

Noble Metropolitan Housing Authority

Financial Statements

For the Year Ended March 31, 2016



Dave Yost • Auditor of State

Board of Directors
Noble Metropolitan Housing Authority
1100 Maple Court
Cambridge, OH 43725

We have reviewed the *Independent Auditor's Report* of the Noble Metropolitan Housing Authority, Noble County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period April 1, 2015 through March 31, 2016. 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 Noble 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 20, 2016

This page intentionally left blank.

NOBLE METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2016

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| Independent Auditor's Report | 1-3 |
| Management's Discussion and Analysis | 4-11 |
| Financial statements: | |
| Statement of Net Position | 12-13 |
| Statement of Revenue, Expenses and Change in Net Position | 14 |
| Statement of Cash Flows | 15-16 |
| Notes to the Financial statements | 17-24 |
| Supplemental Data: | |
| Financial Data Schedule | 25-28 |
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 29-30 |
| Schedule of Prior Audit Findings | 31 |



6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Noble Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Noble Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2016, 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 opine 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.

Opinion

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 Noble Metropolitan Housing Authority as of March 31, 2016, 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 as listed in the table of contents, 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.

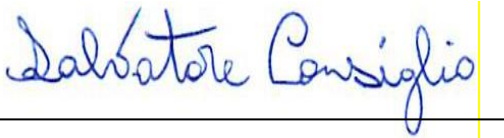
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Noble Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying financial data schedule ("FDS") is not a required part of the basic financial statements.

The accompanying 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 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, 2016, 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 Authority'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. A vertical yellow line is drawn to the right of the signature, extending from the top of the signature down to the horizontal line.

Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
October 28, 2016

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

Unaudited

The Noble 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 current 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 \$15,037 (or 1.4 percent) during the fiscal year ended 2016. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net positions. Net positions were \$1,034,097 and \$1,049,134 for 2016 and 2015 respectively.
- The Authority's total revenue increased by \$79,806 (or 15.8 percent) during the fiscal year ended 2016, and were \$585,571 and \$505,765 for 2016 and 2015, respectively.
- The total expenses of all Authority programs increased by \$20,321 (or 3.5 percent). Total expenses were \$600,608 and \$580,287 for fiscal year ended 2016 and 2015 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:

| |
|--|
| M D & 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- |

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.

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016
Unaudited

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 Investment 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.

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.

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

Unaudited

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 the 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.

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.

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

Unaudited

**TABLE 1
STATEMENT OF NET POSITION**

| | <u>2016</u> | <u>2015</u> |
|------------------------------------|-------------|-------------|
| Current and Other Assets | \$118,939 | \$63,952 |
| Capital Assets | 947,985 | 1,011,203 |
| Total Assets | \$1,066,924 | \$1,075,155 |
| | | |
| Current Liabilities | \$32,827 | \$25,007 |
| Long-Term Liabilities | 0 | 1,014 |
| Total Liabilities | \$32,827 | \$26,021 |
| | | |
| Net Position: | | |
| Net Investment in Capital Assets | \$947,985 | \$1,011,203 |
| Restricted Net Position | 18,648 | 5,531 |
| Unrestricted Net Position | 67,464 | 32,400 |
| Total Net Position | \$1,034,097 | \$1,049,134 |
| | | |
| Total Liabilities and Net Position | \$1,066,924 | \$1,075,155 |

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

Major Factors Affecting the Statement of Net Position

During 2016, current assets increased by \$54,987, and current liabilities increased by \$7,820. The increase in current assets is mainly due to increase in restricted cash as a result of current activities. The increase in liability is due to year end vendor bills outstanding at the end of the fiscal year.

Capital assets also changed, decreasing from \$1,011,203 to \$947,985. The \$63,218 decrease may be contributed primarily to a combination of total acquisitions of \$19,013 less current year depreciation of \$82,231.

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

Unaudited

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

TABLE 2
CHANGE OF NET POSITION

| | Net Investment in Capital | | |
|---------------------------------------|--|----------------------|--------------------------|
| | <u>Unrestricted</u> | <u>Assets</u> | <u>Restricted</u> |
| Beginning Balance - March 31, 2015 | \$32,400 | \$1,011,203 | \$5,531 |
| Results of Operation | (28,154) | 0 | 13,117 |
| Adjustments: | | | |
| Current Year Depreciation Expense (1) | 82,231 | (82,231) | 0 |
| Capital Expenditures (2) | (19,013) | 19,013 | 0 |
| Ending Balance - March 31, 2016 | <u>\$67,464</u> | <u>\$947,985</u> | <u>\$18,648</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.

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.

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016
Unaudited

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

| | <u>2016</u> | <u>2015</u> |
|----------------------------------|---------------------------|---------------------------|
| <u>Revenues</u> | | |
| Total Tenant Revenues | \$ 66,239 | \$ 67,624 |
| Operating Subsidies | 497,811 | 428,480 |
| Capital Grants | 19,013 | 8,122 |
| Investment Income | 43 | 37 |
| Other Revenues | <u>2,465</u> | <u>1,502</u> |
| Total Revenues | <u>585,571</u> | <u>505,765</u> |
| <u>Expenses</u> | | |
| Administrative | 97,395 | 94,473 |
| Tenant Services | 48 | - |
| Utilities | 13,942 | 14,021 |
| Maintenance | 36,329 | 53,278 |
| General Expenses | 9,429 | 9,613 |
| Housing Assistance Payments | 361,234 | 325,704 |
| Depreciation | <u>82,231</u> | <u>83,198</u> |
| Total Expenses | <u>600,608</u> | <u>580,287</u> |
| Net Increases (Decreases) | \$ <u>(15,037)</u> | \$ <u>(74,522)</u> |

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

Operating Subsidy reflects an increase of \$69,331 (or 16.2%) due to Operating Grant Funds received from HUD. Capital grants also increased by \$10,891 due to increased capital improvement projected during the year.

Total tenant revenue decreased by \$1,385 (or 2%). This decrease was primarily due to decreased tenant rents.

Total expenses increased \$20,321 (or 3.5%) due mainly to increases in housing assistance payment during the year.

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

Unaudited

CAPITAL ASSETS

As of year-end, the Authority had \$947,985 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$63,218 (or 6.3%) from the end of last year. This decrease was mainly due to current year depreciation expense.

**TABLE 4
CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)**

| | <u>2016</u> | <u>2015</u> |
|--------------------------|-----------------------|-------------------------|
| Land and Land Rights | \$ 84,000 | \$ 84,000 |
| Buildings | 1,541,253 | 1,540,101 |
| Leasehold Improvements | 132,091 | 115,326 |
| Equipment | 344,060 | 342,963 |
| Accumulated Depreciation | <u>(1,153,419)</u> | <u>(1,071,187)</u> |
| Total | <u>\$ 947,985</u> | <u>\$ 1,011,203</u> |

**TABLE 5
CHANGE IN CAPITAL ASSETS**

| | | |
|---|--------|--------------------|
| Beginning Balance - March 31, 2015 | \$ | 1,011,203 |
| Current year Additions | | 19,013 |
| Current year Depreciation Expense | | <u>(82,231)</u> |
| Ending Balance - March 31, 2016 | \$ | <u>947,985</u> |
| Current year Additions are summarized as follows: | | |
| Building Renovations | \$ | 1,152 |
| Leashold Improvements | | 16,764 |
| Equipment | | <u>1,097</u> |
| Total 2016 Additions | \$ | <u>19,013</u> |

NOBLE METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2016

Unaudited

DEBT OUTSTANDING

As of March 31, 2016 the Authority had no outstanding debt.

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

If you have any questions regarding this report, you may contact Jolinda Baranich, Executive Director of the Noble Metropolitan Housing Authority at P.O. Box 1388 Cambridge, Ohio 43725.

NOBLE METROPOLITAN HOUSING AUTHORITY
Statement of Net Position
Proprietary Funds
March 31, 2016

ASSETS

Current assets

| | | |
|--------------------------------------|----|-----------------------|
| Cash and cash equivalents | \$ | 75,213 |
| Restricted cash and cash equivalents | | 33,825 |
| Receivables, net | | 6,942 |
| Prepaid expenses and other assets | | 2,959 |
| <i>Total current assets</i> | | <u>118,939</u> |

Noncurrent assets

Capital assets:

| | | |
|--------------------------------|--|-------------|
| Non-Depreciable capital assets | | 84,000 |
| Depreciable capital assets | | 2,017,404 |
| Less accumulated depreciation | | (1,153,419) |

| | | |
|---------------------------------------|--|-----------------------|
| <i>Total noncurrent assets</i> | | <u>947,985</u> |
|---------------------------------------|--|-----------------------|

| | | |
|---------------------|--|----------------------------|
| Total assets | | <u>\$ 1,066,924</u> |
|---------------------|--|----------------------------|

LIABILITIES

Current liabilities

| | | |
|--------------------------------------|----|--------|
| Accounts payable | \$ | 21,265 |
| Accounts payable - Other Governments | | 5,159 |
| Tenant security deposits | | 6,269 |
| Unearned revenue | | 134 |

| | | |
|---|--|----------------------|
| <i>Total current liabilities</i> | | <u>32,827</u> |
|---|--|----------------------|

Noncurrent liabilities

| | | |
|--------------------------------|--|---|
| Noncurrent liabilities - other | | 0 |
|--------------------------------|--|---|

| | | |
|--|--|-----------------|
| <i>Total noncurrent liabilities</i> | | <u>0</u> |
|--|--|-----------------|

| | | |
|--------------------------|--|-------------------------|
| Total liabilities | | <u>\$ 32,827</u> |
|--------------------------|--|-------------------------|

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

NOBLE METROPOLITAN HOUSING AUTHORITY
Statement of Net Position
Proprietary Funds
March 31, 2016

NET POSITION

| | |
|---|----------------------------|
| Net Invested in capital assets | \$ 947,985 |
| Restricted net position | 18,648 |
| Unrestricted net position | 67,464 |
| Total net position | <u>1,034,097</u> |
| Total liabilities and net position | <u>\$ 1,066,924</u> |

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

NOBLE METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended March 31, 2016

OPERATING REVENUES

| | |
|---------------------------------|----------------|
| Tenant revenue | \$ 66,239 |
| Government operating grants | 497,811 |
| Other revenue | 2,465 |
| Total operating revenues | 566,515 |

OPERATING EXPENSES

| | |
|---------------------------------|-----------------|
| Administrative | 97,395 |
| Tenant services | 48 |
| Utilities | 13,942 |
| Maintenance | 36,329 |
| General | 9,429 |
| Housing assistance payment | 361,234 |
| Depreciation | 82,231 |
| Total operating expenses | 600,608 |
| Operating income (loss) | (34,093) |

NONOPERATING REVENUES (EXPENSES)

| | |
|---|---------------------|
| Capital grant revenue | 19,013 |
| Interest Income | 43 |
| Total nonoperating revenues (expenses) | 19,056 |
| Change in net position | (15,037) |
| Total net position - beginning | 1,049,134 |
| Total net position - ending | \$ 1,034,097 |

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

NOBLE METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows
Proprietary Fund Type
For the Year Ended March 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|----------------------------------|---------------|
| Operating grants received | \$492,036 |
| Receipts from tenants | 66,302 |
| Other revenue received | 2,465 |
| Cash payments for administrative | (150,738) |
| Cash payments for HAP | (361,234) |
| | <u>48,831</u> |

Net cash provided (used) by operating activities

48,831

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-----------------|-----------|
| Interest earned | 43 |
| | <u>43</u> |

Net cash provided (used) by investing activities

43

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

| | |
|-------------------------------|----------|
| Acquisition of capital assets | (19,013) |
| Capital grant received | 19,013 |
| | <u>0</u> |

Net cash provided (used) by capital and related activities

0

| | |
|---|----------------|
| Net increase (decrease) in cash | 48,874 |
| Cash and cash equivalents - Beginning of year | 60,164 |
| | <u>109,038</u> |

Cash and cash equivalents - End of year **\$ 109,038**

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

NOBLE METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended March 31, 2016

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

| | |
|---|-------------------------|
| Net Operating Income (Loss) | \$ (34,093) |
| Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities | |
| - Depreciation | 82,231 |
| - (Increases) Decreases in Accounts Receivable | (5,712) |
| - (Increases) Decreases in Prepaid Assets | (401) |
| - Increases (Decreases) in Accounts Payable | 7,931 |
| - Increases (Decreases) in Accrued Liabilities | (79) |
| - Increases (Decreases) in Tenant Security Deposit | (13) |
| - Increases (Decreases) in Other Current Liabilities | (19) |
| - Increases (Decreases) in Non-Current Liabilities Other | <u>(1,014)</u> |
| Net cash provided by operating activities | <u>\$ 48,831</u> |

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

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

NOTE1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Noble 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.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

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.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

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

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. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments, with a maturity of more than three months when purchased.

Capital Assets

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

| | |
|----------------------------------|----------|
| Buildings | 40 years |
| Building Improvements | 15 years |
| Land Improvements | 15 years |
| Furniture, Equipment & Machinery | 10 years |

Capitalization of Interest

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

Net Position

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

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.

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

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

Budgetary Accounting (Continued)

materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. The Board of Commissioners adopts the budget through passage of a budget resolution.

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 \$109,038 and the bank balance was \$114,579.

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 \$114,579 were covered by Federal Depository Insurance.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

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

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, 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 its investments at fair value. At March 31, 2016, the Authority held no investments as defined by GASB Statement No. 40.

Custodial Credit Risk

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

**NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**

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

B. Investments (Continued)

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.

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 Deposits | \$6,269 |
| FSS Escrow Cash Balance | 1,014 |
| Tenant Council Funds | 7,894 |
| HAP Advance from HUD | <u>18,648</u> |
| Total Restricted Cash | <u>\$33,825</u> |

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

NOTE 4: CAPITAL ASSETS

A summary of capital assets at March 31, 2016 is as follows:

| | Balance 03/31/15 | Additions | Rounding Adjustment | Balance 03/31/16 |
|--|---------------------|------------|------------------------|---------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$84,000 | \$0 | \$0 | \$84,000 |
| Total Capital Assets Not Being Depreciated | 84,000 | 0 | 0 | 84,000 |
| Capital Assets Being Depreciated: | | | | |
| Buildings | 1,540,101 | 1,152 | | 1,541,253 |
| Leasehold Improvements | 115,326 | 16,764 | 1 | 132,091 |
| Furnt, Mach. And Equip | 342,963 | 1,097 | | 344,060 |
| Total Capital Assets Not Being Depreciated | 1,998,390 | 19,013 | 1 | 2,017,404 |
| Accumulated Depreciation | | | | |
| Buildings | (820,080) | (53,101) | | (873,181) |
| Leasehold Improvements | (82,475) | (6,704) | | (89,179) |
| Furnt, Mach. And Equip | (168,631) | (22,426) | -1 | (191,058) |
| Total Accumulated Depreciation | (1,071,187) | (82,231) | (1) | (1,153,419) |
| Total Capital Assets Being Depreciated, Net | 927,203 | (63,218) | | 863,985 |
| Total Capital Assets, Net | \$1,011,203 | (\$63,218) | \$0 | \$947,985 |

NOTE 5: 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 disaster. 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) housing authorities in Ohio. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

NOTE 6: 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 7: MANAGEMENT AGREEMENT

The Noble Metropolitan Housing Authority (the Authority) entered into a housing management agreement with the Cambridge Metropolitan Housing Authority (CMHA) on March 30, 1987. Pursuant to the agreement CMHA provides all management services to the Authority in order that the Authority 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 Authority has executed or may, from time to time, execute with HUD. As compensation for these services, the Authority transfers to CMHA the monthly administrative fees allocated to Noble based on approved budgets. Total management fees for the fiscal year ended March 31, 2016 were \$51,699.

NOTE 8: 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 August 30, 2016, the date on which the financial statements were available to be issued.

Noble Metropolitan Housing Authority
Financial Data Schedule
March 31, 2015

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | Elimination | Total |
|--|---------------|--------------------------------------|---------------|-------------|---------------|
| 111 Cash - Unrestricted | \$61,065 | \$14,148 | \$75,213 | \$0 | \$75,213 |
| 112 Cash - Restricted - Modernization and Development | \$0 | \$0 | \$0 | \$0 | \$0 |
| 113 Cash - Other Restricted | \$7,894 | \$18,648 | \$26,542 | \$0 | \$26,542 |
| 114 Cash - Tenant Security Deposits | \$6,269 | \$0 | \$6,269 | \$0 | \$6,269 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$0 | \$1,014 | \$1,014 | \$0 | \$1,014 |
| 100 Total Cash | \$75,228 | \$33,810 | \$109,038 | \$0 | \$109,038 |
| 122 Accounts Receivable - HUD Other Projects | \$6,915 | \$0 | \$6,915 | \$0 | \$6,915 |
| 126 Accounts Receivable - Tenants | \$27 | \$0 | \$27 | \$0 | \$27 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$6,942 | \$0 | \$6,942 | \$0 | \$6,942 |
| 142 Prepaid Expenses and Other Assets | \$2,959 | \$0 | \$2,959 | \$0 | \$2,959 |
| 150 Total Current Assets | \$85,129 | \$33,810 | \$118,939 | \$0 | \$118,939 |
| 161 Land | \$84,000 | \$0 | \$84,000 | \$0 | \$84,000 |
| 162 Buildings | \$1,541,253 | \$0 | \$1,541,253 | \$0 | \$1,541,253 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$21,196 | \$0 | \$21,196 | \$0 | \$21,196 |
| 164 Furniture, Equipment & Machinery - Administration | \$322,864 | \$0 | \$322,864 | \$0 | \$322,864 |
| 165 Leasehold Improvements | \$132,091 | \$0 | \$132,091 | \$0 | \$132,091 |
| 166 Accumulated Depreciation | (\$1,153,419) | \$0 | (\$1,153,419) | \$0 | (\$1,153,419) |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$947,985 | \$0 | \$947,985 | \$0 | \$947,985 |
| 180 Total Non-Current Assets | \$947,985 | \$0 | \$947,985 | \$0 | \$947,985 |
| 200 Deferred Outflow of Resources | \$0 | \$0 | \$0 | \$0 | \$0 |
| 290 Total Assets and Deferred Outflow of Resources | \$1,033,114 | \$33,810 | \$1,066,924 | \$0 | \$1,066,924 |
| 312 Accounts Payable <= 90 Days | \$15,014 | \$0 | \$15,014 | \$0 | \$15,014 |
| 333 Accounts Payable - Other Government | \$5,159 | \$0 | \$5,159 | \$0 | \$5,159 |
| 341 Tenant Security Deposits | \$6,269 | \$0 | \$6,269 | \$0 | \$6,269 |

Noble Metropolitan Housing Authority
Financial Data Schedule
March 31, 2015

| | Project Total | 14,871 Housing Choice Vouchers | Subtotal | Elimination | Total |
|---|---------------|--------------------------------------|-------------|-------------|-------------|
| 342 Unearned Revenue | \$134 | \$0 | \$134 | \$0 | \$134 |
| 346 Accrued Liabilities - Other | \$5,237 | \$1,014 | \$6,251 | \$0 | \$6,251 |
| 310 Total Current Liabilities | \$31,813 | \$1,014 | \$32,827 | \$0 | \$32,827 |
| 300 Total Liabilities | \$31,813 | \$1,014 | \$32,827 | \$0 | \$32,827 |
| 400 Deferred Inflow of Resources | \$0 | \$0 | \$0 | \$0 | \$0 |
| 508.4 Net Investment in Capital Assets | \$947,985 | \$0 | \$947,985 | \$0 | \$947,985 |
| 511.4 Restricted Net Position | \$0 | \$18,648 | \$18,648 | \$0 | \$18,648 |
| 512.4 Unrestricted Net Position | \$53,316 | \$14,148 | \$67,464 | \$0 | \$67,464 |
| 513 Total Equity - Net Assets / Position | \$1,001,301 | \$32,796 | \$1,034,097 | \$0 | \$1,034,097 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$1,033,114 | \$33,810 | \$1,066,924 | \$0 | \$1,066,924 |
| 70300 Net Tenant Rental Revenue | \$65,111 | \$0 | \$65,111 | \$0 | \$65,111 |
| 70400 Tenant Revenue - Other | \$1,128 | \$0 | \$1,128 | \$0 | \$1,128 |
| 70500 Total Tenant Revenue | \$66,239 | \$0 | \$66,239 | \$0 | \$66,239 |
| 70600 HUD PHA Operating Grants | \$75,986 | \$421,825 | \$497,811 | \$0 | \$497,811 |
| 70610 Capital Grants | \$19,013 | \$0 | \$19,013 | \$0 | \$19,013 |
| 71100 Investment Income - Unrestricted | \$28 | \$15 | \$43 | \$0 | \$43 |
| 71500 Other Revenue | \$15 | \$2,450 | \$2,465 | \$0 | \$2,465 |
| 70000 Total Revenue | \$161,281 | \$424,290 | \$585,571 | \$0 | \$585,571 |
| 91200 Auditing Fees | \$2,930 | \$3,174 | \$6,104 | \$0 | \$6,104 |
| 91300 Management Fee | \$5,880 | \$45,819 | \$51,699 | \$0 | \$51,699 |
| 91400 Advertising and Marketing | \$985 | \$0 | \$985 | \$0 | \$985 |
| 91700 Legal Expense | \$6 | \$0 | \$6 | \$0 | \$6 |
| 91800 Travel | \$551 | \$0 | \$551 | \$0 | \$551 |
| 91900 Other | \$34,518 | \$3,532 | \$38,050 | \$0 | \$38,050 |
| 91000 Total Operating - Administrative | \$44,870 | \$52,525 | \$97,395 | \$0 | \$97,395 |
| 92400 Tenant Services - Other | \$48 | \$0 | \$48 | \$0 | \$48 |
| 92500 Total Tenant Services | \$48 | \$0 | \$48 | \$0 | \$48 |
| 93100 Water | \$7,861 | \$0 | \$7,861 | \$0 | \$7,861 |

Noble Metropolitan Housing Authority
Financial Data Schedule
March 31, 2015

| | Project Total | 14.871 Housing Choice Vouchers | Subtotal | Elimination | Total |
|---|---------------|--------------------------------------|------------|-------------|-----------|
| 93200 Electricity | \$5,450 | \$0 | \$5,450 | \$0 | \$5,450 |
| 93300 Gas | \$631 | \$0 | \$631 | \$0 | \$631 |
| 93000 Total Utilities | \$13,942 | \$0 | \$13,942 | \$0 | \$13,942 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$6,115 | \$0 | \$6,115 | \$0 | \$6,115 |
| 94300 Ordinary Maintenance and Operations Contracts | \$30,214 | \$0 | \$30,214 | \$0 | \$30,214 |
| 94000 Total Maintenance | \$36,329 | \$0 | \$36,329 | \$0 | \$36,329 |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | \$1,772 | \$0 | \$1,772 | \$0 | \$1,772 |
| 96120 Liability Insurance | \$1,772 | \$0 | \$1,772 | \$0 | \$1,772 |
| 96130 Workmen's Compensation | \$580 | \$0 | \$580 | \$0 | \$580 |
| 96100 Total insurance Premiums | \$4,124 | \$0 | \$4,124 | \$0 | \$4,124 |
| 96300 Payments in Lieu of Taxes | \$5,159 | \$0 | \$5,159 | \$0 | \$5,159 |
| 96400 Bad debt - Tenant Rents | \$146 | \$0 | \$146 | \$0 | \$146 |
| 96000 Total Other General Expenses | \$5,305 | \$0 | \$5,305 | \$0 | \$5,305 |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$104,618 | \$52,525 | \$157,143 | \$0 | \$157,143 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$56,663 | \$371,765 | \$428,428 | \$0 | \$428,428 |
| 97300 Housing Assistance Payments | \$0 | \$361,234 | \$361,234 | \$0 | \$361,234 |
| 97400 Depreciation Expense | \$82,231 | \$0 | \$82,231 | \$0 | \$82,231 |
| 90000 Total Expenses | \$186,849 | \$413,759 | \$600,608 | \$0 | \$600,608 |
| 10010 Operating Transfer In | \$33,080 | \$0 | \$33,080 | (\$33,080) | \$0 |
| 10020 Operating transfer Out | (\$33,080) | \$0 | (\$33,080) | \$33,080 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 |

Noble Metropolitan Housing Authority
Financial Data Schedule
March 31, 2015

| | Project Total | 14,871 Housing Choice Vouchers | Subtotal | Elimination | Total |
|---|---------------|--------------------------------------|-------------|-------------|-------------|
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | (\$25,568) | \$10,531 | (\$15,037) | \$0 | (\$15,037) |
| 11030 Beginning Equity | \$1,026,869 | \$22,265 | \$1,049,134 | \$0 | \$1,049,134 |
| 11170 Administrative Fee Equity | \$0 | \$14,148 | \$14,148 | \$0 | \$14,148 |
| 11180 Housing Assistance Payments Equity | \$0 | \$18,648 | \$18,648 | \$0 | \$18,648 |
| 11190 Unit Months Available | 336 | 1,104 | 1,440 | 0 | 1,440 |
| 11210 Number of Unit Months Leased | 333 | 1,100 | 1,433 | 0 | 1,433 |
| 11620 Building Purchases | \$17,917 | \$0 | \$17,917 | \$0 | \$17,917 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$1,096 | \$0 | \$1,096 | \$0 | \$1,096 |



6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@salcpa.com

**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
Noble 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 Noble Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise Noble Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated October 28, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Noble 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 Noble Metropolitan Housing Authority, Ohio's internal control. Accordingly, I do not express an opinion on the effectiveness of Noble 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.

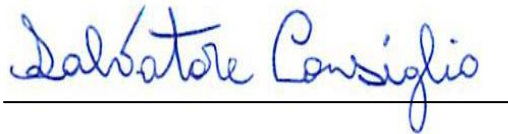
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Noble 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*.

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
October 28, 2016

Noble Metropolitan Housing Authority
Schedule of Prior Audit Findings
March 31, 2016

The audit report for the fiscal year ending March 31, 2015 contained no audit findings.



Dave Yost • Auditor of State

NOBLE COUNTY METROPOLITAN HOUSING AUTHORITY

NOBLE 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 29, 2016**