\$2,886)	-	2,886	-	-	-	2,886	-	2,886
71500 Other Revenue	9	696	296	67,401	-	68,402	-	68,402
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-
70000 Total Revenue	269,706	875,980	136,370	77,538	-	1,359,594	-	1,359,594
91100 Administrative Salaries	70,156	48,034	10,755	10,254	-	139,199	-	139,199
91200 Auditing Fees	2,449	12,973	1,372	98	-	16,892	-	16,892
91300 Management Fee	-	-	14,925	-	-	14,925	-	14,925
91310 Book-keeping Fee	-	-	-	-	-	-	-	-
91400 Advertising and Marketing	22	-	-	-	-	22	-	22
91500 Employee Benefit contributions - Administrative	27,492	18,075	4,137	4,008	-	53,712	-	53,712

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2014

Description	Project Total CF and PH	Housing Choice Vouchers 14,871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
91600 Office Expenses	1,916	10,527	899	1,276	-	14,618	-	14,618
91700 Legal Expense	7	-	54	-	-	61	-	61
91800 Travel	2,179	-	-	-	-	2,179	-	2,179
91810 Allocated Overhead	15,478	-	-	-	-	15,478	-	15,478
91900 Other	-	15,343	4,112	3,409	-	22,864	-	22,864
91000 Total Operating - Administrative	119,699	104,952	36,254	19,045	-	279,950	-	279,950
92000 Asset Management Fee	-	-	-	-	-	-	-	-
92100 Tenant Services - Salaries	-	-	-	-	-	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-
92400 Tenant Services - Other	33	-	519	-	-	552	-	552
92500 Total Tenant Services	33	-	519	-	-	552	-	552
93100 Water	10,942	173	16,516	54	-	27,685	-	27,685
93200 Electricity	61,400	1,902	5,374	77	-	68,753	-	68,753
93300 Gas	196	802	759	197	-	1,954	-	1,954
93400 Fuel	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-	-
93000 Total Utilities	72,538	2,877	22,649	328	-	98,392	-	98,392
94100 Ordinary Maintenance and Operations - Labor	82,217	6,621	5,642	2,140	-	96,620	-	96,620
94200 Ordinary Maintenance and Operations - Materials and Other	19,378	4,881	10,872	2,938	-	38,069	-	38,069
94300 Ordinary Maintenance and Operations Contracts	19,662	713	9,741	851	-	30,967	-	30,967
94500 Employee Benefit Contributions - Ordinary Maintenance	38,893	3,642	3,546	1,709	-	47,790	-	47,790
94000 Total Maintenance	160,150	15,857	29,801	7,638	-	213,446	-	213,446
95100 Protective Services - Labor	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-
96110 Property Insurance	21,490	-	8,699	1,550	-	31,739	-	31,739
96120 Liability Insurance	-	-	-	-	-	-	-	-
96130 Workmen's Compensation	-	-	-	-	-	-	-	-
96140 All Other Insurance	946	5,013	432	38	-	6,429	-	6,429
96100 Total insurance Premiums	22,436	5,013	9,131	1,588	-	38,168	-	38,168

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2014

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
96210 Compensated Absences	(1,003)	(1,703)	102	(526)	-	(3,130)	-	(3,130)
96300 Payments in Lieu of Taxes/Real Estate Taxes	7,525	-	-	467	-	7,992	-	7,992
96400 Bad debt - Tenant Rents	1,828	-	-	-	-	1,828	-	1,828
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	476	-	-	-	476	-	476
96800 Severance Expense	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	8,350	(1,227)	102	(59)	-	7,166	-	7,166
96710 Interest of Mortgage (or Bonds) Payable	-	-	11,321	843	-	12,164	-	12,164
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	11,321	843	-	12,164	-	12,164
96900 Total Operating Expenses	383,206	127,472	109,777	29,383	-	649,838	-	649,838
97000 Excess of Operating Revenue over Operating Expenses	(113,500)	748,508	26,593	48,155	-	709,756	-	709,756
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	728,900	-	-	-	728,900	-	728,900
97350 HAP Portability-In	-	-	-	-	-	-	-	-
97400 Depreciation Expense	111,788	-	28,208	1,917	-	141,913	-	141,913
97500 Fraud Losses	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-
90000 Total Expenses	494,994	856,372	137,985	31,300	-	1,520,651	-	1,520,651
10010 Operating Transfer In	-	-	-	-	-	-	-	-
10020 Operating transfer Out	-	-	-	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	(369,168)	369,168	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	101,462	-	-	101,462	-	101,462
10094 Transfers between Project and Program - Out	-	-	-	(101,462)	-	(101,462)	-	(101,462)

HARRISON METROPOLITAN HOUSING AUTHORITY  
FDS SCHEDULE SUBMITTED TO REAC  
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNIT  
March 31, 2014

Description	Project Total CF and PH	Housing Choice Vouchers 14.871	10.415 Rural Development	State and Local	6.1 Component Unit - Discretely Presented	Total Before Elimination	Elim.	Total
10100 Total Other financing Sources (Uses)	-	-	101,462	(470,630)	369,168	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(225,288)	19,608	99,847	(424,392)	369,168	(161,057)	-	(161,057)
11020 Required Annual Debt Principal Payments	-	-	24,141	-	-	24,141	-	24,141
11030 Beginning Equity	1,161,475	91,582	(172,137)	1,041,761	-	2,122,681	-	2,122,681
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	(125,000)	-	(125,000)	-	(125,000)
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
XXXXX Ending Equity	936,187	111,190	(72,290)	492,369	369,168	1,836,624	-	1,836,624
11170 Administrative Fee Equity	-	44,825	-	-	-	44,825	-	44,825
11180 Housing Assistance Payments Equity	-	66,365	-	-	-	66,365	-	66,365
11190 Unit Months Available	600	3,180	336	24	-	4,140	-	4,140
11210 Number of Unit Months Leased	589	2,515	330	21	-	3,455	-	3,455
11270 Excess Cash	(62,742)	-	-	-	-	(62,742)	-	(62,742)
11610 Land Purchases	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	14,985	-	-	-	-	14,985	-	14,985
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-
B/S in Balance	-	-	-	-	-	-	-	-
N/A in Balance	-	-	-	-	-	-	-	-
Inv in F/A net of Debt in Balance	-	-	-	-	-	-	-	-
Restricted N/A in Balance	-	-	-	-	-	(12,523)	-	(12,523)

**HARRISON METROPOLITAN HOUSING AUTHORITY  
ACTUAL MODERNIZATION COST CERTIFICATE  
FOR THE YEAR ENDED MARCH 31, 2014**

**Modernization Project Number : OH12P067501-11**

Original Funds Approved:	\$	51,323
Funds Disbursed:	\$	51,323
Funds Expended (Actual Modernization Cost):	\$	51,323
Amount to be Recaptured:		Not Applicable
Excess of Funds Disbursed:		Not Applicable

**Modernization Project Number : OH12P067501-12**

Original Funds Approved:	\$	46,218
Funds Disbursed:	\$	46,218
Funds Expended (Actual Modernization Cost):	\$	46,218
Amount to be Recaptured:		Not Applicable
Excess of Funds Disbursed:		Not Applicable

**HARRISON METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED MARCH 31, 2014**

<b>FEDERAL GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA NUMBER</b>	<b>FEDERAL EXPENDITURES</b>
<b><i>DIRECT FROM U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</i></b>		
Low Rent Public Housing	14.850	\$ 62,928
Public Housing Capital Fund Program	14.872	58,985
Housing Choice Vouchers	14.871	<u>872,398</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>994,311</u>
<b><i>DIRECT FROM U.S. DEPARTMENT OF AGRICULTURE - RURAL HOUSING SERVICE:</i></b>		
Rural Rental Housing Loan	10.415	<u>59,410</u>
<b>Total U.S. Department of Agriculture - Rural Housing Service</b>		<u>59,410</u>
<b>TOTAL - FEDERAL AWARDS EXPENDITURES</b>		<u><u>\$ 1,053,721</u></u>

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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED MARCH 31, 2014**

**NOTE 1 – PRESENTATION**

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

**NOTE 2 – COMPONENT UNIT**

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



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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***

December 12, 2014

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

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities and the discretely presented component unit of the **Harrison Metropolitan Housing Authority**, Harrison County, (the Authority) as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 12, 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*.

We did note certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated December 12, 2014.

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

December 12, 2014

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

To the Board of Commissioners:

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

We have audited the **Harrison Metropolitan Housing Authority's** (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Harrison Metropolitan Authority's major federal program for the year ended March 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the Authority's major federal program.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

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

In our opinion, the Harrison Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended March 31, 2014.

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

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

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

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

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



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

**HARRISON METROPOLITAN HOUSING AUTHORITY  
HARRISON COUNTY  
FOR THE YEAR ENDED MARCH 31, 2014**

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

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

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

**HARRISON METROPOLITAN HOUSING AUTHORITY**

**HARRISON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 12, 2015**