WAYNE METROPOLITAN
HOUSING AUTHORITY

BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2013

James G. Zupka, CPA, Inc.
Certified Public Accountants

Dave Yost · Auditor of State

Board of Directors
Wayne Metropolitan Housing Authority
345 North Market Street
Wooster, OH 44691

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

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

Dave Yost
Auditor of State

July 9, 2014

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WAYNE METROPOLITAN HOUSING AUTHORITY
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wayne Metropolitan Housing Authority
Wooster, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on the Financial Statements

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 we 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 Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 and 9 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. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Wayne Metropolitan Housing Authority, Ohio's basic financial statements. The Statement of Modernization Cost - Completed and the Financial Data Schedules are presented for purposes of additional analysis and not a required part of the basic financial statements. The Schedule of Expenditures 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 Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements.

The Statement of Modernization Cost - Completed, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards, 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 our opinion, the Statement of Modernization Cost - Completed, the Financial Data Schedules, and the Schedule of Expenditures of Federal Awards 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,* we have also issued our report dated June 6, 2014, on our consideration of the Wayne Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Wayne Metropolitan Housing Authority's internal control over financial reporting and compliance.

James G. Zupka,
CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
Date: 2014.06.20 14:21:22 -04'00'

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 6, 2014

The Wayne Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's position, and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the 2013 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

Financial Highlights

- The Authority's net position decreased by $536,801 or 7.3 percent during 2013, resulting from changes in operations. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position.
- Revenues increased by $105,339 or 1.7 percent during 2013.
- The total expenses of all Authority programs increased by $5,684 or <0.1 percent.

Overview of the Authority's Financial Statements

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

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

The focus of the Statement of Net Position (the "*Unrestricted* Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) 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.

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

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

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

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

Fund Financial Statements

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

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

<u>Conventional Public Housing</u> - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30 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.

<u>Housing Choice Voucher Program</u> - 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 made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income. The Authority earns administrative fees to cover the cost of administering the program.

<u>State/Local</u> - State/Local represents Authority owned housing properties that are not subsidized by HUD, management services that the Authority provides to a local non-profit entity under contract for management and Community Housing Improvement Programs that the Authority administers and implements under contract with both Wayne County and the City of Wooster. The revenue and expenses for these services are identified and tracked separate from the HUD activities.

The Authority's properties not subsidized by HUD are generally dedicated to clients of the local Development Disabilities (DD) Board. Most of these properties have some debt attached to them, however most received a portion of their acquisition costs from either client-family contributions or State of Ohio Community Capital Assistance Funds applied for through the Board of DD.

The Authority's management contract is with a not-for-profit entity that depends on the Authority to handle all of its management concerns including day-to-day operations as well as corporate accounting and reporting.

Condensed Financial Statements

The following is a condensed **Statement of Net Position** compared to the prior year-end. Wayne Metropolitan Housing Authority is engaged only in business-type activities.

Table 1 - Condensed Statement of Net Position Compared to Prior Year

	2013	2012
Assets		
Current and Other Assets	$ 1,464,096	$ 1,705,956
Capital Assets	8,114,239	8,579,737
Total Assets	$ 9,578,335	$10,285,693
Liabilities		
Current Liabilities	$ 477,691	$ 473,188
Long-term Liabilities	2,332,422	2,507,482
Total Liabilities	2,810,113	2,980,670
Net Position		
Net Investment in Capital Assets	5,721,148	6,056,369
Restricted	318,634	420,112
Unrestricted	728,440	828,542
Total Net Position	6,768 222	7,305,023
Total Liabilities and Net Position	$ 9,578,335	$10,285,693

For more detail information, see Statement of Net Position presented on page 10.

Major Factors Affecting the Statement of Net Position

During 2013, current and other assets decreased by $241,860, and current liabilities increased by $4,503.

Net Investment in Capital Assets also decreased from $6,056,369 to $5,721,148. The $335,221 decrease may be attributed primarily to the current year depreciation and amortization, as well as the addition of several building improvements and equipment purchases. The long-term liabilities decrease is a result of payments made on building debt during the year. For more detail see "Capital Assets" presented later in this report.

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

Table 2 - Change of Unrestricted Net Position

	Unrestricted	Restricted	Investment In Capital Assets
Beginning Balance - January 1, 2013	$ 828,542	$ 420,112	$ 6,056,369
Results of Operation	(536,801)	0	0
Adjustments:			
Current Year Depreciation Expense (1)	623,012	0	(623,012)
Capital Expenditure, Net of Disposal (2)	(157,514)	0	157,514
Current Year Debt Proceeds Net of Retirement	(130,277)	0	130,277
Transfer from Restricted Net Position	101,478	(101,478)	0
Ending Balance - December 31, 2013	$ 728,440	$ 318,634	$ 5,721,148

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

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

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

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

Table 3 - Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2013	2012
Revenues		
Total Tenant Revenues - Rents and Other	$ 851,343	$ 709,838
Operating Subsidies	5,091,576	5,180,024
Capital Grants	104,731	159,041
Investment Income	935	4,584
Other Revenues	253,989	143,748
Total Revenues	6,302,574	6,197,235
Expenses		
Administrative	1,250,477	1,056,145
Utilities	343,991	301,058
Maintenance	579,009	605,791
General and Interest Expenses	236,018	236,191
Housing Assistance Payments	3,806,868	4,027,119
Depreciation	623,012	607,387
Total Expenses	6,839,375	6,833,691
Capital Contributions	0	562,674
Net Increases (Decreases)	$ (536,801)	$ (73,782)

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position

Tenant revenue increased $141,505 during 2013 in comparison to 2012. The increase was likely due to higher occupancy levels in most rental units for the year. Capital Grants show a decrease of $54,310 from 2012 due to decreased funding award for the year. Overall total revenue increased by $105,339 from 2012, due primarily to slightly increased occupancy and other sources of revenue.

The expenses increased by $5,684 in 2013 as a net result of decreased Housing Choice Voucher assistance payments and increased administrative and utilities expense. All other expense categories experienced modest increases or decreases of 10 percent or less.

Capital Assets

As of year-end, the Authority had $8,114,239 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of $465,498 or about 5.4 percent from the end of 2012. This decrease was mainly a net result of the accumulated depreciation of all properties and other fixed assets, as well as the addition of some building improvements and equipment.

Table 4 - Condensed Statement of Changes in Capital Assets

	2013	2012
Land and Land Rights	$ 2,296,014	$ 2,296,014
Buildings and Improvements/Additions	19,408,710	19,232,117
Furniture and Equipment	616,264	601,741
Construction in Progress	25,962	61,172
Accumulated Depreciation	(14,232,711)	(13,611,307)
Total Capital Assets	$ 8,114,239	$ 8,579,737

The following reconciliation identifies the change in Capital Assets.

Table 5 - Change in Capital Assets

Beginning Balance - January 1, 2013	$8,579,737
Current Year Additions	157,513
Current Year Depreciation Expense	(623,011)
Ending Balance - December 31, 2013	$8,114,239
Current Year Additions are summarized as follows:	
Building Improvements and Additions	$ 176,593
Equipment Additions	16,130
Change in Construction in Progress	(35,210)
Total 2013 Additions	$ 157,513

Debt Outstanding

As of year-end, the Authority has $2,393,091 in debt (mortgages) outstanding compared to $2,523,367 in the previous year. The $130,276 decrease was a net result of principal payments made on current debt during the year.

Table 6 - Condensed Statement of Changes in Debt Outstanding

Beginning Balance - January 1, 2013	$ 2,523,367
Current Year Loan Retirements	(130,276)
Ending Balance - December 31, 2013	$2,393,091

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

The individual to be contacted regarding this report is Stan W. Popp, Executive Director of the Wayne Metropolitan Housing Authority, at (330) 264-2727. Specific requests may be submitted to the Wayne Metropolitan Housing Authority at 345 N. Market Street, Wooster, Ohio 44691, fax: (330) 263-1521, e-mail address spopp@waynemha.org.

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 411,747
Restricted Cash and Cash Equivalents	455,324
Receivables, Net	78,876
Inventory	17,479
Prepaid Expenses and Other Assets	82,712
Total Current Assets	1,046,138
Noncurrent Assets	
Non-depreciable Capital Assets	2,321,976
Depreciable Capital Assets, Net	5,792,263
Other Noncurrent Assets	417,958
Total Noncurrent Assets	8,532,197
TOTAL ASSETS	$ 9,578,335
LIABILITIES	
Current Liabilities	
Accounts Payable	$ 262
Accrued Compensated Absences - Current	9,397
Tenant Security Deposits	62,859
Unearned Revenue	10,183
Accrued Wages and Payroll Taxes	78,283
Intergovernmental Payable	79,398
Other Current Liabilities	54,093
Current Portion of Long-Term Debt	183,216
Total Current Liabilities	477,691
Noncurrent Liabilities	
Noncurrent Liabilities - Other	122,547
Long-Term Debt - Net of Current Portion	2,209,875
Total Noncurrent Liabilities	2,332,422
Total Liabilities	2,810,113
NET POSITION	
Net Investment in Capital Assets	5,721,148
Unrestricted	728,440
Restricted	318,634
Total Net Position	6,768,222
TOTAL LIABILITIES AND NET POSITION	$ 9,578,335

See accompanying notes to the basic financial statements.

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

Operating Revenues	
Government Grants	$ 5,091,576
Tenant Revenue	851,343
Other Revenue	253,989
Total Operating Revenues	6,196,908
Operating Expenses	
Administrative	1,250,477
Utilities	343,991
Maintenance	579,009
General	161,923
Housing Assistance Payments	3,806,868
Total Operating Expenses Before Depreciation	6,142,268
Income (Loss) Before Depreciation	54,640
Depreciation	623,012
Operating Income (Loss)	(568,372)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	935
Interest Expense	(74,095)
Total Non-Operating Revenues (Expenses)	(73,160)
Income (Loss) Before Capital Grants and Contributions	(641,532)
Capital Grants	104,731
Change in Net Position	(536,801)
Total Net Position, Beginning of Year	7,305,023
Net Position, End of Year	$ 6,768,222

See accompanying notes to the basic financial statements.

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Cash Flows from Operating Activities	
Cash Received from Federal Operating Grants	$ 5,091,576
Cash Received From Tenants	869,371
Cash Payments for Housing Assistance	(3,806,868)
Cash Payments for Administrative Expenses	(1,241,586)
Cash Payments for Other Operating Expenses	(1,103,230)
Cash Received - Other	171,130
Net Cash (Provided) by Operating Activities	(19,607)
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(157,513)
Capital Grants and Contributions	104,731
Debt Payments (Including Interest)	(204,372)
Net Cash Provided by Capital and Other Related Financing Activities	(257,154)
Cash Flows from Investing Activities	
Interest and Investment Income Received	935
Net Cash Provided by Investing Activities	935
Net Increase (Decrease) in Cash and Cash Equivalents	(275,826)
Cash and Cash Equivalents, Beginning	1,142,897
Cash and Cash Equivalents, Ending	$ 867,071
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating (Loss)	$ (568,372)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Depreciation	623,012
(Increase) Decrease in:	
Accounts Receivable - Tenant	7,336
Accounts Receivable - Other	(25,571)
Prepaid Expenses	(13,108)
Inventory	(2,623)
Increase (Decrease) in:	
Accounts Payable	(25,331)
Intergovernmental Payable - Deferred Revenue	20,324
Accrued Compensated Absences	411
Tenant Security Deposits	4,999
Accrued Wages and Payroll Taxes	7,003
Non-Current Liabilities	3,552
Other Current Liabilities	(51,239)
Net Cash Used by Operating Activities	$ (19,607)

See accompanying notes to the basic financial statements.

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

Organization and Reporting Entity

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

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

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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.

The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

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

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

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

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

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

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

Cash and Cash Equivalents
The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, and certificate of deposits regardless of maturity, to be cash equivalents.

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

Capital Assets

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

Buildings	30 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	5 years
Autos	5 years
Computers	5 years

Capitalization of Interest

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

Investments

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

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At December 31, 2013, the carrying amount of the Authority's deposits was $867,071 (including $455,324 of restricted funds, and $200 of petty cash).

At December 31, 2013, the bank balance of the Authority's cash deposits was $925,781. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2013, deposits totaling $622,611 were covered by Federal Depository Insurance and deposits totaling $303,170 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.

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

Investments

The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2013, the Authority had no investments.

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

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

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

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

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

Cash and investments at year-end were as follows:

Cash and Investment Type	Fair Value	Investment Maturities (< 1 Year)
Carrying Amount of Deposits	$ 866,871	$ 866,871
Petty Cash	200	200
Totals	$ 867,071	$ 867,071

NOTE 3: RESTRICTED CASH

The restricted cash balance of $455,324 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	$ 289,000
Interest earned on Housing Assistance Payment Reserves in the Housing Choice Voucher Program, payable to HUD	4,265
Tenant Security Deposits	63,124
FSS Escrow Funds	69,301
Reserve for Replacement and Mortgage Sinking Fund	29,634
Total Restricted Cash	$ 455,324

NOTE 4: CAPITAL ASSETS

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

	Balance 12/31/2012	Reclasses	Additions	Deletions	Balance 12/31/2013
Capital Assets Not Being Depreciated					
Land	$ 2,296,014	$ 0	$ 0	$ 0	$ 2,296,014
Construction in Progress	61,172	(93,940)	58,730	0	25,962
Total Capital Assets Not Being Depreciated	2,357,186	(93,940)	58,730	0	2,321,976
Capital Assets Being Depreciated					
Buildings and Improvements	19,232,117	93,940	82,653	0	19,408,710
Furniture, Equipment, and Machinery - Dwellings	149,682	(1)	16,130	(1,607)	164,204
Furniture, Equipment, and Machinery - Administrative	452,059	1	0	0	452,060
Subtotal Capital Assets Being Depreciated	19,833,858	93,940	98,783	(1,607)	20,024,974
Accumulated Depreciation					
Buildings & Improvements	(13,080,287)	0	(597,784)	0	(13,678,071)
Furniture & Equipment - Dwellings	(148,630)	0	(3,489)	1,607	(150,512)
Furniture & Equipment - Administrative	(382,390)	0	(21,738)	0	(404,128)
Total Accumulated Depreciation	(13,611,307)	0	(623,011)	1,607	(14,232,711)
Capital Assets Being Depreciated, Net	6,222,551	93,940	(524,228)	0	5,792,263
Total Capital Assets, Net	$ 8,579,737	$ 0	$ (465,498)	$ 0	$ 8,114,239

NOTE 5: **RESTRICTED NET ASSETS**

The Authority's restricted net assets are as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of the amounts used	$ 289,000
Reserve for Replacement & Mortgage Sinking Funds	29,634
Total	$ 318,634

NOTE 6: **RETIREMENT AND OTHER BENEFIT PLANS**

Ohio Public Employees Retirement System

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

- The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension 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, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642, by calling (614) 222-5601 or 1-800-222-7377 or by using the OPERS website at www.opers.org.

NOTE 6: **RETIREMENT AND OTHER BENEFIT PLANS** (Continued)

Ohio Public Employees Retirement System (Continued)
The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the Authority was 14 percent of covered payroll. The Authority's required contributions to OPERS for the years ended December 31, 2013, 2012, and 2011, were $127,288, $129,869, and $120,342, respectively. The full amount has been contributed for 2013, 2012, and 2011.

NOTE 7: **POST-EMPLOYMENT BENEFITS**

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 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 established and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377, or by visiting the OPERS website at www.opers.org.

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

Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contributions 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 1.0 percent for the year ended December 31, 2013. Effective January 1, 2014, the portion of the 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 to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2013, 2012, and 2011 which were used to fund post-employment benefits were $9,092, $37,105, and $34,383, 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 charges, 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.

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NOTE 8: COMPENSATED ABSENCES

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

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) year shall be forfeited.

At December 31, 2013, based on the vesting method, $62,643 was accrued by the Authority for unused vacation and sick leave. The current portion of $9,397 and the long-term portion is $53,246.

NOTE 9: INSURANCE

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-six (36) Ohio housing authorities, of which Wayne is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	$ 1,500	$250,000,000 (Per Occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	6,000,000
Automobile	500/0	ACV/6,000,000
Law Enforcement	0	6,000,000
Public Officials	0	6,000,000
Crime	500	1,000,000

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

NOTE 10: **LONG-TERM DEBT**

As of December 31, 2013 the Authority's long-term debt is as follows:

	Balance at 12/31/13
Loan Payable to JP Morgan Chase Bank to finance the purchase and rehabilitation of the administration building at 345 North Market Street. The total amount borrowed for this financing was $1,125,000 at a fixed rate of 5.75% for 15 years.	$ 770,610
Loan Payable to JP Morgan Chase Bank to consolidate an existing loan for the purchase of the property located at 850 Northview Drive and for the acquisition of 5 additional properties from Home Place Inc. The interest rate on this debt is at a fixed rate of 5% for 15 years. Total amount borrowed for this financing was $234,363.	155,210
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000, due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1. Proceeds of the bond were used to purchase a property located at 1401 Moreland Road.	39,100
Mortgage Revenue Bond dated August 30, 2006 in the amount of $32,000, due in September 2036; interest rate 4.375% with an annual payment of principal and interest due September 1. Proceeds of the bond were used to pay part of the cost of the renovations of the property located at 34 Andrew Court.	27,700
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities on February 2005, where the Authority received a grant for $112,743 to be used for the purchase of property located at 34 Andrew Court. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	49,482

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

The PHA entered into a contractual agreement with the Ohio Department of Development Disabilities in November 2005, where the Authority received a grant in the amount of $15,000 to be used for renovations to the property located at 34 Andrew Court. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 the number of months used by DD clients.	6,833
Mortgage Revenue Bond dated October 29, 2007 in the amount of $54,000, due in October 2037; interest rate 4.25% with an annual payment of principal and interest due October 1. Proceeds of the bond were used to purchase a property located at 2574 Earl Street.	47,900
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities on July 2007, where the Authority received a grant for $85,412 to be used for the purchase of property located at 2574 Earl Street. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	49,824
Mortgage Revenue Bond dated February 24, 2003 in the amount of $55,000, due in February 2033, interest rate of 4.625% with an annual payment of principal and interest due February 1. Proceeds of the bond were used to purchase a property located at 1701 Westwood Circle.	44,100
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in August 2002, where the Authority received a grant in the amount of $67,841 to be used for the purchase of property located at 1701 Westwood Circle. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	16,206

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

The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in April, 2010, where the Authority received a grant for $9,038 to be used for the purchase of property located at 1701 Westwood Circle. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of of months used by DD clients.	6,779
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000, due in July 2032; interest rate of 4.75% with an annual payment of principal and interest due July 1 of each year. Proceeds of the bond were used to purchase a property located at 617-619 Jefferson Avenue.	39,000
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in December 2001, where the Authority received a grant for $67,841 to be used for the purchase of property located at 617-619 Jefferson Avenue. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	13,191
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in February 2009, where the Authority received a grant for $10,000 to be used for renovations to the property located at 617-619 Jefferson Avenue. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	6,722
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in April 2000, where the Authority received a grant for $46,517 to be used for the purchase of property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number months used by DD clients.	3,876

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

The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in May 2004 where the Authority received a grant for $4,700 to be used for the renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	1,671
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in March 2010, where the Authority received a grant for $5,725 to be used for the renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	4,262
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in July 2010, where the Authority received a grant for $8,950 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	6,862
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in June 2011 where the Authority received a grant for $9,250 to be used for renovations of the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	7,657

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

The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in August 2002 where the Authority received a grant for $8,565 to be used for renovations to the property located at 2610 Impala Street. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	2,046
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in March 2010, where the Authority received a grant for $6,043 to be used for renovation of property at 2610 Impala Street. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 less the prorated amount of number of months used by DD clients.	4,499
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in July 2001, where the Authority received a grant for $4,017 to be used for renovation of the property located at 571 North Grant Street. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	669
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities on August 2002, where the Authority received a grant for $8,528 to be used for renovations of the property located at 571 North Grant Street. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	2,037

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

The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in March 2010, where the Authority received a grant for $8,176 to be used for renovations to the property located at 571 North Grant Street. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	6,087
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in July 2001 where the Authority received a grant for $3,233 to be used for the purchase of property located at 2045 Cleveland Road. The grant has a restriction that the property shall be used as a residential facility for the DD clients 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 number of months used by DD clients.	539
The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in November 2004 where the Authority received a grant for $4,770.89 to be used for renovations to the property located at 2045 Cleveland Road. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 number of months used by DD clients.	1,855
The PHA entered into a contractual agreement with the Ohio Department of Development Disabilities in September 2003, where the Authority received a grant for $76,500 to be used for the purchase of property located at 850 Northview Drive. The grant has a restriction that the property shall be used as a residential facility for DD clients 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 less the prorated amount of number of months used by DD clients.	23,800

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

The PHA entered into a contractual agreement with Ohio Department of Development Disabilities in January 2011, where the Authority received a grant for $104,262 to be used for the purchase of property located at 1688 Barnes Drive. The grant has a restriction that the property shall be used as a residential facility for the DD clients 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 number of months used by DD clients.	83,410
The PHA entered into a contractual agreement with Ohio Department of Mental Health Disabilities in June 2012, where the Authority assumed the remaining forgivable loan balance from the former Home Place Housing Corporation. The original loan was dated April 1989 in the amount of $634,000 at 0% interest. The loan has a restriction that the properties shall be used for approved mental health purposes for a period of 40 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 number of months used.	241,311
Loan Payable to USDA Rural Development to finance the purchase of property located at 208 East South Street. The total amount borrowed for this financing was $740,000 at a fixed rate of 3.25 percent over 50 years. USDA Rural Development subsidizes a portion of the interest for the first 30 years and the Authority pays an effective interest rate of 1 percent.	729,853
Total Outstanding Debt	2,393,091
Less Current Portion	(183,216)
Total Long-Term Debt	$ 2,209,875

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

The following is a summary of changes in long-term debt for the year ended December 31, 2013:

Description	Balance 12/31/12	Additions	Retired	Balance 12/31/13	Current Portion
Loan Payable	$2,523,367	$ 0	$ (130,276)	$ 2,393,091	$ 183,216
Compensated Absences	60,754	112,384	(110,495)	62,643	9,397
Total	$ 2,584,121	$ 112,384	$ (240,771)	$ 2,455,734	$ 192,613

Maturities of the debt over the next five years are as follows:

For the Year Ended December 31,	Principal	Interest	Total Payments
2014	$ 183,216	$ 84,749	$ 267,965
2015	137,035	78,809	215,844
2016	140,228	74,246	214,474
2017	138,443	69,179	207,622
2018	138,759	63,953	202,712
2019-2023	703,572	200,826	904,398
2024-2028	256,650	127,992	384,642
2029-2033	116,408	105,772	222,180
2034-2038	81,879	86,667	168,546
2039-2043	496,901	48,468	545,369
Totals	$ 2,393,091	$ 940,661	$ 3,333,752

NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

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

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

The Authority had the following inter-program receivable or payable balances at December 31, 2013:

Program/Project	Due From	Due To
Public Housing	$ 21,538	$ 0
State/Local	69,569	0
Business Activities	0	(70,600)
Central Office Cost Center	0	(20,507)
Total	$ 91,107	$ (91,107)

These amounts represents funds that are owed from various programs to each other as a result of the movement of money between bank accounts, the timing of the payment of invoices, and other such purposes as permitted.

NOTE 13: **CONTINGENCIES**

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

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

NOTE 14: **IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

For 2013, the Authority has implemented GASB No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34,* and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1981 FASB and AICPA Pronouncements*.

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

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

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF MODERNIZATION COST - COMPLETED
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013

Annual Contributions Contract C-5502

1. The total amount of modernization costs of the Capital Fund Program grant is shown below:

OH12P03650111

Funds Approved	$ 263,080
Funds Expended	263,080
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 263,080
Funds Expended	263,080
Excess (Deficiency) of Funds Advanced	$ 0

2. All modernization work in connection with the Capital Fund Program has been completed.

3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.

4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	411,267				480					411,747		411,747
112 Cash - Restricted - Modernization and Development										-		-
113 Cash - Other Restricted					358,301		8,735	20,899		387,935		387,935
114 Cash - Tenant Security Deposits	36,234						26,890			63,124		63,124
115 Cash - Restricted for Payment of Current Liabilities					4,265					4,265		4,265
100 Total Cash	447,501	-	-	-	363,046	-	35,625	20,899	-	867,071	-	867,071
121 Accounts Receivable - PHA Projects										-		-
122 Accounts Receivable - HUD Other Projects										-		-
124 Accounts Receivable - Other Government								13,376		13,376		13,376
125 Accounts Receivable - Miscellaneous	1,163				4,068			-	25,645	30,876		30,876
126 Accounts Receivable - Tenants	6,318						9,817	350		16,485		16,485
126.1 Allowance for Doubtful Accounts -Tenants	-4,905						-6,413	-300		-11,618		-11,618
126.2 Allowance for Doubtful Accounts - Other										-		-
127 Notes, Loans, & Mortgages Receivable - Current										-		-
128 Fraud Recovery	73,398				136,248	4,340	8,426			222,412		222,412
128.1 Allowance for Doubtful Accounts - Fraud	-57,393				-125,265	-4,340	-5,657			-192,655		-192,655
129 Accrued Interest Receivable										-		-
120 Total Receivables, Net of Allowances for Doubtful Accounts	18,581	-	-	-	15,051	-	6,173	13,426	25,645	78,876	-	78,876
131 Investments - Unrestricted										-		-
132 Investments - Restricted										-		-
135 Investments - Restricted for Payment of Current Liability										-		-
142 Prepaid Expenses and Other Assets	46,237				4,856		15,861	4,305	11,453	82,712		82,712
143 Inventories								1,129	16,350	17,479		17,479
143.1 Allowance for Obsolete Inventories										-		-
144 Inter Program Due From	21,538						69,569			91,107	-91,107	-
145 Assets Held for Sale										-		-
150 Total Current Assets	533,857	-	-	-	382,953	-	127,228	39,759	53,448	1,137,245	-91,107	1,046,138

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET
DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
161 Land	1,394,687						473,730	290,127	137,470	2,296,014		2,296,014
162 Buildings	14,287,086						2,180,860	1,303,352	1,637,412	19,408,710		19,408,710
163 Furniture, Equipment & Machinery - Dwellings	141,310						22,894			164,204		164,204
164 Furniture, Equipment & Machinery - Administration	148,340				27,992			21,886	253,842	452,060		452,060
165 Leasehold Improvements										-		-
166 Accumulated Depreciation	-12,679,992				-27,992		-206,478	-449,537	-868,712	-14,232,711		-14,232,711
167 Construction in Progress	25,962									25,962		25,962
168 Infrastructure										-		-
160 Total Capital Assets, Net of Accumulated Depreciation	3,317,393	-	-	-	-	-	2,471,006	1,165,828	1,160,012	8,114,239	-	8,114,239
171 Notes, Loans and Mortgages Receivable - Non-Current								224,258	193,700	417,958		417,958
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due										-		-
173 Grants Receivable - Non Current										-		-
174 Other Assets										-		-
176 Investments in Joint Ventures										-		-
180 Total Non-Current Assets	3,317,393	-	-	-	-	-	2,471,006	1,390,086	1,353,712	8,532,197	-	8,532,197
190 Total Assets	3,851,250	-	-	-	382,953	-	2,598,234	1,429,845	1,407,160	9,669,442	-91,107	9,578,335
200 Deferred Outflow of Resources										-		-
290 Total Assets and Deferred Outflow of Resources	3,851,250	-	-	-	382,953	-	2,598,234	1,429,845	1,407,160	9,669,442	-91,107	9,578,335

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
311 Bank Overdraft										-		-
312 Accounts Payable <= 90 Days									262	262		262
313 Accounts Payable >90 Days Past Due										-		-
321 Accrued Wage/Payroll Taxes Payable									78,283	78,283		78,283
322 Accrued Compensated Absences - Current Portion									9,397	9,397		9,397
324 Accrued Contingency Liability										-		-
325 Accrued Interest Payable							265	1,189		1,454		1,454
331 Accounts Payable - HUD PHA Programs					4,265					4,265		4,265
332 Account Payable - PHA Projects										-		-
333 Accounts Payable - Other Government	19,211						22,775	33,147		75,133		75,133
341 Tenant Security Deposits	36,234						26,625			62,859		62,859
342 Deferred Revenues	4,928						4,704	551		10,183		10,183
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds							22,207	109,229	51,780	183,216		183,216
344 Current Portion of Long-term Debt - Operating Borrowings										-		-
345 Other Current Liabilities	2,605									2,605		2,605
346 Accrued Liabilities - Other	20,853						16,100	8,073	5,008	50,034		50,034
347 Inter Program - Due To								70,600	20,507	91,107	-91,107	-
348 Loan Liability - Current										-		-
310 Total Current Liabilities	83,831	-	-	-	4,265	-	92,676	222,789	165,237	568,798	-91,107	477,691
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							948,957	542,088	718,830	2,209,875		2,209,875
352 Long-term Debt, Net of Current - Operating Borrowings										-		-
353 Non-current Liabilities - Other					69,301					69,301		69,301
354 Accrued Compensated Absences - Non Current									53,246	53,246		53,246
355 Loan Liability - Non Current										-		-
356 FASB 5 Liabilities										-		-
357 Accrued Pension and OPEB Liabilities										-		-
350 Total Non-Current Liabilities	-	-	-	-	69,301	-	948,957	542,088	772,076	2,332,422	-	2,332,422
300 Total Liabilities	83,831	-	-	-	73,566	-	1,041,633	764,877	937,313	2,901,220	-91,107	2,810,113

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
400 Deferred Inflow of Resources										-		-
508.4 Net Investment in Capital Assets	3,317,393						1,499,842	514,511	389,402	5,721,148		5,721,148
511.4 Restricted Net Position					289,000		8,735	20,899		318,634		318,634
512.4 Unrestricted Net Position	450,026				20,387		48,024	129,558	80,445	728,440		728,440
513 Total Equity - Net Assets / Position	3,767,419	-	-	-	309,387	-	1,556,601	664,968	469,847	6,768,222	-	6,768,222
600 Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	3,851,250	-	-	-	382,953	-	2,598,234	1,429,845	1,407,160	9,669,442	-91,107	9,578,335

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	457,929						198,268	117,483		773,680		773,680
70400 Tenant Revenue - Other	2,655						71,440	3,568		77,663		77,663
70500 Total Tenant Revenue	460,584	-	-	-	-	-	269,708	121,051	-	851,343	-	851,343
70600 HUD PHA Operating Grants	693,076	107,737	9,593	-	4,059,693	41,423				4,911,522		4,911,522
70610 Capital Grants	104,731									104,731		104,731
70710 Management Fee									255,051	255,051	-255,051	-
70720 Asset Management Fee									28,560	28,560	-28,560	-
70730 Book Keeping Fee									90,733	90,733	-90,733	-
70740 Front Line Service Fee									439,400	439,400	-384,827	54,573
70750 Other Fees										-		-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	813,744	813,744	-759,171	54,573
70800 Other Government Grants				113,617			25,850	40,587		180,054		180,054
71100 Investment Income - Unrestricted	817						18	88		923		923
71200 Mortgage Interest Income										-		-
71300 Proceeds from Disposition of Assets Held for Sale										-		-
71310 Cost of Sale of Assets										-		-
71400 Fraud Recovery					7,164	20				7,184		7,184
71500 Other Revenue	12,703				11,048		3,862	160,443	4,176	192,232		192,232
71600 Gain or Loss on Sale of Capital Assets										-		-
72000 Investment Income - Restricted							2	10		12		12
70000 Total Revenue	1,271,911	107,737	9,593	113,617	4,077,905	41,443	299,440	322,179	817,920	7,061,745	-759,171	6,302,574

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
91100 Administrative Salaries	153,123		1,215		181,884	559	32,682	102,289	238,160	709,912		709,912
91200 Auditing Fees	3,454				3,145		4,088	2,332	2,257	15,276		15,276
91300 Management Fee	136,130				110,088			8,833		255,051	-255,051	-
91310 Book-keeping Fee	19,417				70,056			1,260		90,733	-90,733	-
91400 Advertising and Marketing										-		-
91500 Employee Benefit contributions - Administrative	64,758		654		118,086	388	9,738	41,741	193,821	429,186		429,186
91600 Office Expenses	11,931				6,191		3,190	3,420	12,332	37,064		37,064
91700 Legal Expense	1,839				170		346	88		2,443		2,443
91800 Travel	6,104				844		1,255	1,446	133	9,782		9,782
91810 Allocated Overhead										-		-
91900 Other	8,005				5,734	6	1,425	15,850	15,794	46,814		46,814
91000 Total Operating - Administrative	404,761	-	1,869	-	496,198	953	52,724	177,259	462,497	1,596,261	-345,784	1,250,477
92000 Asset Management Fee	26,880							1,680		28,560	-28,560	-
92100 Tenant Services - Salaries										-		-
92200 Relocation Costs										-		-
92300 Employee Benefit Contributions - Tenant Services										-		-
92400 Tenant Services - Other										-		-
92500 Total Tenant Services	-	-	-	-	-	-	-	-	-	-	-	-

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
93100 Water	85,921						31,288	11,838	2,816	131,863		131,863
93200 Electricity	87,948						22,324	30,008	16,252	156,532		156,532
93300 Gas	23,840						11,095	10,789	7,728	53,452		53,452
93400 Fuel										-		-
93500 Labor										-		-
93600 Sewer	1,059							1,085		2,144		2,144
93700 Employee Benefit Contributions - Utilities										-		-
93800 Other Utilities Expense										-		-
93000 Total Utilities	198,768	-	-	-	-	-	64,707	53,720	26,796	343,991	-	343,991
94100 Ordinary Maintenance and Operations - Labor	142,477						53,535	12,612	19,451	228,075		228,075
94200 Ordinary Maintenance and Operations - Materials and Other	81,492						24,494	10,673	31,171	147,830		147,830
94300 Ordinary Maintenance and Operations Contracts	147,227				8,813		73,394	21,589	240,398	491,421	-384,827	106,594
94500 Employee Benefit Contributions - Ordinary Maintenance	17,167						3,150	13,501	62,692	96,510		96,510
94000 Total Maintenance	388,363	-	-	-	8,813	-	154,573	58,375	353,712	963,836	-384,827	579,009
95100 Protective Services - Labor										-		-
95200 Protective Services - Other Contract Costs										-		-
95300 Protective Services - Other										-		-
95500 Employee Benefit Contributions - Protective Services										-		-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-	-	-
96110 Property Insurance	32,928						14,877	3,464	4,975	56,244		56,244
96120 Liability Insurance					507					507		507
96130 Workmen's Compensation	2,096				4,052		412	1,917	7,640	16,117		16,117
96140 All Other Insurance	519									519		519
96100 Total insurance Premiums	35,543	-	-	-	4,559	-	15,289	5,381	12,615	73,387	-	73,387

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
96200 Other General Expenses			7,724					6,287		14,011		14,011
96210 Compensated Absences										-		-
96300 Payments in Lieu of Taxes	24,695						23,787	8,483	347	57,312		57,312
96400 Bad debt - Tenant Rents	12,417						4,622	174		17,213		17,213
96500 Bad debt - Mortgages										-		-
96600 Bad debt - Other										-		-
96800 Severance Expense										-		-
96000 Total Other General Expenses	37,112	-	7,724	-	-	-	28,409	14,944	347	88,536	-	88,536
96710 Interest of Mortgage (or Bonds) Payable							12,683	17,413	43,999	74,095		74,095
96720 Interest on Notes Payable (Short and Long Term)										-		-
96730 Amortization of Bond Issue Costs										-		-
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-	12,683	17,413	43,999	74,095	-	74,095
96900 Total Operating Expenses	1,091,427	-	9,593	-	509,570	953	328,385	328,772	899,966	3,168,666	-759,171	2,409,495
97000 Excess of Operating Revenue over Operating Expenses	180,484	107,737	-	113,617	3,568,335	40,490	-28,945	-6,593	-82,046	3,893,079	-	3,893,079

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance										-		-
97200 Casualty Losses - Non-capitalized										-		-
97300 Housing Assistance Payments					3,768,425	38,443				3,806,868		3,806,868
97350 HAP Portability-In										-		-
97400 Depreciation Expense	438,732						79,119	43,417	61,744	623,012		623,012
97500 Fraud Losses										-		-
97600 Capital Outlays - Governmental Funds										-		-
97700 Debt Principal Payment - Governmental Funds										-		-
97800 Dwelling Units Rent Expense										-		-
90000 Total Expenses	1,530,159	-	9,593	-	4,277,995	39,396	407,504	372,189	961,710	7,598,546	-759,171	6,839,375
10010 Operating Transfer In	31,538						221,354	51,702	90,000	394,594	-394,594	-
10020 Operating transfer Out	-121,538	-107,737		-113,617		-2,047	-49,655			-394,594	394,594	-
10030 Operating Transfers from/to Primary Government										-		-
10040 Operating Transfers from/to Component Unit										-		-
10050 Proceeds from Notes, Loans and Bonds										-		-
10060 Proceeds from Property Sales										-		-
10070 Extraordinary Items, Net Gain/Loss										-		-
10080 Special Items (Net Gain/Loss)										-		-
10091 Inter Project Excess Cash Transfer In										-		-
10092 Inter Project Excess Cash Transfer Out										-		-
10093 Transfers between Program and Project - In										-		-
10094 Transfers between Project and Program - Out										-		-
10100 Total Other financing Sources (Uses)	-90,000	-107,737	-	-113,617	-	-2,047	171,699	51,702	90,000	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-348,248	-	-	-	-200,090	-	63,635	1,692	-53,790	-536,801	-	-536,801

WAYNE METROPOLITAN HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Project Total	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.228 Community Development Block Grants/State's Program	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	State/Local	Business Activities	COCC	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments							6,154	14,010		20,164		20,164
11030 Beginning Equity	4,115,667				509,477		2,156,242		523,637	7,305,023		7,305,023
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							-663,276	663,276		-		-
11050 Changes in Compensated Absence Balance										-		-
11060 Changes in Contingent Liability Balance										-		-
11070 Changes in Unrecognized Pension Transition Liability										-		-
11080 Changes in Special Term/Severance Benefits Liability										-		-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents										-		-
11100 Changes in Allowance for Doubtful Accounts - Other										-		-
11170 Administrative Fee Equity					20,387					20,387		20,387
11180 Housing Assistance Payments Equity					289,000					289,000		289,000
11190 Unit Months Available										-		-
11210 Number of Unit Months Leased										-		-
11270 Excess Cash	316,846									316,846		316,846
11610 Land Purchases										-		-
11620 Building Purchases	49,695									49,695		49,695
11630 Furniture & Equipment - Dwelling Purchases										-		-
11640 Furniture & Equipment - Administrative Purchases										-		-
11650 Leasehold Improvements Purchases										-		-
11660 Infrastructure Purchases	9,035									9,035		9,035
13510 CFFP Debt Service Payments	90,000									90,000		90,000
13901 Replacement Housing Factor Funds										-		-

WAYNE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures	Loan Balance
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low Rent Public Housing Program	14.850	$ 569,438	$ 0
Capital Fund Program	14.872	228,369	0
Project Based Rental Assistance Program	14.195	107,737	0
Section 8 Housing Choice Voucher Program	14.871	4,059,693	0
Shelter Plus Care	14.238	41,423	0
Total Direct Awards		5,006,660	0
Passed through Awards:			
Ohio Department of Development Passed through from Medina County, Ohio			
Community Development Block Grants			
Non-Entitlement Grants - Neighborhood Stabilization Program	14.228	9,593	0
Total Passed through Awards		9,593	0
Total U.S. Department of Housing and Urban Development		5,016,253	0
U.S. Department of Agriculture			
Direct Programs:			
Rural Rental Assistance Payments	10.427	113,617	0
Rural Rental Housing Loan	10.415	0	729,853
Total U.S. Department of Agriculture		113,617	729,853
Total Federal Expenditures		$ 5,129,870	$ 729,853

This schedule is prepared on the accrual basis of accounting.

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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 Directors
Wayne Metropolitan Housing Authority
Wooster, Ohio

Regional Inspector General for Audit
Department of Housing and Urban Development

We 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 Wayne Metropolitan Housing Authority, Ohio (the Authority) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 6, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exits when the design or operation of 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 Authority'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identity any deficiencies in internal control that we 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 the Wayne Metropolitan Housing Authority, Ohio's financial statements are free from material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka, CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
Date: 2014.06.20 14:22:20 -04'00'

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 6, 2014

JAMES G. ZUPKA, C.P.A., INC.
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5240 East 98th Street
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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Directors
Wayne Metropolitan Housing Authority
Wooster, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Wayne Metropolitan Housing Authority, Ohio'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 the Wayne Metropolitan Housing Authority, Ohio's major federal programs for the year ended December 31, 2013. Wayne Metropolitan Housing 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

Our responsibility is to express an opinion on compliance for each of the Wayne Metropolitan Housing Authority, Ohio's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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 we 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 we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Wayne Metropolitan Housing Authority, Ohio 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 December 31, 2013.

Report on Internal Control Over Compliance

Management of the 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 our audit of compliance, we considered Wayne Metropolitan Housing Authority, Ohio'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, we 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.

Our 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope or our 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.

James G. Zupka, CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James G. Zupka, CPA, Inc., ou=Accounting, email=jgzcpa@sbcglobal.net, c=US
Date: 2014.06.20 14:22:47 -04'00'

James G. Zupka CPA, Inc.
Certified Public Accountants

June 6, 2014

WAYNE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2013

1. SUMMARY OF AUDITOR'S RESULTS

2013(i)	Type of Financial Statement Opinion	Unmodified
2013(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2013(ii)	Were there any significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2013(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2013(iv)	Were there any material internal control weakness reported for major Federal programs?	No
2013(iv)	Were there any significant deficiencies in internal control reported for major Federal programs?	No
2013(v)	Type of Major Programs' Compliance Opinion	Unmodified
2013(vi)	Are there any reportable findings under .510(a)?	No
2013(vii)	Major Programs (list): Housing Choice Voucher - CFDA #14.871 Low Rent Public Housing - CFDA #14.850	
2013(viii)	Dollar Threshold: Type A\B Programs	Type A: >$300,000 Type B: all others
2013(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

WAYNE METROPOLITAN HOUSING AUTHORITY
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

There were no prior year findings or management comments.

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Dave Yost • Auditor of State

WAYNE METROPOLITAN HOUSING AUTHORITY

WAYNE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 22, 2014