

Trumbull Metropolitan Housing Authority

Annual Audit Report

For the Year Ended June 30, 2015



Dave Yost • Auditor of State

Board of Commissioners
Trumbull Metropolitan Housing Authority
4076 Youngstown Rd SE
Warren, OH 44484

We have reviewed the *Independent Auditor's Report* of the Trumbull Metropolitan Housing Authority, Trumbull County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

March 11, 2016

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TRUMBULL METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Trumbull Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities and the discretely presented component units of Trumbull Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the component units of Trumbull Metropolitan Housing Authority (see Note 1 for a description), which represent 46% and 21%, respectively, of the total assets and revenues of Trumbull Metropolitan Housing Authority. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of such other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the Trumbull Metropolitan Housing Authority as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2015, the Authority adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. I did not modify my opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and schedules of net pension liabilities and pension contributions 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

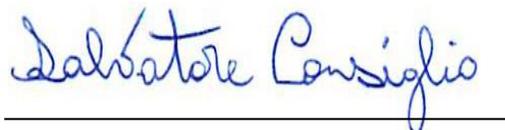
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trumbull Metropolitan Housing Authority, Ohio's basic financial statements. The accompanying financial data schedule (FDS), and Schedule of Expenditure of Federal Awards are not a required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

The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The financial data schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and are the

responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditure of Federal Awards and the financial data schedule ("FDS") are 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 December 31, 2015, on my consideration of the Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of my internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
December 31, 2015

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

The Trumbull Metropolitan Housing Authority (“the Authority” or Primary Government) management’s discussion and analysis is designed to assist the reader on significant financial issues, provide an overview of the Authority’s financial activity, identify changes in the Authority’s financial position, and identify individual account issues or concerns.

The Management’s Discussion and Analysis (MD&A) is designed to focus on the fiscal year ended June 30, 2015 activities, resulting changes, and currently known facts. Please read it in conjunction with the Authority’s financial statements. 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 units when compared to the primary government, the financial information is provided for the component units 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 the component units.

FINANCIAL HIGHLIGHTS

- The primary government’s net position decreased by \$1.62 million (or 7.75 percent) during 2015. The net positions were \$20.89 million and \$19.27 million for 2014 and 2015, respectively. Non-operating capital grants were \$.38 million (or 95 percent) of the non-operating revenue. There was a \$.36 million net loss from operations without consideration of depreciation. Depreciation amounted to \$1.87 million of operating expenses. Since the Authority engages only in business-type activities, the changes are all in the category of business-type net position.
- Total expenses for the primary government decreased by \$.99 million (or 7.0 percent). Of this amount, administrative expenses, utilities, general & protective services, other operating expenses, and depreciation decreased by \$.97 million. Housing Assistance Payments for the Housing Choice Voucher Program decreased by \$.22 million. Increases were recognized for ordinary maintenance and operations and tenant services by \$.20 million. Total expenses were \$14.10 million and \$13.11 million for 2014 and 2015, respectively.
- The Authority’s component units consist of two non-profit organizations, the Warren Housing Development Corporation and the Western Reserve Housing Development Corporation.

The notes to the financial statements provide further explanation of the component units.

- Net position for the component units were \$15.71 million for 2015, increasing from \$15.19 million for 2014. Their net position amounts to approximately 44.89 percent of the combined net position for the primary government and component units.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

- Total revenue for the component units increased by \$.11 million (or 3.7 percent) during 2015, and was \$2.96 million and \$3.08 million for 2014 and 2015, respectively. Operating revenue from subsidies increased by \$.03 million. Other income and interest income increased by \$.01 million, and Tenant revenue decreased by .02 million.
- Total expenses for the component units increased by \$.06 million (or 2.45 percent) and were \$2.50 million and \$2.56 million for 2014 and 2015, respectively.

USING THIS ANNUAL REPORT

The report includes three major sections, the Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information.

MD & A
Management Discussion and Analysis
Basic Financial Statements
Notes to Financial Statements
Other Required Supplementary Information
Required Supplementary Information
(other than MD&A)

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented on (pages 14 - 18) are those of the Authority as a whole (Authority-wide) and the component units, discretely reported. The financial statements are further detailed by major account. This perspective (Authority-wide, major account, and component units) 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 where assets and deferred outflows equal liabilities and deferred inflows plus "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") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position (formerly net assets) are 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, construction, or improvement of those assets.

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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 do not meet the definition of “**Net Investment in Capital Assets**”, or “Restricted”.

The financial statements also include a **Statement of Revenues, Expenses, and Changes in Net Positions** (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 capital grant revenue, investment income, and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Positions is the “Change in Net Positions”, 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.

Financial Statements by Major Programs

In general, the Authority's financial statements consist exclusively of enterprise funds. 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 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 - Under the Conventional Public Housing Program, the Authority rents units 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 Public Housing Authority (PHA) to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

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Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with 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 Annual Contribution Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income. The Authority receives administrative fees from HUD to administer the program.

Other Authority Programs - In addition to the programs above, the Authority also maintains the following programs:

Housing Choice Voucher Family Self-Sufficiency Program Coordinator Grant - a grant program funded by the Department of Housing and Urban Development that promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program with public and private resources to enable participating families to achieve economic independence and self-sufficiency.

ROSS, Public Housing Self Sufficiency - a grant program funded by the Department of Housing and Urban Development to assist residents in the process of moving from welfare to work.

Family Self Sufficiency Program - a grant program funded by the Department of Housing and Urban Development to assist residents and housing choice voucher clients in the process of moving from welfare to work.

ROSS Service Coordinator Grant - a grant funded by the Department of Housing and Urban Development to provide elderly residents with a support system, and connect them with available community resources.

Youth Build Program Grants - grants funded by the Department of Labor and other state and local grants to provide unemployed, at-risk youth with construction skills, a high school education, and basic leadership training while rehabilitating or constructing new housing for people in their communities.

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

Elderly Service Coordinator Grant - a grant funded by the Department of Housing and Urban Development to provide elderly residents with a support system and connect them with available community resources.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

GASB STATEMENT 68

During 2015, the Authority adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Authority is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$20,884,166 to \$19,282,160 for the primary government and from \$15,189,902 to \$15,708,677 for the component unit.

FINANCIAL STATEMENTS

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

Table 1 - Condensed Statement of Net Position - Primary Government

	2015	Restated
	(in Millions)	2014
		(in Millions)
Current and Other Assets	\$ 4.43	\$ 4.66
Capital Assets	18.08	19.56
Deferred Outflows	0.22	0.11
Total Assets	<u>\$ 22.73</u>	<u>\$ 24.33</u>
Current Liabilities	\$ 0.87	\$ 0.84
Long-Term Liabilities	2.55	2.59
Deferred Inflows	0.04	0.01
Total Liabilities	<u>3.46</u>	<u>3.44</u>
Net Position:		
Net Investment in Capital Assets	17.94	19.41
Restricted	0.01	0.06
Unrestricted	1.32	1.42
Total Net Position	<u>19.27</u>	<u>20.89</u>
Total Liabilities and Net Position	<u>\$ 22.73</u>	<u>\$ 24.33</u>

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

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Major Factors Affecting the Statement of Net Positions

During 2015, total assets decreased by \$1.6 million. Most of the decrease is due to a decrease of \$1.48 million in capital assets resulting from capital expenses (via depreciation) higher than capital expenditures (grants) in 2015. For more detail, see "Capital Assets and Debt Administration" on page 26-27. A decrease of \$.23 million in current assets resulted mostly from a decrease in cash due to a net operating loss. Total liabilities increased by \$.02 million, principally resulting from new standards requiring government agencies to report a proportionate share of their retirement systems' net pension liabilities. For more detail see Note 7 starting on page 28.

During 2015, total assets for the component units increased by \$1.19 million. Unrestricted net position increased by \$.74 million. These changes are mostly due to an increase of cash netted from operations.

Table 2 – Change in Unrestricted Net Position – Primary Government

Beginning Balance - June 30, 2014	\$	1.42
Results of Operation		(1.46)
Adjustments:		
Current year Depreciation Expense		1.87
Capital Expenditure		(0.39)
Retirement of Debt		(0.01)
Rounding Adjustment		(0.11)
Ending Balance -June 30, 2015	\$	1.32

Statement of Revenues, Expenses, and Changes in Net Positions

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

3 - Statement of Revenue, Expenses & Changes in Net Position - Primary Gover

	2015	2014
	<u>(in Millions)</u>	<u>(in Millions)</u>
<u>Revenues</u>		
Total Tenant Revenues	\$ 1.96	\$ 1.88
Operating Subsidies	8.97	9.09
Capital Grants	0.38	0.47
Investment Income	0.02	0.02
Other Revenues	0.27	0.36
Total Revenues	<u>11.60</u>	<u>11.82</u>
<u>Expenses</u>		
Administrative	2.71	2.90
Tenant Services	0.14	0.07
Utilities	0.89	0.89
Maintenance	2.18	2.05
General and Protective Services	0.86	1.00
Housing Assistance Payments	4.45	4.67
Other Operating	0.09	0.24
Depreciation	1.87	2.28
Total Expenses	<u>13.19</u>	<u>14.10</u>
Net Increases (Decreases)	<u>\$ (1.59)</u>	<u>\$ (2.28)</u>

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

Tenant rent revenue increased slightly during 2015 in comparison to 2014 due, primarily to higher rent collections and higher occupancy. Operating subsidies were funded by HUD at a lower percentage of the eligible amount in calendar years 2015 (85.36%) compared to 2014 (88.79%). Funding for the Housing Choice Voucher Program increased from 2014 to 2015 by approximately \$.11 million. Capital grants (expenditures) decreased slightly from 2014 to 2015 by \$.09 million.

Total expenses decreased slightly in 2015 by .91 million. The largest impact on the lower expenses resulted from the reduction in housing assistance payment (HAP) expenses and depreciation expense. In 2014, the higher housing assistance payments were supported by the housing authority's HAP reserves.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the authority had \$18.08 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of \$1.48 million or almost 8 percent from the end of last year.

As of year-end, the component units had \$7.86 million invested in a variety of capital assets. When compared to last year, the net book value of capital assets associated with their multifamily developments, the Youth Build Program rehabilitation projects and furniture and equipment decreased by \$.33 million. Capital expenditures amounted to \$.14 million while depreciation amounted to \$.47 million.

Table 4 - Condensed Statement of Changes in Capital Assets - Primary Govnt

	2015	2014
	<u>(in Millions)</u>	<u>(in Millions)</u>
Land	\$ 1.16	\$ 1.16
Buildings	70.92	70.92
Equipment	2.01	2.01
Construction in Progress	0.86	0.53
Accumulated Depreciation	<u>(56.87)</u>	<u>(55.06)</u>
 Total	 <u>\$ 18.08</u>	 <u>\$ 19.56</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail on page 26 - 28 of the notes.

Table 5 - Changes in Capital Assets (in Millions) - Primary Government

Beginning Balance - June 30, 2014	\$ 19.56
Current year Additions	0.39
Current year Depreciation Expense	<u>(1.87)</u>
 Ending Balance - June 30, 2015	 <u>\$ 18.08</u>

TRUMBULL METROPOLITAN HOUSING AUTHORITY
Management's Discussion and Analysis
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(Unaudited)

DEBT OUTSTANDING

The Authority acquired debt (i.e. deferred loan) in 2013 equal to \$.16 million related to five properties purchased with Neighborhood Stabilization Program grant funds. The deferred debt remaining as of June 30, 2015 is \$.14 million. The properties were added to the Authority's public housing portfolio on December 31, 2014. The component units, had debt equal to \$2.31 million at the end of 2015, compared to \$2.42 at the end of 2014.

A summary of outstanding debt is presented in detail on pages 37-41 of the notes.

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

Beginning Balance - June 30, 2014	\$	0.15
Current Year Principal Payments		<u>(0.01)</u>
Ending Balance - June 30, 2015	\$	<u><u>0.14</u></u>

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 information provided in this report or requests for additional information should be addressed to Donald W. Emerson, Jr., Executive Director, Trumbull Metropolitan Housing Authority, 4076 Youngstown Road SE, Warren, Ohio 44484 or call 330-369-1533.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DESCRETELY PRESENTED COMPONENT UNITS
June 30, 2015

	Primary Government	Component Units
<u>ASSETS</u>		
Current Assets:		
Cash Unrestricted	\$3,510,728	\$10,736,561
Cash Restricted	211,274	91,417
Accounts Receivable - Net of Allowance	471,072	103,156
Inventories - Net of Allowance	113,758	28,640
Prepaid Expenses	134,545	75,713
Total Current Assets	4,441,377	11,035,487
Non-Current Assets:		
Capital Assets, Not Depreciated	2,012,982	1,217,376
Capital Assets - Net of Accumulated Depreciation	16,067,922	6,643,785
Other Assets	3,802	745,583
Total Non-Current Assets	18,084,706	8,606,744
Deferred Outflows of Resources:		
Deferred Outflows	220,500	45,962
Total Deferred Outflows of Resources	220,500	45,962
TOTAL ASSETS	\$22,746,583	\$19,688,193
<u>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable	\$343,673	\$234,584
Intergovernmental Payable	102,192	0
Current Portion of Long-Term Debt	13,567	112,912
Accrued Wages and Payroll Taxes	222,054	27,221
Tenant Security Deposits	158,405	91,417
Unearned Revenue	39,471	72,551
Total Current Liabilities	879,362	538,685

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2015

	Primary Government	Component Units
Non-Current Liabilities:		
Long-Term Debt Net of Current Portion	121,027	2,195,547
Non-Current Liabilities - Other	0	744,791
Net Pension Liability	2,093,943	436,473
Compensated Absences, Non-current	332,147	56,110
Total Non-Current Liabilities	2,547,117	3,432,921
Deferred Inflows of Resources:		
Deferred Inflows	37,944	7,910
Total Deferred Inflows of Resources	37,944	7,910
Total Liabilities and Deferred Inflows	\$3,464,423	\$3,979,516
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$17,946,310	\$5,552,702
Restricted	14,653	0
Unrestricted	1,321,197	10,155,975
Total Net Position	19,282,160	15,708,677
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$22,746,583	\$19,688,193

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE PERIOD ENDING JUNE 30, 2015

	<u>Primary Government</u>	<u>Component Units</u>
<u>OPERATING REVENUES</u>		
Operating Grant Revenue	\$8,962,897	\$1,580,235
Tenant Revenues	1,962,542	1,042,281
Other Income	271,887	406,196
Total Operating Revenues	<u>11,197,326</u>	<u>3,028,712</u>
<u>OPERATING EXPENSES</u>		
Administration	2,714,987	570,537
Utilities	893,930	380,066
Ordinary Maintenance and Operations	2,179,786	759,631
Tenant Services	141,877	29,644
General and Protective Services	855,034	216,564
Housing Assistance Payments	4,451,588	0
Other Operating	89,806	9,371
Depreciation	1,871,030	480,272
Total Operating Expenses	<u>13,198,038</u>	<u>2,446,085</u>
Operating Income (Loss)	<u>(2,000,712)</u>	<u>582,627</u>
<u>NON OPERATING REVENUE (EXPENSES)</u>		
Capital Grants	381,207	0
Interest Income	17,501	46,513
Interest Expenses	0	(110,366)
Total Non-Operating Revenues (Expenses)	<u>398,708</u>	<u>(63,853)</u>
Excess (Deficiency) of Revenue Over (Under) Expenses	(1,602,004)	518,774
Beginning Net Position - Restated	<u>20,884,164</u>	<u>15,189,903</u>
ENDING NET POSITION	<u><u>\$19,282,160</u></u>	<u><u>\$15,708,677</u></u>

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE PERIOD ENDING JUNE 30, 2015

	Primary Government	Component Units
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating grants received	\$8,962,897	\$1,597,948
Tenant revenue received	1,962,542	1,028,497
Other revenue received	271,887	405,698
General and administrative expenses paid	(6,766,818)	(1,998,306)
Housing assistance payments	(4,451,588)	0
Net cash provided (used) by operating activities	<u>(21,080)</u>	<u>1,033,837</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital grant funds received	250,696	0
Principal Debt Retired	(13,567)	(107,905)
Payment of interest expense	0	(110,366)
Capital and Other assets purchased	(397,293)	(184,356)
Net cash provided (used) by capital and related activities	<u>(160,164)</u>	<u>(402,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment revenue	17,501	46,513
Net cash provided (used) by investing activities	<u>17,501</u>	<u>46,513</u>
Net increase (decrease) in cash	(163,743)	677,723
Cash and cash equivalents - Beginning of year	3,885,745	10,150,255
Cash and cash equivalents - End of year	<u>\$3,722,002</u>	<u>\$10,827,978</u>

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE PERIOD ENDING JUNE 30, 2015

	Primary Government	Component Units
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(\$2,000,712)	\$582,627
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation	1,871,030	480,272
(Increases) Decreases in:		
- Accounts Receivables	175,953	(31,654)
- Inventory	10,324	1,086
- Prepaid Assets Other Assets	(2,041)	1,068
- Deferred Outflows	(111,244)	(23,188)
Increases (Decreases) in:		
- Accounts Payable	7,967	19,682
- Intergovernmental liability	5,163	(7,943)
- Accrued Wages/Payroll Taxes	42,909	4,825
- Unearned Revenue	(21,329)	6,876
- Tenant Security Deposits	900	186
- Deferred Inflows	35,962	7,497
- Pension Liability	48,334	10,073
Net cash provided by operating activities	(\$21,080)	\$1,033,837

See accompanying notes to the basic financial statements.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

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

The Trumbull Metropolitan Housing Authority (the Authority) is a political subdivision created under 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 rent 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 also 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.

B. **Summary of Significant Accounting Policies**

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

C. **Reporting Entity**

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to insure that the financial statements are not misleading consistent with Governmental Accounting Standards Board Statement No. 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 units. The following organizations are described due to their relationship to the Authority.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

Discretely Presented Component Units

The component units' column in the combined financial statements identifies the financial data of the Authority's two component units: the Warren Housing Development Corporation, and the Western Reserve Housing Development Corporation. They are reported separately to emphasize that they are legally separate entities and provide services to clients of the Authority and others. The Authority serves as the management agent for each of the Housing Development Corporations.

The Warren Housing Development Corporation (the Corporation) is a legally separate, non-profit organization served by a Board comprised of local officials and community representatives. The Corporation was formed in 1977 to carry out charitable purposes including promoting and advancing decent, safe, and sanitary housing for persons of low income, particularly the elderly and infirm, and to promote the common good and general welfare of the City of Warren, Ohio, the State of Ohio, its inhabitants and surrounding territories and their inhabitants. Separately issued audited financial statements for the Corporation can be obtained from the Authority.

The Western Reserve Housing Development Corporation (the Corporation) is a legally separate, non-profit organization served by a Board comprised of local officials and community representatives. The Corporation was formed in 2001 for the promotion and construction of facilities for public housing or other charitable purposes. Separately issued audited financial statements for the Corporation can be obtained from the Authority.

D. Fund Accounting

The Authority uses enterprise funds to report on its financial position and the results of its operations for the Section 8 and Public Housing 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:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 financed 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

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

G. Investments

Investments of the primary government are restricted by the provisions of HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2015 totaled \$17,501 for the primary government and \$46,513 for the component units.

H. 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.

I. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include all highly liquid debt instruments, including certificates of deposits with a maturity date of twelve months or less.

J. Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Compensated absences 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;

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Accordingly, vacation leave and other compensated absences with similar characteristics are accrued as a liability based on the leave accumulated at the balance sheet date. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the leave accumulated at the balance sheet date but adjusted based on trended histories of forfeited hours versus hours for which previously departed employees received payments. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

K. Budgetary Accounting

The Authority annually prepares its budget as prescribed by HUD. This budget is then adopted by the Board of the Authority.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 7.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 7)

NOTE 2: CHANGE IN ACCOUNTING PRINCIPAL AND PRIOR PERIOD ADJUSTMENT

For fiscal year 2015, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

	Primary Government	Component Units	Total
Adjustments:			
Net Pension Liability (OPERS Traditional Plan)	(\$2,046,648)	(\$426,614)	(\$2,473,262)
Net Pension Asset (OPERS Combined Plan)	1,037	215	1,252
Deferred Outflow - Payments Subsequent to Measurement Date	107,274	22361	129,635
Net Prior Period Adjustment	<u>(\$1,938,337)</u>	<u>(\$404,038)</u>	<u>(\$2,342,375)</u>

Other than employer contributions subsequent to the measurement date, the Authority made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 3: DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits

At fiscal year-end, the carrying amount of the primary government's deposits was \$3,722,002 and the bank balance was \$3,847,473. Based on criteria described in GASB

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2015, \$750,000 of the primary government's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority or secured by UCC filings. Included in the carrying value of the Authority's deposits is \$1,200 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. The Authority's policy is to place deposits with major local banks approved by the Authority's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits.

Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy; although, the Authority did not have investments at June 30, 2015. Cash and cash equivalents included in the primary government's cash position at June 30, 2015, are as follows:

	Cash and Cash Equivalents
Cash - Unrestricted	\$ 3,510,728
Cash - Restricted	211,274
Total GASB Statements No. 3 and No. 40	\$ 3,722,002

B. Component Units

Deposits

At fiscal year-end, the carrying amount of the component units' deposits was \$10,827,978, and the bank balance was \$10,096,246. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2015, \$865,917 of the component units' bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Housing Development Corporation ("Corporation") or the Authority. Included in the carrying value of the component units' deposits is \$200 in petty cash.

Custodial credit risk is the risk that, in the event of bank failure, deposits may not be returned. Deposits are placed with major local banks as approved by the Corporation's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

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 the 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 units; however, the component units had no investments at June 30, 2015. Cash and cash equivalents included in the component unit's cash position at June 30, 2015, are as follows:

	Cash and Cash Equivalent
Cash - Unrestricted	\$ 10,736,561
Cash - Restricted	91,417
Total GASB No. 3 and No. 40	<u>\$ 10,827,978</u>

NOTE 4: RESTRICTED CASH

A. Primary Government

The restricted cash balance of \$211,275 on the financial statements for the primary government represents the following:

HCV excess cash advanced by HUD for housing assistance	\$14,653
Public Housing tenant security deposits	158,405
Family Self-Sufficiency escrow funds	38,216
Total Restricted Cash	<u>\$211,274</u>

B. Component Unit

The restricted cash balance of \$91,417 on the financial statements for the component units represent the tenant security deposit funds.

NOTE 5: INSURANCE COVERAGE

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

The Authority is covered for property damage, general liability, auto damage and liability, and public officials' liability through various insurers.

NOTE 5: INSURANCE COVERAGE (Continued)

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 exceeded insurance coverage during the past three years.

NOTE 6: CAPITAL ASSETS

The following is a summary of the Authority's capital assets:

	Primary Government	Component Units
Capital Assets not Depreciated		
Land	\$ 1,156,911	\$ 1,183,294
Construction in Progress	856,071	34,082
Total Capital Assets Not Depreciated	<u>2,012,982</u>	<u>1,217,376</u>
Capital Assets Being Depreciated		
Building and Building Improvement	70,920,275	17,726,416
Furniture and Equipment	2,020,351	879,776
Total Capital Assets Being Depreciated	<u>72,940,626</u>	<u>18,606,192</u>
Less Accumulated Depreciation	(56,872,704)	(11,962,407)
Subtotal Capital Assets Being Depreciated	<u>16,067,922</u>	<u>6,643,785</u>
Total Capital Assets	<u>\$ 18,080,904</u>	<u>\$ 7,861,161</u>

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TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6: **CAPITAL ASSETS** (Continued)

Primary Government:

	Balance			Balance
	<u>07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/15</u>
Capital Assets Not Depreciated				
Land	\$ 1,156,911	\$ -	\$ -	\$ 1,156,911
Construction in Progress	527,565	381,207	(52,701)	856,071
Total Capital Assets Not Depreciated	<u>1,684,476</u>	<u>381,207</u>	<u>(52,701)</u>	<u>2,012,982</u>
Capital Assets Depreciated				
Building and Building Improvements	70,920,275	-	-	70,920,275
Furniture and Equipment	2,014,728	68,787	(63,164)	2,020,351
Total Capital Assets Depreciated	<u>72,935,003</u>	<u>68,787</u>	<u>(63,164)</u>	<u>72,940,626</u>
Less: Accumulated Depreciation				
Building and Building Improvements	(53,374,657)	(1,765,001)	-	(55,139,658)
Furniture and Equipment	(1,688,775)	(106,029)	61,758	(1,733,046)
Total Accumulated Depreciation	<u>(55,063,432)</u>	<u>(1,871,030)</u>	<u>61,758</u>	<u>(56,872,704)</u>
Depreciable Assets, Net	<u>17,871,571</u>	<u>(1,802,243)</u>	<u>(1,406)</u>	<u>16,067,922</u>
Total Capital Assets, Net	<u>\$19,556,047</u>	<u>\$ (1,421,036)</u>	<u>\$ (54,107)</u>	<u>\$18,080,904</u>

Component Units:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

	Balance 07/01/14	Additions	Adjust / Deletions	Balance 06/30/15
Capital Assets Not Depreciated				
Land	\$ 1,174,194	\$ 9,100	\$ -	\$ 1,183,294
Construction in Progress	117,820	-	(83,738)	34,082
Total Capital Assets Not Depreciated	<u>1,292,014</u>	<u>9,100</u>	<u>(83,738)</u>	<u>1,217,376</u>
Capital Assets Depreciated				
Building and Building Improvements	17,510,469	215,947	-	17,726,416
Furniture and Equipment	885,203	11,848	(17,275)	879,776
Total Capital Assets Depreciated	<u>18,395,672</u>	<u>227,795</u>	<u>(17,275)</u>	<u>18,606,192</u>

NOTE 6: **CAPITAL ASSETS** (Continued)

	Balance 07/01/14	Additions	Adjust / Deletions	Balance 06/30/15
Less: Accumulated Depreciation				
Building and Building Improvements	(10,743,399)	(442,939)	-	(11,186,338)
Furniture and Equipment	(756,017)	(37,333)	17,281	(776,069)
Total Accumulated Depreciation	<u>(11,499,416)</u>	<u>(480,272)</u>	<u>17,281</u>	<u>(11,962,407)</u>
Depreciable Assets, Net	<u>6,896,256</u>	<u>(252,477)</u>	<u>6</u>	<u>6,643,785</u>
Total Capital Assets, Net	<u>\$ 8,188,270</u>	<u>\$ (243,377)</u>	<u>\$ (83,732)</u>	<u>\$ 7,861,161</u>

NOTE 7: **DEFINED BENEFIT PENSION PLAN**

Ohio Public Employees Retirement System

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – OPERS is a cost-sharing, multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries.

OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642, by calling (800) 222-7377, or by visiting the OPERS Web site at www.opers.org.

OPERS administers three retirement plans, as described below:

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

Pension Benefits – All benefits of the System, and any benefit increases, are

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

established by the legislature pursuant to Ohio Revised Code Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension and Combined plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Defined Contribution Benefits – Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

Disability Benefits – OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members participating in the Member-Directed Plan are not eligible for disability benefits.

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. A death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Contributions – The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code.

Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for fiscal year ended June 30, 2015. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined

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benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund:

(1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

Plan members were required to contribute 10 percent of their annual covered salary. The Authority was required to contribute 14 percent, a portion of which is set aside for funding post-retirement health care coverage. The Authority's contractually required contributions to OPERS for fiscal year 2015 were \$320,157 for the Traditional Plan and \$4,995 for the Combined Plan. Total contractually required contributions, including contributions for the Member-Directed Plan and post-retirement health care, was \$383,872. The full amount was contributed during the fiscal year.

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>Traditional</u>	<u>Combined</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability (Asset)	\$2,628,480	(\$4,770)	\$2,623,710
Proportion of the Net Pension Liability	0.021793%	0.012387%	
Pension Expense	\$286,979	\$3,169	\$290,148

At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Traditional	Combined	Total	Primary Govrnmnt	Component Unit	Other Non- Related
Deferred Outflows of Resources						
Net difference between projected and actual earnings on pension plan investments	\$140,248	\$291	\$140,539	\$111,958	\$23,337	\$5,244
Authority contributions subsequent to the measurement date	134,254	1,996	136,250	108,542	22,625	5,083
Total Deferred Outflows of Resources	\$274,502	\$2,287	\$276,789	\$220,500	\$45,962	\$10,327
Deferred Inflows of Resources						
Differences between expected and actual experience	\$46,177	\$1,455	\$47,632	\$37,944	\$7,910	\$1,778
Total Deferred Inflows of Resources	\$46,177	\$1,455	\$47,632	\$37,944	\$7,910	\$1,778

\$136,250 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Fiscal Year Ending June 30:	Traditional Plan Net Deferred Outflow of Resources	Combined Plan Net Deferred Inflow of Resources	Total
2016	\$13,756	(\$100)	\$13,656
2017	13,756	(\$100)	13,656
2018	31,497	(\$100)	31,397
2019	35,062	(\$100)	34,962
2020	0	(173)	(173)
Thereafter	0	(591)	(591)
Total	\$94,071	(\$1,164)	\$92,907

Actuarial Assumptions - OPERS

OPERS' total pension liability was determined by their actuaries in accordance with

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GASB Statement No. 67, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., future employment, mortality, cost trends). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Actuarial Information	Traditional Pension Plan	Combined Plan
Valuation Date	December 31, 2014	December 31, 2014
Experience Study	5 year Period Ended December 31, 2010	5 year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	8.00%	8.00%
Wage Inflation	3.75%	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)	4.25% - 8.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

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Asset Class	Target		Long-Term Expected	
	Allocation		Real Rate of Return	
Fixed Income	23.00	%	2.31	%
Domestic Equities	19.90		5.84	
Real Estate	10.00		4.25	
Private Equity	10.00		9.25	
International Equities	19.10		7.40	
Other Investments	18.00		4.59	
Total	100.00	%	5.28	%

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

Discount Rate The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate.

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Authority's proportionate share of the net pension liability (asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional Pension Plan	\$4,835,649	\$2,628,480	\$769,511
Combined Plan	\$619	(\$4,770)	(\$9,043)

NOTE 8: POST-EMPLOYMENT BENEFITS

A. Plan Description

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

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

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

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

NOTE 8: POST-EMPLOYMENT BENEFITS (Continued)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, by calling 614-222-5601 or 1-800-222-7377, or by using the OPERS website at <http://www.opers.org/investments/cafr.shtml>

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A

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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 fiscal year ending June 30, 2015, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 1 percent 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 Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the years ended June 30, 2015, 2014, and 2013 which were used to fund post-employment benefits were \$27,362, \$69,678, and \$110,341 respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the 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 9: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners subject to collective bargaining, when applicable. Eligible employees earn 10 hours sick leave per month of service. Unused sick leave may be accumulated without limit.

NOTE 9: COMPENSATED ABSENCES (Continued)

Employees who leave the Authority or are terminated are not paid for unused sick leave. However, any employee who retires, dies, or becomes disabled will be paid for unused sick leave based on the employee's years of service and unused sick leave subject to maximum limits based on the employee's years of service. Permanent employees who work full time earn annual leave (i.e., vacation hours) based on the employee's years of service. Annual leave may be accumulated up to 3 times the employee's annual accumulation amount as of July 1 of each year.

Primary Government:

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At June 30, 2015, based on the vesting method, \$428,747 was accrued by the primary government for unused vacation and sick time. The current portion is \$96,600 and the non-current portion is \$332,147. The additions reflect the dollar value of leave earned and the deletions reflect the dollar value of leave used, forfeited, or otherwise removed as a liability.

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
\$ 476,215	\$ 216,056	\$(263,524)	\$ 428,747

Component Unit:

At June 30, 2015, based on the vesting method, \$70,055 was accrued by the component units for unused vacation and sick time. The current portion is \$13,945 and the non-current portion is \$56,110.

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
\$ 74,760	\$ 35,302	\$(40,007)	\$ 70,055

NOTE 10: LONG-TERM DEBT

A. Primary Government

The Authority has debt in 2015 equal to \$134,594 related to five properties purchased with Neighborhood Stabilization Program grant funds.

The Authority's primary government has long-term debt as follows:

The PHA entered into a contractual agreement with Trumbull County, Ohio on March 2011, where the Authority initially received a grant for \$36,313 to be used for the purchase of property located at 506 Washington Avenue, Girard, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from March 2011. \$23,571

The PHA entered into a contractual agreement with Trumbull County, Ohio on May 2011, where the Authority initially received a grant for \$12,574 to be used for the purchase of property located at 674 Grover Avenue, Masury, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the 8,289

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grant amount less the prorated amount of time measured from May 2011.

The PHA entered into a contractual agreement with Trumbull County, Ohio on June 2011, where the Authority initially received a grant for \$54,481 to be used for the purchase of property located at 409 Ventura Drive, Youngstown, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from June 2011. 32,668

The PHA entered into a contractual agreement with Trumbull County, Ohio on June 2011, where the Authority initially received a grant for \$49,258 to be used for the purchase of property located at 501 Murray Hill Drive, Youngstown, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of time measured from June 2011. 36,132

The PHA entered into a contractual agreement with Trumbull County, Ohio on July 2, 2011, where the Authority initially received a grant for \$50,875 to be used for the purchase of property at 3702-3704 Crestview Street, Warren, Ohio. The grant has a restriction that the property shall be rehabilitated and rented to low income tenants for a period of 15 years. In the event of a violation of this restriction, the Authority shall back the amount equal to the grant amount less the prorated amount of time measured from July 2011. 33,934

Total Outstanding Debt	134,594
Less Current Portion	13,567
Total Long-Term Debt	\$121,027

A summary of the Primary Government's debt activity in the period is as follows:

Description	Balance 06/30/2014	Additions	Deletions	Balance 06/30/2015	Current Portion
Loan Payable	\$148,161	\$0	\$13,567	\$134,594	\$13,567

Maturity of the debt over the life of the debt are as follows:

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	Total		
	Principal	Interest	Payment
Ended June 30,			
2016	\$ 13,567	\$ -	\$ 13,567
2017	13,567	-	\$ 13,567
2018	13,567	-	\$ 13,567
2019	13,567	-	\$ 13,567
2020	13,567	-	\$ 13,567
2021-2026	66,759	-	\$ 66,759
Total	\$ 134,594	\$ -	\$ 134,594

The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities.

See Note #7, Defined Benefit Pension Plans. The change in the net pension liability is as follows:

	Balance 06/30/2014	Addition	Deletion	Balance 06/30/2015
Net Pension Liability:				
- Primary Government	\$2,045,609	\$48,334	\$ -	\$2,093,943
- Component Units	426,400	10,073	-	436,473
- Other Non-Related	95,802	-	(2,508)	93,294
Total Net Pension Liability	\$2,567,811	\$58,407	(\$2,508)	\$2,623,710

A. Component Units

The Authority's component units were obligated on the following notes as of June 30, 2015:

NOTE 10: LONG-TERM DEBT (Continued)

Promissory Note - Western Reserve HDC

On March 31, 2013, a promissory note in the amount of \$2,144,358.81 was written with Trumbull Housing Development Corporation for Western Reserve HDC's balance due on their Cortland Savings & Bank Company loan. The promissory note bears interest at the rate of 4.75% per annum and the note expires when paid in full on March 15, 2032. The outstanding principal balance as of June 30, 2015 is \$2,047,202.

Required payments, including interest, are as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
Ended June 30,			
2016	\$ 81,979	\$ 95,473	\$ 177,452
2017	85,959	91,493	\$ 177,452
2018	90,132	87,320	\$ 177,452
2019	94,508	82,944	\$ 177,452
2020	99,096	78,356	\$ 177,452
2021-2023	1,595,528	489,531	\$ 2,085,059
Total	<u>\$ 2,047,202</u>	<u>\$ 925,117</u>	<u>\$ 2,972,319</u>

Promissory Note – Warren HDC

On March 1, 2002, a promissory note in the amount of \$712,517.27 was written between the Warren HDC and Trumbull Housing Development Corporation for the balance due on a retired first mortgage associated with the Ridge property. The note bears a 4.00% interest rate and the scheduled monthly payments of \$3,401.67 are to be paid through November 1, 2022. The outstanding principal balance as of June 30, 2015 is \$261,257.

Total payments, including interest necessary for over the life of the debt are as follows:

NOTE 10: **LONG-TERM DEBT** (Continued)

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

	Total		
	Principal	Interest	Payment
Ended June 30,			
2016	\$ 30,933	\$ 9,887	\$ 40,820
2017	32,193	8,627	\$ 40,820
2018	33,505	7,315	\$ 40,820
2019	34,870	5,950	\$ 40,820
2020	36,290	4,530	\$ 40,820
2021-2023	93,466	4,715	\$ 98,181
Total	<u>\$ 261,257</u>	<u>\$ 41,024</u>	<u>\$ 302,281</u>

A summary of the Component Units' debt activity in the period is as follows:

	Balance	Rounding			Balance	Current
	<u>06/30/14</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/15</u>	<u>Portion</u>
WRHDC Promisory Note	\$2,125,384	\$2	\$0	(\$78,184)	\$2,047,202	\$81,979
WHDC Promisory Note	290,980	(2)	0	(29,721)	261,257	30,933
Total Note Payable	<u>\$2,416,364</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$107,905)</u>	<u>\$2,308,459</u>	<u>\$112,912</u>

NOTE 11: RESTRICTED NET POSITION

The Authority's restricted net positions consist of Housing Choice Voucher funds provided for housing assistance payments in excess of the amount used.

Total Restricted Net Position \$ 14,653

NOTE 12: LITIGATION

The Authority is party to various legal proceedings. In the opinion of the Authority, the ultimate disposition of these proceedings will not have a material effect on the Authority's financial position. No provision has been made to the financial statements for the effect, if any, of such contingencies.

NOTE 13: CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS

TRUMBULL METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

	Warren Housing Dev Corp	Western Reserve Housing Dev Corp	Total Per Component Units Financial Statements	GASB 68 Adjustment	Interprogram Due To / From Adjustment	Rounding Adjustment	Adjusted Component Units Financials
<u>Balance Sheet</u>							
Current Assets	\$10,849,980	\$184,701	\$11,034,681	\$0	\$805	\$1	\$11,035,487
Capital and Other Assets	4,262,013	4,391,500	8,653,513	0	(805)	(2)	8,652,706
Current Liabilities	(354,007)	(184,677)	(538,684)	0	0	(1)	(538,685)
Non-Current Liabilities	(1,432,461)	(2,008,370)	(3,440,831)	0	0	0	(3,440,831)
Net Position	\$13,325,525	\$2,383,154	\$15,708,679	\$0	\$0	(\$2)	\$15,708,677

Revenue, Expenses and Change in Equity

Operating Revenue	\$2,625,641	\$326,865	\$2,952,506	\$0	\$76,206	\$0	\$3,028,712
Operating Expenses	(2,608,835)	(241,284)	(2,850,119)	404,038	0	(4)	(2,446,085)
Net Operating Revenue	16,806	85,581	102,387	404,038	76,206	(4)	582,627
Total Non-Operating Revenue / (Expenses)	35,386	(23,036)	12,350	0	(76,206)	3	(63,853)
Excess Revenue over Expenses	\$52,192	\$62,545	\$114,737	\$404,038	\$0	(\$1)	\$518,774

NOTE 14: 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 December 31, 2015, the date on which the financial statements were available to be issued.

**Trumbull Metropolitan Housing Authority
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2015**

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850	\$3,322,664
Resident Opportunity and Supportive Services	14.870	55,936
Housing Choice Vouchers	14.871	4,946,279
Public Housing Capital Fund Program	14.872	611,934
PIH Family Self-Sufficiency Program	14.896	37,319
Public Housing Family Self-Sufficiency under ROSS	14.877	60,334
Pass Through City of Warren Community Development Department		
Community Development Block Grant	14.218	<u>7,778</u>
Total U.S. Department of HUD		<u>9,042,244</u>
U.S. Department of Labor Direct Program		
Youthbuild Program	17.274	138,563
Pass Through Trumbull County Department of Job And Family Services		
WIA Youth Program	17.259	<u>163,297</u>
Total U.S. Department of Labor		<u>301,860</u>
Total Expenditure of Federal Award		<u><u>\$ 9,344,104</u></u>

**Trumbull Metropolitan Housing Authority
Required Supplementary Information
Schedule of Trumbull Metropolitan Housing Authority's
Proportionate Share of the Net Pension Liability
For the Fiscal Years Ended June 30, 2015 and 2014**

Traditional Plan	2014	2013
Authority's Proportion of the Net Pension Liability / Asset	0.021793%	0.021793%
Authority's Proportionate Share of the Net Pension Liability	\$2,628,480	\$2,569,111
Authority's Covered-Employee Payroll	\$2,667,975	\$2,647,533
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	98.52%	97.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%
Combined Plan	2014	2013
Authority's Proportion of the Net Pension Liability / Asset	0.012387%	0.012387%
Authority's Proportionate Share of the Net Pension Liability / (Asset)	(\$4,770)	(\$1,300)
Authority's Covered-Employee Payroll	\$41,625	\$47,550
Authority's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered Employee Payroll	(11.46%)	(2.73%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	114.83%	104.33%
(1) Information prior to 2013 is not available.		

**Trumbull Metropolitan Housing Authority
Required Supplementary Information
Schedule of Trumbull Metropolitan Housing Authority's
PERS Schedule of Ten Year Contributions
For the Fiscal Years Ended June 30, 2015 and 2006**

	2015	2014	2013	2012	2011
<u>Contractually Required Contributions</u>					
Traditional Plan	\$320,157	\$317,704	\$352,924	\$268,909	\$279,180
Combined Plan	\$4,995	\$5,706	\$4,876	\$2,551	\$2,663
Total Required Contributions	\$325,152	\$323,410	\$357,800	\$271,460	\$281,843
Contributions in Relation to the Contractually Required Contribution	(\$325,152)	(\$323,410)	(\$357,800)	(\$271,460)	(\$281,843)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0
<u>Authority's Covered-Employee Payroll</u>					
Traditional Plan	\$2,667,975	\$2,647,533	\$2,714,800	\$2,689,090	\$2,791,800
Combined Plan	\$41,625	\$47,550	\$37,508	\$32,088	\$33,497
<u>Contributions as a Percentage of Covered-Employee Payroll</u>					
Traditional Plan	12.00%	12.00%	13.00%	10.00%	10.00%
Combined Plan	12.00%	12.00%	13.00%	7.95%	7.95%
[1] – Information prior to 2010 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan and other post employment benefits in addition to the Traditional and Combined plans.					

**Trumbull Metropolitan Housing Authority
Required Supplementary Information
Schedule of Trumbull Metropolitan Housing Authority's
PERS Schedule of Ten Year Contributions
For the Fiscal Years Ended June 30, 2015 and 2006**

	2010	2009	2008	2007	2006
<u>Contractually Required Contributions</u>					
Traditional Plan	\$231,050	[1]	[1]	[1]	[1]
Combined Plan	\$2,580	[1]	[1]	[1]	[1]
Total Required Contributions	\$233,630	\$358,026	\$209,413	\$245,669	\$267,944
Contributions in Relation to the Contractually Required Contribution	(\$233,630)	(\$358,026)	(\$209,413)	(\$245,669)	(\$267,944)
Contribution Deficiency / (Excess)	\$0	\$0	\$0	\$0	\$0
<u>Authority's Covered-Employee Payroll</u>					
Traditional Plan	\$2,567,222	[1]	[1]	[1]	[1]
Combined Plan	\$26,407	[1]	[1]	[1]	[1]
<u>Contributions as a Percentage of Covered- Employee Payroll</u>					
Traditional Plan	9.00%	8.50%	7.00%	7.77%	9.04%
Combined Plan	9.77%	9.27%	8.10%	7.77%	9.04%
[1] – Information prior to 2010 is not available for classification of OPERS contributions by plan. Total contributions reported include any amounts contributed to the Member-Directed plan and other post employment benefits in addition to the Traditional and Combined plans.					

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$2,520,331	\$0	\$0	\$0	\$0	\$74,585
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0	\$14,653
114 Cash - Tenant Security Deposits	\$158,405	\$0	\$0	\$0	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$24,407	\$0	\$0	\$0	\$0	\$13,809
100 Total Cash	\$2,703,143	\$0	\$0	\$0	\$0	\$103,047
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$700
122 Accounts Receivable - HUD Other Projects	\$130,511	\$0	\$0	\$0	\$6,436	\$12,261
124 Accounts Receivable - Other Government	\$2,573	\$28,401	\$4,358	\$12,064	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$3,410	\$0	\$0	\$0	\$0	\$196
126 Accounts Receivable - Tenants	\$7,112	\$0	\$0	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts -Tenants	(\$1,186)	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$5,123	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$14,087	\$0	\$0	\$0	\$0	\$38,087
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	(\$22,924)
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$161,630	\$28,401	\$4,358	\$12,064	\$6,436	\$28,320
142 Prepaid Expenses and Other Assets	\$105,582	\$0	\$0	\$0	\$0	\$1,867
143 Inventories	\$126,253	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	(\$19,958)	\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$3,076,650	\$28,401	\$4,358	\$12,064	\$6,436	\$133,234

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
161 Land	\$916,759	\$0	\$0	\$0	\$0	\$0
162 Buildings	\$70,920,275	\$0	\$0	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$849,924	\$0	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$648,763	\$0	\$0	\$0	\$0	\$66,064
166 Accumulated Depreciation	(\$56,395,740)	\$0	\$0	\$0	\$0	(\$58,161)
167 Construction in Progress	\$856,071	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$17,796,052	\$0	\$0	\$0	\$0	\$7,903
174 Other Assets	\$2,095	\$0	\$0	\$0	\$0	\$263
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$17,798,147	\$0	\$0	\$0	\$0	\$8,166
200 Deferred Outflow of Resources	\$121,552	\$0	\$0	\$0	\$0	\$15,212
290 Total Assets and Deferred Outflow of Resources	\$20,996,349	\$28,401	\$4,358	\$12,064	\$6,436	\$156,612
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$114,972	\$27,821	\$4,358	\$12,064	\$0	\$893
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$39,388	\$580	\$0	\$0	\$0	\$4,631
322 Accrued Compensated Absences - Current Portion	\$33,348	\$0	\$0	\$0	\$0	\$4,498
333 Accounts Payable - Other Government	\$102,192	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$158,405	\$0	\$0	\$0	\$0	\$0
342 Unearned Revenue	\$39,471	\$0	\$0	\$0	\$0	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$31,507	\$0	\$0	\$0	\$0	\$13,809
346 Accrued Liabilities - Other	\$125,854	\$0	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$6,436	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$645,137	\$28,401	\$4,358	\$12,064	\$6,436	\$23,831
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$139,778	\$0	\$0	\$0	\$0	\$18,334
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$1,154,291	\$0	\$0	\$0	\$0	\$144,463
350 Total Non-Current Liabilities	\$1,294,069	\$0	\$0	\$0	\$0	\$162,797
300 Total Liabilities	\$1,939,206	\$28,401	\$4,358	\$12,064	\$6,436	\$186,628
400 Deferred Inflow of Resources	\$20,916	\$0	\$0	\$0	\$0	\$2,618
508.4 Net Investment in Capital Assets	\$17,796,052	\$0	\$0	\$0	\$0	\$7,903
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$14,653
512.4 Unrestricted Net Position	\$1,240,175	\$0	\$0	\$0	\$0	(\$55,190)
513 Total Equity - Net Assets / Position	\$19,036,227	\$0	\$0	\$0	\$0	(\$32,634)
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$20,996,349	\$28,401	\$4,358	\$12,064	\$6,436	\$156,612

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$1,868,591	\$0	\$0	\$0	\$0	\$0
70400 Tenant Revenue - Other	\$93,951	\$0	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$1,962,542	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$3,553,391	\$0	\$0	\$0	\$55,936	\$4,946,279
70610 Capital Grants	\$381,207	\$0	\$0	\$0	\$0	\$0
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0
70750 Other Fees	\$0	\$0	\$0	\$0	\$0	\$0
70800 Other Government Grants	\$0	\$163,297	\$7,778	\$138,563	\$0	\$0
71100 Investment Income - Unrestricted	\$14,348	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$14,596
71500 Other Revenue	\$20,492	\$0	\$0	\$0	\$0	\$2,709
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0
70000 Total Revenue	\$5,931,980	\$163,297	\$7,778	\$138,563	\$55,936	\$4,963,584
91100 Administrative Salaries	\$539,905	\$16,161	\$0	\$18,417	\$1,122	\$178,161
91200 Auditing Fees	\$10,312	\$0	\$0	\$0	\$0	\$1,318
91300 Management Fee	\$872,879	\$0	\$0	\$0	\$0	\$134,988
91310 Book-keeping Fee	\$103,336	\$0	\$0	\$0	\$0	\$84,368
91400 Advertising and Marketing	\$8,038	\$0	\$0	\$586	\$573	\$839
91500 Employee Benefit contributions - Administrative	\$263,827	\$9,767	\$0	\$13,357	\$353	\$81,261

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
91600 Office Expenses	\$96,915	\$10,725	\$0	\$14,790	\$2,232	\$12,903
91700 Legal Expense	\$19,925	\$0	\$0	\$0	\$0	\$7,283
91800 Travel	\$0	\$0	\$0	\$0	\$2,936	\$0
91900 Other	\$574	\$13,199	\$0	\$0	\$0	\$1,782
91000 Total Operating - Administrative	\$1,915,711	\$49,852	\$0	\$47,150	\$7,216	\$502,903
92000 Asset Management Fee	\$147,360	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$55,843	\$0	\$0	\$0	\$48,715	\$0
92500 Total Tenant Services	\$55,843	\$0	\$0	\$0	\$48,715	\$0
93100 Water	\$131,964	\$11	\$0	\$61	\$0	\$0
93200 Electricity	\$353,399	\$0	\$0	\$40	\$0	\$0
93300 Gas	\$199,235	\$121	\$0	\$246	\$0	\$0
93400 Fuel	\$153,406	\$0	\$0	\$151	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$838,004	\$132	\$0	\$498	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$718,941	\$0	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and Other	\$189,607	\$2,500	\$2,125	\$4,739	\$5	\$1,085
94300 Ordinary Maintenance and Operations Contracts	\$830,169	\$0	\$0	\$297	\$0	\$4,062
94500 Employee Benefit Contributions - Ordinary Maintenance	\$308,958	\$0	\$0	\$0	\$0	\$0
94000 Total Maintenance	\$2,047,675	\$2,500	\$2,125	\$5,036	\$5	\$5,147

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
95200 Protective Services - Other Contract Costs	\$90,248	\$0	\$0	\$0	\$0	\$240
95300 Protective Services - Other	\$13,049	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$103,297	\$0	\$0	\$0	\$0	\$240
96110 Property Insurance	\$139,249	\$0	\$0	\$0	\$0	\$0
96120 Liability Insurance	\$98,423	\$34	\$0	\$1,177	\$0	\$2,410
96130 Workmen's Compensation	\$12,317	\$348	\$0	\$520	\$0	\$2,007
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$249,989	\$382	\$0	\$1,697	\$0	\$4,417
96200 Other General Expenses	\$3,815	\$101,004	\$0	\$73,920	\$0	\$8,511
96210 Compensated Absences	\$4,540	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$100,240	\$0	\$0	\$145	\$0	\$0
96400 Bad debt - Tenant Rents	\$51,850	\$0	\$0	\$0	\$0	\$5,770
96800 Severance Expense	\$53,777	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$214,222	\$101,004	\$0	\$74,065	\$0	\$14,281
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$5,572,101	\$153,870	\$2,125	\$128,446	\$55,936	\$526,988
97000 Excess of Operating Revenue over Operating Expenses	\$359,879	\$9,427	\$5,653	\$10,117	\$0	\$4,436,596
97100 Extraordinary Maintenance	\$10,128	\$0	\$0	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
97200 Casualty Losses - Non-capitalized	\$225	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0	\$4,451,588
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$2,235,532	\$0	\$0	\$0	\$0	\$5,457
90000 Total Expenses	\$7,817,986	\$153,870	\$2,125	\$128,446	\$55,936	\$4,984,033
10010 Operating Transfer In	\$82,296	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	(\$82,296)	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$395,811	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$257,785	\$0	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	(\$257,785)	\$0	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	(\$17,023)	(\$9,382)	(\$49,801)	\$0	\$0
10100 Total Other financing Sources (Uses)	\$395,811	(\$17,023)	(\$9,382)	(\$49,801)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$1,490,195)	(\$7,596)	(\$3,729)	(\$39,684)	\$0	(\$20,449)
11030 Beginning Equity	\$21,594,934	\$7,596	\$3,729	\$39,684	\$0	\$121,543
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(\$1,068,512)	\$0	\$0	\$0	\$0	(\$133,728)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0	\$0	(\$47,287)
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0	\$14,653
11190 Unit Months Available	14,182	0	0	0	0	11,820
11210 Number of Unit Months Leased	13,150	0	0	0	0	11,249

TRUMBULL METROPOLITAN HOUSING AUTHORITY
 WARREN, OH
 FINANCIAL DATA SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2015

	Project Total	17.259 WIA Youth Activities	14.218 Community Development Block Grants/Entitlement Grants	17.274 YouthBuild Program	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$381,207	\$0	\$0	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
111 Cash - Unrestricted	\$10,736,561	\$0	\$0	\$0	\$915,812
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$91,417	\$0	\$0	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$10,827,978	\$0	\$0	\$0	\$915,812
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$13,291	\$10,855	\$10,181	\$0
124 Accounts Receivable - Other Government	\$493	\$0	\$0	\$0	\$1,026
125 Accounts Receivable - Miscellaneous	\$68,516	\$0	\$0	\$0	\$204,692
126 Accounts Receivable - Tenants	\$9,848	\$0	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants	(\$388)	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$806	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$3,519	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$82,794	\$13,291	\$10,855	\$10,181	\$205,718
142 Prepaid Expenses and Other Assets	\$75,713	\$0	\$0	\$0	\$27,096
143 Inventories	\$34,688	\$0	\$0	\$0	\$7,463
143.1 Allowance for Obsolete Inventories	(\$6,048)	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$10,181	\$0	\$0	\$0	\$27,788
150 Total Current Assets	\$11,025,306	\$13,291	\$10,855	\$10,181	\$1,183,877
161 Land	\$1,183,294	\$0	\$0	\$0	\$240,152

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
162 Buildings	\$17,726,416	\$0	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$346,729	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$533,047	\$0	\$0	\$0	\$455,600
166 Accumulated Depreciation	(\$11,962,407)	\$0	\$0	\$0	(\$418,803)
167 Construction in Progress	\$34,082	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,861,161	\$0	\$0	\$0	\$276,949
174 Other Assets	\$792	\$0	\$0	\$0	\$1,444
176 Investments in Joint Ventures	\$744,791	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$8,606,744	\$0	\$0	\$0	\$278,393
200 Deferred Outflow of Resources	\$45,962	\$0	\$0	\$0	\$83,736
290 Total Assets and Deferred Outflow of Resources	\$19,678,012	\$13,291	\$10,855	\$10,181	\$1,546,006
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$190,403	\$0	\$0	\$0	\$11,996
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$13,276	\$1,577	\$1,217	\$0	\$78,061
322 Accrued Compensated Absences - Current Portion	\$13,945	\$0	\$0	\$0	\$58,754
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$91,417	\$0	\$0	\$0	\$0
342 Unearned Revenue	\$72,551	\$0	\$0	\$0	\$0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$112,912	\$0	\$0	\$0	\$13,567
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
345 Other Current Liabilities	\$34,000	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$400
347 Inter Program - Due To	\$0	\$11,714	\$9,638	\$10,181	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$528,504	\$13,291	\$10,855	\$10,181	\$162,778
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$2,195,547	\$0	\$0	\$0	\$121,027
353 Non-current Liabilities - Other	\$744,791	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$56,110	\$0	\$0	\$0	\$174,035
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$436,473	\$0	\$0	\$0	\$795,189
350 Total Non-Current Liabilities	\$3,432,921	\$0	\$0	\$0	\$1,090,251
300 Total Liabilities	\$3,961,425	\$13,291	\$10,855	\$10,181	\$1,253,029
400 Deferred Inflow of Resources	\$7,910	\$0	\$0	\$0	\$14,410
508.4 Net Investment in Capital Assets	\$5,552,702	\$0	\$0	\$0	\$142,355
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0
512.4 Unrestricted Net Position	\$10,155,975	\$0	\$0	\$0	\$136,212
513 Total Equity - Net Assets / Position	\$15,708,677	\$0	\$0	\$0	\$278,567
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$19,678,012	\$13,291	\$10,855	\$10,181	\$1,546,006

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
70300 Net Tenant Rental Revenue	\$1,004,355	\$0	\$0	\$0	\$0
70400 Tenant Revenue - Other	\$37,926	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$1,042,281	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$0	\$37,319	\$60,334	\$0	\$0
70610 Capital Grants	\$0	\$0	\$0	\$0	\$0
70710 Management Fee	\$0	\$0	\$0	\$0	\$1,007,867
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$147,360
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$187,704
70750 Other Fees	\$0	\$0	\$0	\$0	\$109,379
70800 Other Government Grants	\$1,552,341	\$0	\$0	\$27,894	\$0
71100 Investment Income - Unrestricted	\$46,513	\$0	\$0	\$0	\$3,153
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
71500 Other Revenue	\$329,990	\$0	\$0	\$0	\$124,711
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0
70000 Total Revenue	\$2,971,125	\$37,319	\$60,334	\$27,894	\$1,580,174
91100 Administrative Salaries	\$309,331	\$0	\$39,781	\$0	\$738,964
91200 Auditing Fees	\$18,578	\$0	\$0	\$0	\$6,449
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$6,904	\$0	\$0	\$0	\$5,347
91500 Employee Benefit contributions - Administrative	\$120,294	\$0	\$19,685	\$0	\$243,735

TRUMBULL METROPOLITAN HOUSING AUTHORITY
 WARREN, OH
 FINANCIAL DATA SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
91600 Office Expenses	\$81,365	\$0	\$0	\$0	\$303,171
91700 Legal Expense	\$7,690	\$0	\$0	\$0	\$22,917
91800 Travel	\$0	\$0	\$0	\$0	\$0
91900 Other	\$26,375	\$0	\$0	\$0	\$7,677
91000 Total Operating - Administrative	\$570,537	\$0	\$59,466	\$0	\$1,328,260
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$26,154	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$11,165	\$0	\$0	\$0
92400 Tenant Services - Other	\$1,750	\$0	\$0	\$27,894	\$0
92500 Total Tenant Services	\$1,750	\$37,319	\$0	\$27,894	\$0
93100 Water	\$58,515	\$0	\$0	\$0	\$1,379
93200 Electricity	\$205,904	\$0	\$0	\$0	\$37,226
93300 Gas	\$53,607	\$0	\$0	\$0	\$14,873
93400 Fuel	\$8,174	\$0	\$0	\$0	\$0
93600 Sewer	\$53,866	\$0	\$0	\$0	\$1,818
93000 Total Utilities	\$380,066	\$0	\$0	\$0	\$55,296
94100 Ordinary Maintenance and Operations - Labor	\$277,438	\$0	\$0	\$0	\$46,192
94200 Ordinary Maintenance and Operations - Materials and Other	\$61,952	\$0	\$0	\$0	\$14,424
94300 Ordinary Maintenance and Operations Contracts	\$297,273	\$0	\$0	\$0	\$48,640
94500 Employee Benefit Contributions - Ordinary Maintenance	\$122,968	\$0	\$0	\$0	\$8,042
94000 Total Maintenance	\$759,631	\$0	\$0	\$0	\$117,298

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
95200 Protective Services - Other Contract Costs	\$32,159	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$8,168	\$0	\$0	\$0	\$1,164
95000 Total Protective Services	\$40,327	\$0	\$0	\$0	\$1,164
96110 Property Insurance	\$61,587	\$0	\$0	\$0	\$8,629
96120 Liability Insurance	\$33,139	\$0	\$0	\$0	\$17,823
96130 Workmen's Compensation	\$5,076	\$0	\$868	\$0	\$3,984
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$99,802	\$0	\$868	\$0	\$30,436
96200 Other General Expenses	\$50,175	\$0	\$0	\$0	\$33,712
96210 Compensated Absences	\$4,031	\$0	\$0	\$0	\$22,560
96300 Payments in Lieu of Taxes	\$14,671	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$6,348	\$0	\$0	\$0	\$0
96800 Severance Expense	\$1,210	\$0	\$0	\$0	\$2,700
96000 Total Other General Expenses	\$76,435	\$0	\$0	\$0	\$58,972
96710 Interest of Mortgage (or Bonds) Payable	\$110,366	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$110,366	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,038,914	\$37,319	\$60,334	\$27,894	\$1,591,426
97000 Excess of Operating Revenue over Operating Expenses	\$932,211	\$0	\$0	\$0	(\$11,252)
97100 Extraordinary Maintenance	\$9,322	\$0	\$0	\$0	\$3,247

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
97200 Casualty Losses - Non-capitalized	\$49	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$480,272	\$0	\$0	\$0	\$25,852
90000 Total Expenses	\$2,528,557	\$37,319	\$60,334	\$27,894	\$1,620,525
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$76,206	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$76,206	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$518,774	\$0	\$0	\$0	(\$40,351)
11030 Beginning Equity	\$15,593,941	\$0	\$0	\$0	\$1,055,015
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(\$404,038)	\$0	\$0	\$0	(\$736,097)
11020 Required Annual Debt Principal Payments	\$112,912	\$0	\$0	\$0	\$13,567
11170 Administrative Fee Equity	\$0	\$0	\$0	\$0	\$0
11180 Housing Assistance Payments Equity	\$0	\$0	\$0	\$0	\$0
11190 Unit Months Available	4,488	0	0	0	0
11210 Number of Unit Months Leased	4,346	0	0	0	0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
 WARREN, OH
 FINANCIAL DATA SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2015

	6.1 Component Unit - Discretely Presented	14.896 PIH Family Self-Sufficiency Program	14.877 Public Housing Family Self-Sufficiency under ROSS	Comp Unit - Multifamily Housing Service Coordinators	COCC
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$14,247,289	\$0	\$14,247,289
113 Cash - Other Restricted	\$14,653	\$0	\$14,653
114 Cash - Tenant Security Deposits	\$249,822	\$0	\$249,822
115 Cash - Restricted for Payment of Current Liabilities	\$38,216	\$0	\$38,216
100 Total Cash	\$14,549,980	\$0	\$14,549,980
121 Accounts Receivable - PHA Projects	\$700	\$0	\$700
122 Accounts Receivable - HUD Other Projects	\$183,535	\$0	\$183,535
124 Accounts Receivable - Other Government	\$48,915	\$0	\$48,915
125 Accounts Receivable - Miscellaneous	\$276,814	\$0	\$276,814
126 Accounts Receivable - Tenants	\$16,960	\$0	\$16,960
126.1 Allowance for Doubtful Accounts - Tenants	(\$1,574)	\$0	(\$1,574)
127 Notes, Loans, & Mortgages Receivable - Current	\$5,929	\$0	\$5,929
128 Fraud Recovery	\$55,693	\$0	\$55,693
128.1 Allowance for Doubtful Accounts - Fraud	(\$22,924)	\$0	(\$22,924)
129 Accrued Interest Receivable	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$564,048	\$0	\$564,048
142 Prepaid Expenses and Other Assets	\$210,258	\$0	\$210,258
143 Inventories	\$168,404	\$0	\$168,404
143.1 Allowance for Obsolete Inventories	(\$26,006)	\$0	(\$26,006)
144 Inter Program Due From	\$37,969	(\$37,969)	\$0
150 Total Current Assets	\$15,504,653	(\$37,969)	\$15,466,684
161 Land	\$2,340,205	\$0	\$2,340,205

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
162 Buildings	\$88,646,691	\$0	\$88,646,691
163 Furniture, Equipment & Machinery - Dwellings	\$1,196,653	\$0	\$1,196,653
164 Furniture, Equipment & Machinery - Administration	\$1,703,474	\$0	\$1,703,474
166 Accumulated Depreciation	(\$68,835,111)	\$0	(\$68,835,111)
167 Construction in Progress	\$890,153	\$0	\$890,153
160 Total Capital Assets, Net of Accumulated Depreciation	\$25,942,065	\$0	\$25,942,065
174 Other Assets	\$4,594	\$0	\$4,594
176 Investments in Joint Ventures	\$744,791	\$0	\$744,791
180 Total Non-Current Assets	\$26,691,450	\$0	\$26,691,450
200 Deferred Outflow of Resources	\$266,462	\$0	\$266,462
290 Total Assets and Deferred Outflow of Resources	\$42,462,565	(\$37,969)	\$42,424,596
			\$0
311 Bank Overdraft	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$362,507	\$0	\$362,507
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$138,730	\$0	\$138,730
322 Accrued Compensated Absences - Current Portion	\$110,545	\$0	\$110,545
333 Accounts Payable - Other Government	\$102,192	\$0	\$102,192
341 Tenant Security Deposits	\$249,822	\$0	\$249,822
342 Unearned Revenue	\$112,022	\$0	\$112,022
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$126,479	\$0	\$126,479
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
345 Other Current Liabilities	\$79,316	\$0	\$79,316
346 Accrued Liabilities - Other	\$126,254	\$0	\$126,254
347 Inter Program - Due To	\$37,969	(\$37,969)	\$0
348 Loan Liability - Current	\$0	\$0	\$0
310 Total Current Liabilities	\$1,445,836	(\$37,969)	\$1,407,867
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$2,316,574	\$0	\$2,316,574
353 Non-current Liabilities - Other	\$744,791	\$0	\$744,791
354 Accrued Compensated Absences - Non Current	\$388,257	\$0	\$388,257
355 Loan Liability - Non Current	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$2,530,416	\$0	\$2,530,416
350 Total Non-Current Liabilities	\$5,980,038	\$0	\$5,980,038
300 Total Liabilities	\$7,425,874	(\$37,969)	\$7,387,905
400 Deferred Inflow of Resources	\$45,854		\$45,854
508.4 Net Investment in Capital Assets	\$23,499,012	\$0	\$23,499,012
511.4 Restricted Net Position	\$14,653	\$0	\$14,653
512.4 Unrestricted Net Position	\$11,477,172	\$0	\$11,477,172
513 Total Equity - Net Assets / Position	\$34,990,837	\$0	\$34,990,837
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$42,462,565	(\$37,969)	\$42,424,596

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$2,872,946	\$0	\$2,872,946
70400 Tenant Revenue - Other	\$131,877	\$0	\$131,877
70500 Total Tenant Revenue	\$3,004,823	\$0	\$3,004,823
70600 HUD PHA Operating Grants	\$8,653,259	\$0	\$8,653,259
70610 Capital Grants	\$381,207	\$0	\$381,207
70710 Management Fee	\$1,007,867	(\$1,007,867)	\$0
70720 Asset Management Fee	\$147,360	(\$147,360)	\$0
70730 Book Keeping Fee	\$187,704	(\$187,704)	\$0
70750 Other Fees	\$109,379	\$0	\$109,379
70800 Other Government Grants	\$1,889,873	\$0	\$1,889,873
71100 Investment Income - Unrestricted	\$64,014	\$0	\$64,014
71400 Fraud Recovery	\$14,596	\$0	\$14,596
71500 Other Revenue	\$477,902	\$0	\$477,902
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$15,937,984	(\$1,342,931)	\$14,595,053
91100 Administrative Salaries	\$1,841,842	\$0	\$1,841,842
91200 Auditing Fees	\$36,657	\$0	\$36,657
91300 Management Fee	\$1,007,867	(\$1,007,867)	\$0
91310 Book-keeping Fee	\$187,704	(\$187,704)	\$0
91400 Advertising and Marketing	\$22,287	\$0	\$22,287
91500 Employee Benefit contributions - Administrative	\$752,279	\$0	\$752,279
91600 Office Expenses	\$522,101	\$0	\$522,101

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
91700 Legal Expense	\$57,815	\$0	\$57,815
91800 Travel	\$2,936	\$0	\$2,936
91900 Other	\$49,607	\$0	\$49,607
91000 Total Operating - Administrative	\$4,481,095	(\$1,195,571)	\$3,285,524
92000 Asset Management Fee	\$147,360	(\$147,360)	\$0
92100 Tenant Services - Salaries	\$26,154	\$0	\$26,154
92300 Employee Benefit Contributions - Tenant Services	\$11,165	\$0	\$11,165
92400 Tenant Services - Other	\$134,202	\$0	\$134,202
92500 Total Tenant Services	\$171,521	\$0	\$171,521
93100 Water	\$191,930	\$0	\$191,930
93200 Electricity	\$596,569	\$0	\$596,569
93300 Gas	\$268,082	\$0	\$268,082
93400 Fuel	\$161,731	\$0	\$161,731
93600 Sewer	\$55,684	\$0	\$55,684
93000 Total Utilities	\$1,273,996	\$0	\$1,273,996
94100 Ordinary Maintenance and Operations - Labor	\$1,042,571	\$0	\$1,042,571
94200 Ordinary Maintenance and Operations - Materials and Other	\$276,437	\$0	\$276,437
94300 Ordinary Maintenance and Operations Contracts	\$1,180,441	\$0	\$1,180,441
94500 Employee Benefit Contributions - Ordinary Maintenance	\$439,968	\$0	\$439,968
94000 Total Maintenance	\$2,939,417	\$0	\$2,939,417
95200 Protective Services - Other Contract Costs	\$122,647	\$0	\$122,647

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
95300 Protective Services - Other	\$22,381	\$0	\$22,381
95000 Total Protective Services	\$145,028	\$0	\$145,028
96110 Property Insurance	\$209,465	\$0	\$209,465
96120 Liability Insurance	\$153,006	\$0	\$153,006
96130 Workmen's Compensation	\$25,120	\$0	\$25,120
96140 All Other Insurance	\$0	\$0	\$0
96100 Total insurance Premiums	\$387,591	\$0	\$387,591
96200 Other General Expenses	\$271,137	\$0	\$271,137
96210 Compensated Absences	\$31,131	\$0	\$31,131
96300 Payments in Lieu of Taxes	\$115,056	\$0	\$115,056
96400 Bad debt - Tenant Rents	\$63,968	\$0	\$63,968
96800 Severance Expense	\$57,687	\$0	\$57,687
96000 Total Other General Expenses	\$538,979	\$0	\$538,979
96710 Interest of Mortgage (or Bonds) Payable	\$110,366	\$0	\$110,366
96700 Total Interest Expense and Amortization Cost	\$110,366	\$0	\$110,366
96900 Total Operating Expenses	\$10,195,353	(\$1,342,931)	\$8,852,422
97000 Excess of Operating Revenue over Operating Expenses	\$5,742,631	\$0	\$5,742,631
97100 Extraordinary Maintenance	\$22,697	\$0	\$22,697
97200 Casualty Losses - Non-capitalized	\$274	\$0	\$274

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
97300 Housing Assistance Payments	\$4,451,588	\$0	\$4,451,588
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$2,747,113	\$0	\$2,747,113
90000 Total Expenses	\$17,417,025	(\$1,342,931)	\$16,074,094
10010 Operating Transfer In	\$82,296	(\$82,296)	\$0
10020 Operating transfer Out	(\$82,296)	\$82,296	\$0
10080 Special Items (Net Gain/Loss)	\$395,811	\$0	\$395,811
10091 Inter Project Excess Cash Transfer In	\$257,785	(\$257,785)	\$0
10092 Inter Project Excess Cash Transfer Out	(\$257,785)	\$257,785	\$0
10093 Transfers between Program and Project - In	\$76,206	\$0	\$76,206
10094 Transfers between Project and Program - Out	(\$76,206)	\$0	(\$76,206)
10100 Total Other financing Sources (Uses)	\$395,811	\$0	\$395,811
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$1,083,230)	\$0	(\$1,083,230)
11030 Beginning Equity	\$38,416,442	\$0	\$38,416,442
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(\$2,342,375)	\$0	(\$2,342,375)
11020 Required Annual Debt Principal Payments	\$126,479	\$0	\$126,479
11170 Administrative Fee Equity	(\$47,287)	\$0	(\$47,287)
11180 Housing Assistance Payments Equity	\$14,653	\$0	\$14,653
11190 Unit Months Available	30,490	0	30,490
11210 Number of Unit Months Leased	28,745	0	28,745
11610 Land Purchases	\$0	\$0	\$0

TRUMBULL METROPOLITAN HOUSING AUTHORITY
WARREN, OH
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015

	Subtotal	ELIM	Total
11620 Building Purchases	\$381,207	\$0	\$381,207



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

Board of Commissioners
Trumbull 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 Trumbull Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Trumbull Metropolitan Housing Authority, Ohio's basic financial statements, and have issued my report thereon dated December 31, 2015, wherein we noted the Authority adopted Governmental Accounting Standard Board Statement No. 68, *Accounting and Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. My report includes a reference to other auditors who audited the financial statements of The Warren Housing Development Corporation and Western Reserve Housing Development Corporation, as described in my report on the Trumbull Metropolitan Housing Authority financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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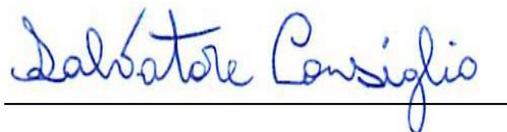
deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Trumbull 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, CPA, Inc.
North Royalton, Ohio
December 31, 2015



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

Board of Commissioners
Trumbull Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

I have audited Trumbull Metropolitan Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Trumbull Metropolitan Housing Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In my opinion, Trumbull Metropolitan Housing Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

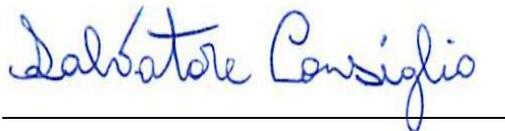
Report on Internal Control Over Compliance

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

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

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

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



Salvatore Consiglio, CPA, Inc.
North Royalton, Ohio
December 31, 2015

Trumbull Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 June 30, 2015

1. SUMMARY OF AUDITOR'S RESULTS

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

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

There are no Findings or questioned costs for the year ended June 30, 2015.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no Findings or questioned costs for the year ended June 30, 2015.

Trumbull Metropolitan Housing Authority
Schedule of Prior Audit Findings
June 30, 2015

The audit report for the fiscal year ending June 30, 2014 contained no audit findings.



Dave Yost • Auditor of State

TRUMBULL METROPOLITAN HOUSING AUTHORITY

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 24, 2016**