

Harrison Metropolitan Housing Authority

Financial Statements

For the Year Ended March 31, 2010





Mary Taylor, CPA  
Auditor of State

Board of Directors  
Harrison Metropolitan Housing Authority  
82450 Cadiz-Jewett Road  
P. O. Box 146  
Cadiz, Ohio 43907

We have reviewed the *Independent Auditors' Report* of the Harrison Metropolitan Housing Authority, Harrison County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period April 1, 2009 through March 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 10, 2010

HARRISON METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2010

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## Independent Auditors' Report

Board of Directors  
Harrison Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Harrison Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2010, which collectively comprise the Authority basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Harrison Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Harrison Metropolitan Housing Authority, Ohio, as of March 31, 2010, and the respective change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated August 11, 2010, on my consideration of Harrison Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of my audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United State of America. I have applied certain limited procedures, which consisted principally of inquiry of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion thereon.

My Audit was performed for the purpose of forming and opinion on the financial statements that collectively comprise the Harrison Metropolitan Housing Authority basic financial statements. The accompanying 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 Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS") is presented for purposes additional analysis as required by the Department of Housing and Urban Development and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.

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Salvatore Consiglio, CPA, Inc.

August 11, 2010

HARRISON METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2010

Unaudited

The Harrison Metropolitan Housing Authority (“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 current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statement.

**FINANCIAL HIGHLIGHTS**

- Net assets were \$2,433,105 and \$2,499,880 for the fiscal year ending March 31, 2010 and 2009, respectively. The Authority’s net assets decreased by \$66,775 or 2.67% during 2010. This decrease is reflective of the year’s activity.
- Revenues increased by \$109,120 during 2010, and were \$1,614,738 and \$1,505,618 for 2010 and 2009, respectively.
- The total expenses of all Authority programs decreased by \$211,424. Total Expenses were \$1,681,513 and \$1,892,937 for 2010 and 2009, respectively.

**Authority Financial Statements**

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

These Statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The Statement is presented in the format where assets, minus liabilities, equal “Net Assets”, 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 Assets (the “Unrestricted Net Assets”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:



HARRISON METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Net Assets, Invested in Capital Assets, net of Related Debt: This component of Net Assets 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 Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

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

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

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Assets is the "Change in Net Assets", 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.

HARRISON METROPOLITAN HOUSING AUTHORITY  
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**The Authority's Programs**

**Conventional Public Housing (PH)** – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

**Capital Fund Program (CFP)** – This is the current primary funding source for the Authority's physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on size and age of your units.

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

**State and Local Program** – The State and Local Program represents the Authority's endeavors to expand operations through Enterprise Housing. Enterprise Housing consists of a duplex home owned and rented by the Authority.

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

HARRISON METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2010

Unaudited

**AUTHORITY STATEMENTS**

**Statement of Net Assets**

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

**TABLE 1**

**STATEMENT OF NET ASSETS**

	<b><u>2010</u></b>	<b><u>2009</u></b>
Current Assets	\$ 501,645	\$ 641,170
Capital Assets	1,917,117	2,023,032
Noncurrent Assets	936,000	936,000
<b>Total Assets</b>	<b>\$ 3,354,762</b>	<b>\$ 3,600,202</b>
Current Liabilities	\$ 176,942	\$ 343,385
Long-Term Liabilities	744,715	756,937
<b>Total Liabilities</b>	<b>921,657</b>	<b>1,100,322</b>
<b>Net Assets:</b>		
Investment in Capital Assets, net of Related Debt	1,173,840	1,265,964
Restricted Net Assets	82,919	87,610
Unrestricted Net Assets	1,176,346	1,146,306
<b>Total Net Assets</b>	<b>2,433,105</b>	<b>2,499,880</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,354,762</b>	<b>\$ 3,600,202</b>

HARRISON METROPOLITAN HOUSING AUTHORITY  
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**Major Factors Affecting the Statement of Net Assets**

During the fiscal year 2010, current assets decreased by \$139,525, and current liabilities decreased by \$166,443. The change in these accounts was mainly due to the result of operations and deferred revenue liability being recognized.

Capital assets also changed, decreasing from \$2,023,032 to \$1,917,117. The \$105,915 decrease may be contributed primarily to a combination of total acquisitions of \$60,810, less current year depreciation of \$166,726.

Non-current assets remained the same due to no recent current year activities in the property of Bingham Terrace Limited Partnership.

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

**TABLE 2**  
**CHANGE OF NET ASSETS**

	<b>Investment in Capital Assets</b>	<b>Restricted Net Assets</b>	<b>Unrestricted Net Assets</b>
Beginning Balance - March 31, 2009	\$1,265,964	\$87,610	\$1,146,306
Results of Operation	0	(4,691)	(62,084)
Current year Depreciation Expense (1)	(166,726)	0	166,726
Capital Expenditure (2)	60,810	0	(60,810)
Current year Debt Activities, Net	13,791	0	(13,791)
Rounding Adjustment	1	0	(1)
Ending Balance - March 31, 2010	<u>\$1,173,840</u>	<u>\$82,919</u>	<u>\$1,176,346</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Net Assets 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.

HARRISON METROPOLITAN HOUSING AUTHORITY  
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**TABLE 3**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	<u><b>2010</b></u>	<u><b>2009</b></u>
<b><u>Revenues</u></b>		
Total Tenant Revenues	\$ 232,191	\$ 217,086
Operating Subsidies	1,105,330	1,102,604
Capital Grants	50,790	34,717
Investment Income	6,936	11,089
Other Revenues	<u>219,491</u>	<u>140,122</u>
<b>Total Revenues</b>	<b><u>1,614,738</u></b>	<b><u>1,505,618</u></b>
<b><u>Expenses</u></b>		
Administrative	354,035	399,664
Utilities	71,339	63,708
Maintenance	191,938	190,255
General and Interest Expenses	75,925	80,829
Housing Assistance Payments	821,196	858,939
Depreciation	166,726	162,052
Extraordinary Expenses	0	137,490
Casualty Loss	<u>354</u>	<u>0</u>
<b>Total Expenses</b>	<b><u>1,681,513</u></b>	<b><u>1,892,937</u></b>
<b>Net Increases (Decreases)</b>	<b>\$ <u><u>(66,775)</u></u></b>	<b>\$ <u><u>(387,319)</u></u></b>

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

Tenant revenue increased \$15,105 during 2010 in comparison to 2009. This increase was mainly due to working families living at the units and paying rent. Operating subsidy increased by \$2,726 while capital grants funds increased by \$16,073. The increase in capital funds is due to the PHA having capital improvement activities during the fiscal year.

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**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE,  
EXPENSES AND CHANGES IN NET ASSETS (continued)**

Total expenses decreased by \$211,424 in comparison with prior year. The decrease was mainly due to decrease in administration, maintenance expenses and extraordinary expenses. The decrease in administration expenses was mainly due to a decrease in office expenses by admin staff. The decrease in extraordinary expense was due to not having an adjustment to write-off accrued interest receivable as part of the sale of Bingham Terrace in the current fiscal year.

**CAPITAL ASSETS**

**Capital Assets**

As of year-end, the Authority had \$1,917,117 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$105,915 or 5.24% from the end of last year.

**TABLE 4**

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

	<u>2010</u>	<u>2009</u>
Land and Land Rights	\$ 140,679	\$ 140,679
Buildings	4,749,487	4,702,777
Equipment	245,490	236,679
Accumulated Depreciation	(3,223,828)	(3,057,103)
Construction in Progress	<u>5,289</u>	<u>-</u>
 Total	 <u>\$ 1,917,117</u>	 <u>\$ 2,023,032</u>

The following reconciliation shown in Table 5 identifies the change in Capital Assets.

HARRISON METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2010

Unaudited

**TABLE 5**

**CHANGE IN CAPITAL ASSETS**

Beginning Balance - March 31, 2009	\$	2,023,032
Current year Additions		60,810
Current year Depreciation Expense		(166,726)
Rounding		1
Ending Balance - March 31, 2010	\$	1,917,117
Current year Additions are summarized as follows:		
- Repave parking lot at Gable Estates	\$	10,020
- Electronic check writer & shredder		698
- Copier		7,099
- Drapes		1,014
- Carpet		4,650
- Community Room Doors		3,680
- Roof replacement (SC)		12,060
- Doors (PC)		15,100
- Agency Signs		1,200
- Construction in Progress (deck & sidewalk repair)		5,289
Total 2010 Additions	\$	60,810

**Debt Outstanding**

As of year-end, the Authority has \$743,277 in debt (mortgages) outstanding compared to \$757,068 last year.

**TABLE 6**

**CONDENSED STATEMENT OF CHANGES IN DEBT OUTSTANDING**

Beginning Balance - March 31, 2009	\$	757,068
Current Year Principal Payments		(13,791)
Ending Balance - March 31, 2010	\$	743,277

HARRISON METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2010

Unaudited

**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding of 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

**IN CONCLUSION**

Harrison Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the sound financial condition of the Authority.

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Danielle Manbeck, Finance Officer of the Harrison Metropolitan Housing Authority. Specific requests may be submitted to Danielle Manbeck, Finance Officer, Harrison Metropolitan Housing Authority, and P.O. Box 146 Cadiz, OH 43907



**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**March 31, 2010**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$346,870
Restricted cash and cash equivalents	105,869
Receivables, net	10,084
Prepaid expenses and other assets	38,822
<b>Total current assets</b>	<b><u>501,645</u></b>

**Noncurrent assets**

Capital assets:	
Land	140,679
Building and equipment	4,994,977
Construction in Progress	5,289
Less accumulated depreciation	<u>(3,223,828)</u>
Capital assets, net	1,917,117
Other noncurrent assets	<u>936,000</u>
<b>Total noncurrent assets</b>	<b><u>2,853,117</u></b>
<b>Total assets</b>	<b><u><u>\$3,354,762</u></u></b>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$8,403
Accrued liabilities	72,722
Intergovernmental payables	37,378
Tenant security deposits	22,950
Deferred revenue	4,609
Bonds, notes, and loans payable - current	14,301
Other current liabilities	<u>16,579</u>
<b>Total current liabilities</b>	<b><u>176,942</u></b>

**Noncurrent liabilities**

Bonds, notes, and loans payable	728,976
Accrued compensated absences non-current	<u>15,739</u>
<b>Total noncurrent liabilities</b>	<b><u>744,715</u></b>
<b>Total liabilities</b>	<b><u><u>\$921,657</u></u></b>

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

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**March 31, 2010**

*NET ASSETS*

Invested in capital assets, net of related debt	\$1,173,840
Restricted net assets	82,919
Unrestricted net assets	1,176,346
<b>Total net assets</b>	<b><u><u>\$2,433,105</u></u></b>

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

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended March 31, 2010**

***OPERATING REVENUES***

Tenant Revenue	\$232,191
Government operating grants	1,105,330
Other revenue	219,491
<b>Total operating revenues</b>	<b><u>1,557,012</u></b>

***OPERATING EXPENSES***

Administrative	354,035
Utilities	71,339
Maintenance	191,938
General	61,120
Housing assistance payment	821,196
Depreciation	166,726
<b>Total operating expenses</b>	<b><u>1,666,354</u></b>
<b>Operating income (loss)</b>	<b><u>(109,342)</u></b>

***NONOPERATING REVENUES (EXPENSES)***

Interest and investment revenue	6,936
Capital grant revenue	50,790
Interest expense	(14,805)
Casualty Loss	(354)
<b>Total nonoperating revenues (expenses)</b>	<b><u>42,567</u></b>
Change in net assets	(66,775)
Total net assets - beginning	2,499,880
<b>Total net assets - ending</b>	<b><u><u>\$2,433,105</u></u></b>

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

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating grants received	\$1,109,939
Tenant revenue received	229,003
Other revenue received	219,491
General and administrative expenses paid	(851,716)
Housing assistance payments	(821,196)

Net cash provided (used) by operating activities	(114,479)
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earned received	6,936
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Net cash provided (used) by investing activities	6,936
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**CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES**

Capital grant received	50,790
Property and equipment purchased	(60,810)
Interest Payment	(14,805)
Principal Payment	(13,791)

Net cash provided (used) by financing activities	(38,616)
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Net increase (decrease) in cash	(146,159)
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Cash and cash equivalents - Beginning of year	598,898
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Cash and cash equivalents - End of year	\$452,739
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The accompanying notes to the financial statements are an integral part of these statements.

**HARRISON METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended March 31, 2010**

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

Net Operating Income (Loss)	(\$109,342)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	166,726
- (Increases) Decreases in Accounts Receivable	(3,188)
- (Increases) Decreases in Prepaid Assets	(3,446)
- Increases (Decreases) in Accounts Payable	1,219
- Increases (Decreases) in Intergovernmental Payables	10,516
- Increases (Decreases) in Accrued Expenses Payable	12,817
- Increases (Decreases) in Compensated Absence Payable	10,810
- Increases (Decreases) in Deferred Revenue	(203,526)
- Increases (Decreases) in Tenant Security Deposits	3,410
- Increases (Decreases) in Other Payables	<u>(475)</u>
Net cash provided by operating activities	<u><u>(\$114,479)</u></u>

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

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010

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

**Summary of Significant Accounting Policies**

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

**Reporting Entity**

The Harrison Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

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

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

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

**Basis of Presentation**

The Authority's basic financial statements consist of a statement of net assets, a statement of revenue, expenses and changes net assets, and a statement of cash flows.

**Fund Accounting**

The Authority uses the proprietary fund to report on its financial position and the results of its. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

**Proprietary Fund Types**

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

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

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

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

**Measurement Focus/Basis of Accounting**

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Description of programs**

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

A. **Public Housing Program**

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

B. **Capital Fund Program**

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

C. **Housing Choice Voucher Program**

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

D. **State / Local**

The State and Local Program represents the Authority's endeavors to expand operations through Enterprise Housing. Enterprise Housing consists of a duplex home owned and rented by the Authority. It also includes an activity for management of a multi-family project, Bingham Terrace.



HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

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

**E. USDA Rural Development**

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

**Investments**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending March 31, 2010 totaled \$6,936.

**Capital Assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$250 or more per unit. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	40 year
Buildings Improvements	15 years
Furniture, equipment and machinery	5-7 years

**Net Assets**

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

**Operating Revenues and Expenses**

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

**Capital Contributions**

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

HARRISON METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2010  
 (CONTINUED)

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

**Cash and Cash Equivalents**

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

**Compensated Absences**

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the statement of net assets 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 absence accrual amount.

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

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

	<b>Current Accrued Compensated Absence</b>	<b>Long-Term Accrued Compensated Absence</b>	<b>Total Accrued Compensated Absence</b>
Public Housing	\$17,222	\$5,605	\$22,827
Section 8	15,083	4,909	19,992
State/Local	16,054	5,225	21,279
<b>Total</b>	<b>\$48,359</b>	<b>\$15,739</b>	<b>\$64,098</b>

HARRISON METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2010  
 (CONTINUED)

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

The following is a summary of the change in compensated absence liability:

	<b>Balance</b> <b><u>3/31/09</u></b>	<b><u>Increase</u></b>	<b><u>Decrease</u></b>	<b>Balance</b> <b><u>3/31/10</u></b>	<b>Due Within</b> <b><u>One Year</u></b>
Compensated Absence Liability	\$53,288	\$30,085	(\$19,275)	\$64,098	\$48,359

**Budgetary Accounting**

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

**Estimates**

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

**NOTE 2: DEPOSITS AND INVESTMENTS**

**Deposits**

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

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two period of designation of depositories. Inactive deposits must either be evidenced by certificate of deposits maturing not later than the end of the current period of designation of the depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

HARRISON METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2010  
 (CONTINUED)

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

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

Protection of the Authority deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by Authority or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year end March 31, 2010, the carrying amount of the Authority's deposits totaled \$452,739 and its bank balance was \$463,504. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of March 31, 2010, \$213,504 was exposed to custodial risk as discussed below, while \$250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits.

**NOTE 3: RESTRICTED CASH**

Restricted cash balance as of March 31, 2010 of \$105,869 represents cash on hand for the following:

- Cash held for Replacement Reserve	\$72,585
- Tenant security deposit	22,950
- Cash held for housing assistance payments	10,334
Total Restricted Cash	\$105,869

**NOTE 4: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending March 31, 2010 the Authority maintains comprehensive insurance coverage with private carriers for health, real property,

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

**NOTE 4: RISK MANAGEMENT (continued)**

building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

**NOTE 5: CAPITAL ASSETS**

The following is a summary of changes:

	<b>Balance 03/31/09</b>	<b>Adjust</b>	<b>Additions</b>	<b>Deletion</b>	<b>Balance 03/31/10</b>
<b>Capital Assets Not Depreciated:</b>					
Land	\$140,679	\$0	\$0	\$0	\$140,679
Construction in Progress	0		5,289	0	5,289
<b>Total Capital Assets Not Being Depreciated</b>	<b>140,679</b>	<b>0</b>	<b>5,289</b>	<b>0</b>	<b>145,968</b>
<b>Capital Assets Being Depreciated:</b>					
Buildings	4,702,777	0	46,710	0	4,749,487
Furnt, Mach. & Equip. – Dwelling	54,564	0	1,014	0	55,578
Furnt, Mach. & Equip. – Admin	182,115	0	7,797	0	189,912
<b>Total Capital Assets Being Depreciated</b>	<b>4,939,456</b>	<b>0</b>	<b>55,521</b>	<b>0</b>	<b>4,994,977</b>
<b>Accumulated Depreciation:</b>					
Buildings	(2,869,845)	0	(152,328)	0	(3,022,173)
Furnt, Mach. & Equip. – Dwelling	(86,460)	0	(513)	0	(86,973)
Furnt, Mach. & Equip. – Admin	(100,798)	1	(13,885)	0	(114,682)
<b>Total Accumulated Depreciation</b>	<b>(3,057,103)</b>	<b>1</b>	<b>(166,726)</b>	<b>0</b>	<b>(3,223,828)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,882,353</b>	<b>1</b>	<b>(11,205)</b>	<b>0</b>	<b>1,771,149</b>
<b>Total Capital Assets, Net</b>	<b>\$2,023,032</b>	<b>\$1</b>	<b>(\$105,916)</b>	<b>\$0</b>	<b>\$1,917,117</b>

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

**NOTE 6: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

All full-time employees of Authority participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provide basic retirement, disability and survivor benefits, based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issue a publicly available financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-PERS.

Ohio Public Employees Retirement System 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 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 member and (vested) employer contributions plus any investment earnings;
- The Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The 2009 employer pension contribution rate for Authority was 14 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. Contributions to PERS for the years ended March 31, 2010, 2009, and 2008 amounted to \$36,605, \$34,517, and \$32,991, respectively. The full amount has been contributed for all three years.

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (OPERS) provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients and primary survivor recipients is available with both the traditional and the combined plan; however, health care benefits are not statutorily guaranteed. Members of the member-direct plan do not qualify for ancillary benefits, including post-employment health care coverage. The health care coverage provided by the OPERS is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contribution. The portion of the 2009 employer contribution rate (identified above) that was used to fund health care for the year ended December 31, 2009 was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1, 2009 through March 31, 2010, which amounted to \$14,381. The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2008. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets, not to exceed a 12 percent corridor. The investment assumption rate for 2008 was 6.5 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at a project wage inflation rate plus an additional factor ranging from .5% to 3% for the next 6 years. In subsequent years (7 and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 357,584. The actuarial value of the OPERS' net assets available for OPEB at December 31, 2008 was \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.6 billion and \$18.9 billion, respectively.

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM (Continued)**

OPERS Retirement Board Implemented its Health Care Preservation Plan (HCPP). HCPP was adopted on September 9, 2004, and is effective on January 1, 2007. In addition, OPERS created a separate investment pool for health care assets. Members and employers contribution rates increases in January 1, 2006, 2007, and in 2008, which allow additional funds to be allocated to the health care plan.

**NOTE 8: LONG TERM DEBT**

Harrison Metropolitan Housing Authority has the following Mortgages outstanding as of March 31, 2010:

**Dunfee Court**

A first and second mortgage with the United State Department of Agriculture, Rural Housing Service for a 12 unit project.

- Original loan amount \$373,300 dated January 30, 1985. Term of the loan is 50 years with interest rate of 10.75%. The interest rate was discounted to 1%. Balance outstanding as of March 31, 2010 is \$193,235.
- Second loan amount \$23,580 dated April 25, 1985. Term of the loan is 50 years with an interest rate of 11.875%. The interest rate is discounted to 1%. Balance outstanding as of March 31, 2010 of \$12,901.

**Gable Estate**

United State Department of Agriculture, Rural Housing Service loan for a 16 unit project. The amount of the loan was \$541,516 dated April 21, 1993. The term of the loan is 50 years with interest rate of 7.75%, discounted to 1%. The outstanding balance as of March 31, 2010 is \$510,752.

**Muskingum Street Duplex**

Sky Bank loan to finance the mortgage of the real property located in South Muskingum Ave. The amount of the new loan is \$42,930 with a 15 year term. The first 60 months bears an interest rate of 6.25%. Thereafter, the interest rate will change from time to time based on changes of the United States Treasury Securities adjusted to a constant maturity of five years as made available by the Federal Reserve Bank. Balance outstanding on March 31, 2010 is \$26,388.

The following is a summary of change in long-term debt for the year ended March 31, 2010:



HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

**NOTE 8: LONG TERM DEBT (continued)**

Description	Balance 3/31/09	Issued	Retired	Balance 3/31/10	Due with Year
1 <sup>st</sup> Mortgage Dunfee Court	\$200,706	\$ 0	\$7,470	\$193,236	\$7,554
2 <sup>nd</sup> Mortgage Dunfee Court	13,365	0	464	12,901	469
Gable Estate	513,896	0	3,144	510,752	3,408
Muskingum Duplex	29,101	0	2,713	26,388	2,870
TOTAL	<u>\$757,068</u>	<u>\$ 0</u>	<u>\$13,791</u>	<u>\$743,277</u>	<u>\$14,301</u>

Debt maturities for the next five years are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
March 31, 2011	\$14,301	\$43,271
2012	14,850	42,722
2013	15,431	42,141
2014	16,050	41,522
2015	16,710	40,862
2016-2020	82,844	193,671
2021-2025	89,104	176,481
2026-2030	112,115	153,470
2031-2035	121,426	120,970
2036-2040	138,018	76,324
2041-2045	122,428	16,381
Total	<u>\$743,277</u>	<u>\$947,815</u>

**NOTE 9: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD**

The accompanying schedule of expenditure of federal award is a summary of the activity of the Authority's federal programs. This schedule has been prepared on the accrual basis of accounting.

**NOTE 10: NOTE AND INTEREST RECEIVABLE**

The Note and Interest receivable amount of \$936,000 on the financial statements represent security interest in the partnership property of Bingham Terrace Limited Partnership. Interest is accrued semiannually at 7.15%. The principal and accrued interest matured on April 1, 2007. In June of 2008, the property was sold to a new owner. As part of the sale, Harrison MHA had to forgive part of the interest accrued in fiscal year ending 2009.

HARRISON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)

**NOTE 11: CONTINGENCIES**

**A. Grants**

The Authority received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at March 31, 2010.

**B. Litigation**

There are currently no matters in litigation with the Authority as defendant.

Harrison Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Rural Rental Housing Loans	Housing Choice Vouchers	State/Local	Formula Capital Fund Stimulus Grant	HOME Investment Partnerships Program	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$ 275,880	\$ 6,101	\$ 48,364	\$ 16,525	\$ -	\$ -	\$ 346,870	\$ -	\$ 346,870
113 Cash - Other Restricted	\$ -	\$ 72,585	\$ 10,334	\$ -	\$ -	\$ -	\$ 82,919	\$ -	\$ 82,919
114 Cash - Tenant Security Deposits	\$ 12,278	\$ 9,247	\$ -	\$ 1,425	\$ -	\$ -	\$ 22,950	\$ -	\$ 22,950
100 Total Cash	\$ 288,158	\$ 87,933	\$ 58,698	\$ 17,950	\$ -	\$ -	\$ 452,739	\$ -	\$ 452,739
126 Accounts Receivable - Tenants	\$ 7,892	\$ 2,192	\$ -	\$ -	\$ -	\$ -	\$ 10,084	\$ -	\$ 10,084
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 7,892	\$ 2,192	\$ -	\$ -	\$ -	\$ -	\$ 10,084	\$ -	\$ 10,084
142 Prepaid Expenses and Other Assets	\$ 30,598	\$ 6,051	\$ -	\$ 2,173	\$ -	\$ -	\$ 38,822	\$ -	\$ 38,822
144 Inter Program Due From	\$ 48,466	\$ 1,105	\$ -	\$ 14,378	\$ 4,609	\$ -	\$ 68,558	\$ (68,558)	\$ -
150 Total Current Assets	\$ 375,114	\$ 97,281	\$ 58,698	\$ 34,501	\$ 4,609	\$ -	\$ 570,203	\$ (68,558)	\$ 501,645
161 Land	\$ 75,202	\$ 61,977	\$ -	\$ 3,500	\$ -	\$ -	\$ 140,679	\$ -	\$ 140,679
162 Buildings	\$ 3,625,351	\$ 1,062,743	\$ -	\$ 61,393	\$ -	\$ -	\$ 4,749,487	\$ -	\$ 4,749,487
163 Furniture, Equipment & Machinery - Dwellings	\$ 51,305	\$ 4,273	\$ -	\$ -	\$ -	\$ -	\$ 55,578	\$ -	\$ 55,578
164 Furniture, Equipment & Machinery - Administration	\$ 167,780	\$ 8,403	\$ -	\$ 13,729	\$ -	\$ -	\$ 189,912	\$ -	\$ 189,912
166 Accumulated Depreciation	\$(2,664,047)	\$ (531,364)	\$ -	\$ (28,417)	\$ -	\$ -	\$(3,223,828)	\$ -	\$(3,223,828)
167 Construction in Progress	\$ 5,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,289	\$ -	\$ 5,289
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 1,260,880	\$ 606,032	\$ -	\$ 50,205	\$ -	\$ -	\$ 1,917,117	\$ -	\$ 1,917,117
171 Notes, Loans and Mortgages Receivable - Non-Current	\$ -	\$ -	\$ -	\$ 936,000	\$ -	\$ -	\$ 936,000	\$ -	\$ 936,000
180 Total Non-Current Assets	\$ 1,260,880	\$ 606,032	\$ -	\$ 986,205	\$ -	\$ -	\$ 2,853,117	\$ -	\$ 2,853,117
190 Total Assets	\$ 1,635,994	\$ 703,313	\$ 58,698	\$ 1,020,706	\$ 4,609	\$ -	\$ 3,423,320	\$ (68,558)	\$ 3,354,762

Harrison Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Rural Rental Housing Loans	Housing Choice Vouchers	State/Local	Formula Capital Fund Stimulus Grant	HOME Investment Partnerships Program	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$ 4,360	\$ 1,779	\$ -	\$ 2,264	\$ -	\$ -	\$ 8,403	\$ -	\$ 8,403
321 Accrued Wage/Payroll Taxes Payable	\$ -	\$ -	\$ -	\$ 24,363	\$ -	\$ -	\$ 24,363	\$ -	\$ 24,363
322 Accrued Compensated Absences - Current Portion	\$ 17,222	\$ -	\$ 15,083	\$ 16,054	\$ -	\$ -	\$ 48,359	\$ -	\$ 48,359
333 Accounts Payable - Other Government	\$ 37,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,378	\$ -	\$ 37,378
341 Tenant Security Deposits	\$ 12,278	\$ 9,247	\$ -	\$ 1,425	\$ -	\$ -	\$ 22,950	\$ -	\$ 22,950
342 Deferred Revenues	\$ -	\$ -	\$ -	\$ -	\$ 4,609	\$ -	\$ 4,609	\$ -	\$ 4,609
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$ -	\$ 11,431	\$ -	\$ 2,870	\$ -	\$ -	\$ 14,301	\$ -	\$ 14,301
345 Other Current Liabilities	\$ 14	\$ 637	\$ -	\$ 15,928	\$ -	\$ -	\$ 16,579	\$ -	\$ 16,579
347 Inter Program - Due To	\$ 4,609	\$ 11,778	\$ 13,861	\$ 38,310	\$ -	\$ -	\$ 68,558	\$ (68,558)	\$ -
310 Total Current Liabilities	\$ 75,861	\$ 34,872	\$ 28,944	\$ 101,214	\$ 4,609	\$ -	\$ 245,500	\$ (68,558)	\$ 176,942
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ -	\$ 705,191	\$ -	\$ 23,785	\$ -	\$ -	\$ 728,976	\$ -	\$ 728,976
354 Accrued Compensated Absences - Non Current	\$ 5,605	\$ -	\$ 4,909	\$ 5,225	\$ -	\$ -	\$ 15,739	\$ -	\$ 15,739
350 Total Non-Current Liabilities	\$ 5,605	\$ 705,191	\$ 4,909	\$ 29,010	\$ -	\$ -	\$ 744,715	\$ -	\$ 744,715
300 Total Liabilities	\$ 81,466	\$ 740,063	\$ 33,853	\$ 130,224	\$ 4,609	\$ -	\$ 990,215	\$ (68,558)	\$ 921,657
508.1 Invested In Capital Assets, Net of Related Debt	\$ 1,260,880	\$ (110,590)	\$ -	\$ 23,550	\$ -	\$ -	\$ 1,173,840	\$ -	\$ 1,173,840
511.1 Restricted Net Assets	\$ -	\$ 72,585	\$ 10,334	\$ -	\$ -	\$ -	\$ 82,919	\$ -	\$ 82,919
512.1 Unrestricted Net Assets	\$ 293,648	\$ 1,255	\$ 14,511	\$ 866,932	\$ -	\$ -	\$ 1,176,346	\$ -	\$ 1,176,346
513 Total Equity/Net Assets	\$ 1,554,528	\$ (36,750)	\$ 24,845	\$ 890,482	\$ -	\$ -	\$ 2,433,105	\$ -	\$ 2,433,105
600 Total Liabilities and Equity/Net Assets	\$ 1,635,994	\$ 703,313	\$ 58,698	\$ 1,020,706	\$ 4,609	\$ -	\$ 3,423,320	\$ (68,558)	\$ 3,354,762
70300 Net Tenant Rental Revenue	\$ 147,404	\$ 65,055	\$ -	\$ 8,342	\$ -	\$ -	\$ 220,801	\$ -	\$ 220,801
70400 Tenant Revenue - Other	\$ 5,565	\$ 5,825	\$ -	\$ -	\$ -	\$ -	\$ 11,390	\$ -	\$ 11,390
70500 Total Tenant Revenue	\$ 152,969	\$ 70,880	\$ -	\$ 8,342	\$ -	\$ -	\$ 232,191	\$ -	\$ 232,191

Harrison Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Rural Rental Housing Loans	Housing Choice Vouchers	State/Local	Formula Capital Fund Stimulus Grant	HOME Investment Partnerships Program	Subtotal	ELIM	Total
70600 HUD PHA Operating Grants	\$ 122,883	\$ -	\$ 946,888	\$ -	\$ -	\$ -	\$ 1,069,771	\$ -	\$ 1,069,771
70610 Capital Grants	\$ 6,864	\$ -	\$ -	\$ -	\$ 43,926	\$ -	\$ 50,790	\$ -	\$ 50,790
70800 Other Government Grants	\$ -	\$ 35,559	\$ -	\$ -	\$ -	\$ -	\$ 35,559	\$ -	\$ 35,559
71100 Investment Income - Unrestricted	\$ 6,269	\$ 595	\$ 66	\$ 6	\$ -	\$ -	\$ 6,936	\$ -	\$ 6,936
71400 Fraud Recovery	\$ -	\$ -	\$ 9,173	\$ -	\$ -	\$ -	\$ 9,173	\$ -	\$ 9,173
71500 Other Revenue	\$ 38,826	\$ 300	\$ 200	\$ 170,992	\$ -	\$ -	\$ 210,318	\$ -	\$ 210,318
70000 Total Revenue	\$ 327,811	\$ 107,334	\$ 956,327	\$ 179,340	\$ 43,926	\$ -	\$ 1,614,738	\$ -	\$ 1,614,738
91100 Administrative Salaries	\$ 56,477	\$ -	\$ 67,637	\$ 53,124	\$ -	\$ -	\$ 177,238	\$ -	\$ 177,238
91200 Auditing Fees	\$ 1,572	\$ -	\$ -	\$ 7,129	\$ -	\$ -	\$ 8,701	\$ -	\$ 8,701
91400 Advertising and Marketing	\$ -	\$ 1,039	\$ -	\$ -	\$ -	\$ -	\$ 1,039	\$ -	\$ 1,039
91500 Employee Benefit contributions - Administrative	\$ 26,493	\$ -	\$ 29,232	\$ 23,322	\$ -	\$ -	\$ 79,047	\$ -	\$ 79,047
91600 Office Expenses	\$ 2,582	\$ 3,442	\$ -	\$ 12,881	\$ -	\$ -	\$ 18,905	\$ -	\$ 18,905
91700 Legal Expense	\$ 1,019	\$ 179	\$ -	\$ 50	\$ -	\$ -	\$ 1,248	\$ -	\$ 1,248
91800 Travel	\$ 2,064	\$ 100	\$ -	\$ 876	\$ -	\$ -	\$ 3,040	\$ -	\$ 3,040
91900 Other	\$ 8,207	\$ 13,706	\$ 36,670	\$ 6,234	\$ -	\$ -	\$ 64,817	\$ -	\$ 64,817
91000 Total Operating - Administrative	\$ 98,414	\$ 18,466	\$ 133,539	\$ 103,616	\$ -	\$ -	\$ 354,035	\$ -	\$ 354,035
93100 Water	\$ 2,585	\$ 7,418	\$ -	\$ 3,386	\$ -	\$ -	\$ 13,389	\$ -	\$ 13,389
93200 Electricity	\$ 40,022	\$ 3,443	\$ -	\$ -	\$ -	\$ -	\$ 43,465	\$ -	\$ 43,465
93400 Fuel	\$ -	\$ 939	\$ -	\$ -	\$ -	\$ -	\$ 939	\$ -	\$ 939
93600 Sewer	\$ 6,508	\$ 7,038	\$ -	\$ -	\$ -	\$ -	\$ 13,546	\$ -	\$ 13,546
93000 Total Utilities	\$ 49,115	\$ 18,838	\$ -	\$ 3,386	\$ -	\$ -	\$ 71,339	\$ -	\$ 71,339

Harrison Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Rural Rental Housing Loans	Housing Choice Vouchers	State/Local	Formula Capital Fund Stimulus Grant	HOME Investment Partnerships Program	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$ 33,648	\$ 9,300	\$ -	\$ 52,390	\$ -	\$ -	\$ 95,338	\$ -	\$ 95,338
94200 Ordinary Maintenance and Operations - Materials and Other	\$ 18,848	\$ 10,262	\$ -	\$ 1,903	\$ -	\$ -	\$ 31,013	\$ -	\$ 31,013
94300 Ordinary Maintenance and Operations Contracts	\$ 10,909	\$ 13,420	\$ -	\$ 2,474	\$ -	\$ -	\$ 26,803	\$ -	\$ 26,803
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ 15,784	\$ -	\$ -	\$ 23,000	\$ -	\$ -	\$ 38,784	\$ -	\$ 38,784
94000 Total Maintenance	\$ 79,189	\$ 32,982	\$ -	\$ 79,767	\$ -	\$ -	\$ 191,938	\$ -	\$ 191,938
96110 Property Insurance	\$ 20,191	\$ 7,866	\$ -	\$ 943	\$ -	\$ -	\$ 29,000	\$ -	\$ 29,000
96130 Workmen's Compensation	\$ -	\$ 184	\$ -	\$ 7,967	\$ -	\$ -	\$ 8,151	\$ -	\$ 8,151
96140 All Other Insurance	\$ 2,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,640	\$ -	\$ 2,640
96100 Total insurance Premiums	\$ 22,831	\$ 8,050	\$ -	\$ 8,910	\$ -	\$ -	\$ 39,791	\$ -	\$ 39,791
96210 Compensated Absences	\$ 1,205	\$ -	\$ 3,168	\$ 6,437	\$ -	\$ -	\$ 10,810	\$ -	\$ 10,810
96300 Payments in Lieu of Taxes	\$ 10,515	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 10,519	\$ -	\$ 10,519
96000 Total Other General Expenses	\$ 11,720	\$ 4	\$ 3,168	\$ 6,437	\$ -	\$ -	\$ 21,329	\$ -	\$ 21,329
96710 Interest of Mortgage (or Bonds) Payable	\$ -	\$ 12,795	\$ -	\$ 2,010	\$ -	\$ -	\$ 14,805	\$ -	\$ 14,805
96700 Total Interest Expense and Amortization Cost	\$ -	\$ 12,795	\$ -	\$ 2,010	\$ -	\$ -	\$ 14,805	\$ -	\$ 14,805
96900 Total Operating Expenses	\$ 261,269	\$ 91,135	\$ 136,707	\$ 204,126	\$ -	\$ -	\$ 693,237	\$ -	\$ 693,237
97000 Excess of Operating Revenue over Operating Expenses	\$ 66,542	\$ 16,199	\$ 819,620	\$ (24,786)	\$ 43,926	\$ -	\$ 921,501	\$ -	\$ 921,501
97200 Casualty Losses - Non-capitalized	\$ 354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354	\$ -	\$ 354
97300 Housing Assistance Payments	\$ -	\$ -	\$ 821,196	\$ -	\$ -	\$ -	\$ 821,196	\$ -	\$ 821,196
97400 Depreciation Expense	\$ 136,054	\$ 28,560	\$ -	\$ 2,112	\$ -	\$ -	\$ 166,726	\$ -	\$ 166,726
90000 Total Expenses	\$ 397,677	\$ 119,695	\$ 957,903	\$ 206,238	\$ -	\$ -	\$ 1,681,513	\$ -	\$ 1,681,513

Harrison Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Rural Rental Housing Loans	Housing Choice Vouchers	State/Local	Formula Capital Fund Stimulus Grant	HOME Investment Partnerships Program	Subtotal	ELIM	Total
10010 Operating Transfer In	\$ 31,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,092	\$ -	\$ 31,092
10020 Operating transfer Out	\$ (31,092)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31,092)	\$ -	\$ (31,092)
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (69,866)	\$ (12,361)	\$ (1,576)	\$ (26,898)	\$ 43,926	\$ -	\$ (66,775)	\$ -	\$ (66,775)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ 2,870	\$ -	\$ -	\$ 2,870	\$ -	\$ 2,870
11030 Beginning Equity	\$ 1,580,468	\$ (24,389)	\$ 32,849	\$ 917,380	\$ -	\$ (6,428)	\$ 2,499,880	\$ -	\$ 2,499,880
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ 43,926	\$ -	\$ (6,428)	\$ -	\$ (43,926)	\$ 6,428	\$ -	\$ -	\$ -
Ending Equity	\$ 1,554,528	\$ (36,750)	\$ 24,845	\$ 890,482	\$ -	\$ -	\$ 2,433,105	\$ -	\$ 2,433,105
11170 Administrative Fee Equity	\$ -	\$ -	\$ 14,511	\$ -	\$ -	\$ -	\$ 14,511	\$ -	\$ 14,511
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ 10,334	\$ -	\$ -	\$ -	\$ 10,334	\$ -	\$ 10,334
11190 Unit Months Available	\$ 600	\$ 336	\$ 3,180	\$ 24	\$ -	\$ -	\$ 4,140	\$ -	\$ 4,140
11210 Number of Unit Months Leased	\$ 586	\$ 328	\$ 2,998	\$ 24	\$ -	\$ -	\$ 3,936	\$ -	\$ 3,936
11270 Excess Cash	\$ 236,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,127	\$ -	\$ 236,127
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	\$ 36,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,690	\$ -	\$ 36,690
11630 Furniture & Equipment - Dwelling Purchases	\$ 1,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,014	\$ -	\$ 1,014
11640 Furniture & Equipment - Administrative Purchases	\$ 7,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,797	\$ -	\$ 7,797
11650 Leasehold Improvements Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11660 Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510 CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13901 Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Harrison Metropolitan Housing Authority  
Schedule of Expenditures of Federal Award  
For the year ended March 31, 2010

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Housing and Urban Development Direct Program</b>		
Low Rent Public Housing	14.850a	\$91,791
Housing Choice Voucher Program	14.871	946,888
Public Housing Capital Fund Program - Cluster		
- Public Housing Capital Fund Program	14.872	37,956
- Capital Fund Stimulus (Formula) Grant	14.885	<u>43,926</u>
Total Public Housing Capital Fund Program - Cluster		<u>81,882</u>
<b>Total U.S. Department of Housing and Urban Development</b>		<u>1,120,561</u>
 <b>U.S. Department of Agriculture - Rural Housing Service Direct Program</b>		
Rural Rental Housing Loan	10.415	<u>35,559</u>
<b>Total U.S. Department of Agriculture</b>		<u>35,559</u>
<b>Total Expenditure of Federal Award</b>		<u><u>\$1,156,120</u></u>





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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 Commissioners  
Harrison Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of Harrison Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2010, which collectively comprise the Harrison Metropolitan Housing Authority, Ohio, basic financial statements and have issued my report thereon dated August 11, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Harrison Metropolitan Housing Authority, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but no for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

*A deficiency in internal control* exists 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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

This report is intended for the information of the Board of Commissioners, management, and federal awarding agencies and pass-through entity and is not intended to be and should not be used by anyone other than those specified parties.

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Salvatore Consiglio, CPA, Inc.  
August 11, 2010



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
Harrison Metropolitan Housing Authority

**Compliance**

I have audited the compliance of the Harrison Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2010. Harrison Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Harrison Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Harrison Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis; evidence about the Harrison Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Harrison Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Harrison Metropolitan Housing Authority, Ohio complied, in all material respects, with the requirements referred to above that are applicable with each of its major federal programs for the year ended March 31, 2010.

## **Internal Control Over Compliance**

The management of Harrison Metropolitan Housing Authority, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Harrison Metropolitan Housing Authority, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity'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.

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

This report is intended for the information of the Board of Commissioners, management, federal awarding agencies and pass-through entity and is not intended to be and should not be used by anyone other than those specified parties.

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Salvatore Consiglio, CPA, Inc.  
August 11, 2010

Harrison Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 March 31, 2010

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

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness reported for any major federal programs?	No
Were there any other significant deficiency conditions reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	Yes
Major Programs (list):	CFDA # 14.871 Housing Choice Vouchers
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

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

There are no Findings or questioned costs for the year ended March 31, 2010.

**2. FINDINGS RELATED TO FEDERAL AWARDS**

There are no Findings or questioned costs for the year ended March 31, 2010.

Harrison Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
March 31, 2010

The audit report for the fiscal year ending March 31, 2009 contained no audit finding.



**Mary Taylor, CPA**  
Auditor of State

**HARRISON METROPOLITAN HOUSING AUTHORITY**

**HARRISON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 23, 2010**