

Warren Metropolitan Housing Authority

Financial Statements

For the Year Ended December 31, 2010



Dave Yost • Auditor of State

Board of Directors
Warren Metropolitan Housing Authority
990 East Ridge Drive
Lebanon, Ohio 45036

We have reviewed the *Independent Auditor's Report* of the Warren Metropolitan Housing Authority, Warren County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2010 through December 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 Warren Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

July 6, 2011

This Page is Intentionally Left Blank.

WARREN METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Financial statements:	
Statement of Net Assets	10-11
Statement of Revenue, Expenses and Change in Net Assets	12
Statement of Cash Flows	13-14
Notes to the Financial statements	15-26
Supplemental Data:	
Financial Data Schedule	27-33
Schedule of Expenditures of Federal Awards	34
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	35-36
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	37-38
Schedule of Findings and Questioned Costs	39
Schedule of Prior Audit Findings	40

This Page is Intentionally Left Blank.



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

Independent Auditors' Report

Board of Commissioners
Warren Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Warren Metropolitan Housing Authority, Ohio, as of and for the year ended December 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 Warren 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 respective financial position of the business-type activities of the Warren Metropolitan Housing Authority, Ohio, as of December 31, 2010, and the respective changes in financial position and the 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 April 28, 2011, on my consideration of Warren Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 considered in conjunction with this report in considering the results 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 an opinion on the financial statements that collectively comprise the Warren Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The FDS Schedule Submitted to REAC 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.

Salvatore Consiglio, CPA, Inc.
April 28, 2011

**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

Unaudited

As management of the Warren Metropolitan Housing Authority, we offer readers of the authority's financial statements this narrative overview and analysis of the financial activity of the authority for the year-ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the authority's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the authority exceeded its liabilities as of December 31, 2009 by \$13,454,948 (net assets).
- The authority's cash balance as of December 31, 2010 was \$2,253,079 representing an increase of \$411,155 from the prior year.
- The authority had intergovernmental revenues of \$4,246,827 in HUD operating grants and \$557,674 of HUD capital grants for the year-ended December 31, 2010.
- The authority ending total revenue balance was \$5,204,910 as of December 31, 2010, representing an increase of \$722,583. Total expenses were \$4,757,319 representing a decrease of \$59,155.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The following statements are included within this report:

- Statement of Net Assets - reports the authority's current financial resources (short term expendable resources) with capital assets and long-term debt obligations.
- Statement of Revenue, Expenses, and Change in Fund Net Assets - reports the authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital Contributions.
- Statement of Cash Flows - reports net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

Unaudited

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE)

Total Cash of the Authority increased by \$411,155 due to the increase in monies received for Public Housing Operating Subsidy and there was an increase in Housing Choice Voucher's Restricted Cash to cover excess HAP reserves. Another contributing factor is the elimination of administrative salaries which resulted in overall agency savings.

Current Assets (not including cash) of the Authority showed a decrease of \$46,324 from 2009 to 2010. The main reason for the decrease is the receipt of Accounts Receivable for the Supportive Housing Program.

The following table summarizes the change in Net Assets between December 31, 2010 and 2009 for the authority as a whole:

	2010	2009	NET CHANGE
Cash	\$ 2,253,079	\$ 1,841,924	\$ 411,155
Current Assets	260,430	306,754	(46,324)
Capital Assets – Net	11,174,248	11,297,680	(123,432)
Total Assets	<u>13,687,757</u>	<u>13,446,358</u>	<u>241,399</u>
Current Liabilities	\$ 130,314	\$ 357,408	\$ (227,094)
Non-current Liabilities	102,495	81,593	20,902
Total Liabilities	<u>232,809</u>	<u>439,001</u>	<u>(206,192)</u>
Net Assets in Capital Assets	\$ 11,174,248	\$ 11,297,680	\$ (123,432)
Restricted Net Assets	412,311	288,244	124,067
Unrestricted Net Assets	1,868,389	1,421,433	446,956
Total Net Assets	<u>13,454,948</u>	<u>13,007,357</u>	<u>447,591</u>

**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

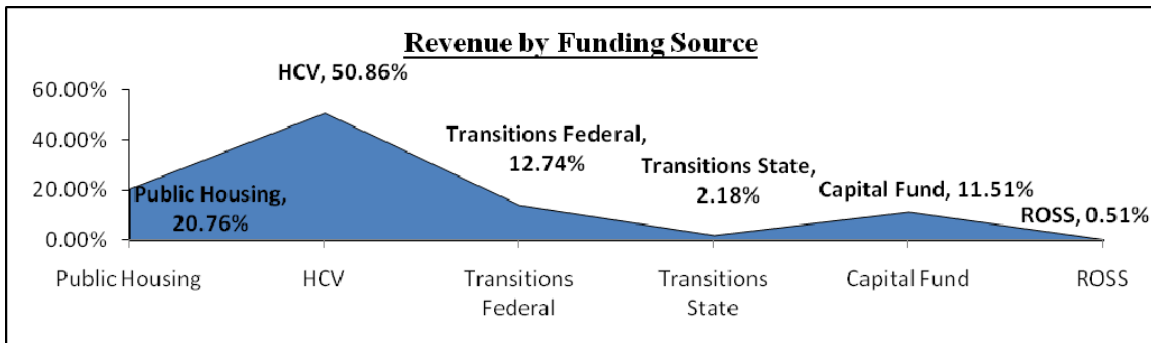
Unaudited

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) (continued)

The following table summarizes the changes in operating revenue income between FYE 2010 and 2009 for the authority as a whole:

	<u>2010</u>	<u>2009</u>	<u>Net Change</u>
Tenant Rental Revenue	\$ 364,752	\$ 349,551	\$ 15,201
Total Operating Grants	4,246,827	3,809,654	437,173
HUD Capital Grants	557,674	285,359	272,315
Interest on Investments	6,442	2,430	4,012
Other Revenue	29,215	35,333	(6,118)
Total Revenue	<u>5,204,910</u>	<u>4,482,327</u>	<u>722,583</u>
Operating Expenses:			
Administrative	621,870	693,366	(71,496)
Tenant Services	116,619	149,874	(33,255)
Utilities	78,296	83,023	(4,727)
Maintenance	264,443	281,176	(16,733)
General Expenses	232,541	337,340	(104,799)
Housing Assistance Payments	2,746,122	2,609,923	136,199
Depreciation	697,428	661,772	35,656
Total Expenses	<u>4,757,319</u>	<u>4,816,474</u>	<u>(59,155)</u>
Net Income/(Loss)	<u>\$ 447,591</u>	<u>\$ (334,147)</u>	<u>\$ 781,738</u>

The table below shows % of total revenue by funding sources.



**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

Unaudited

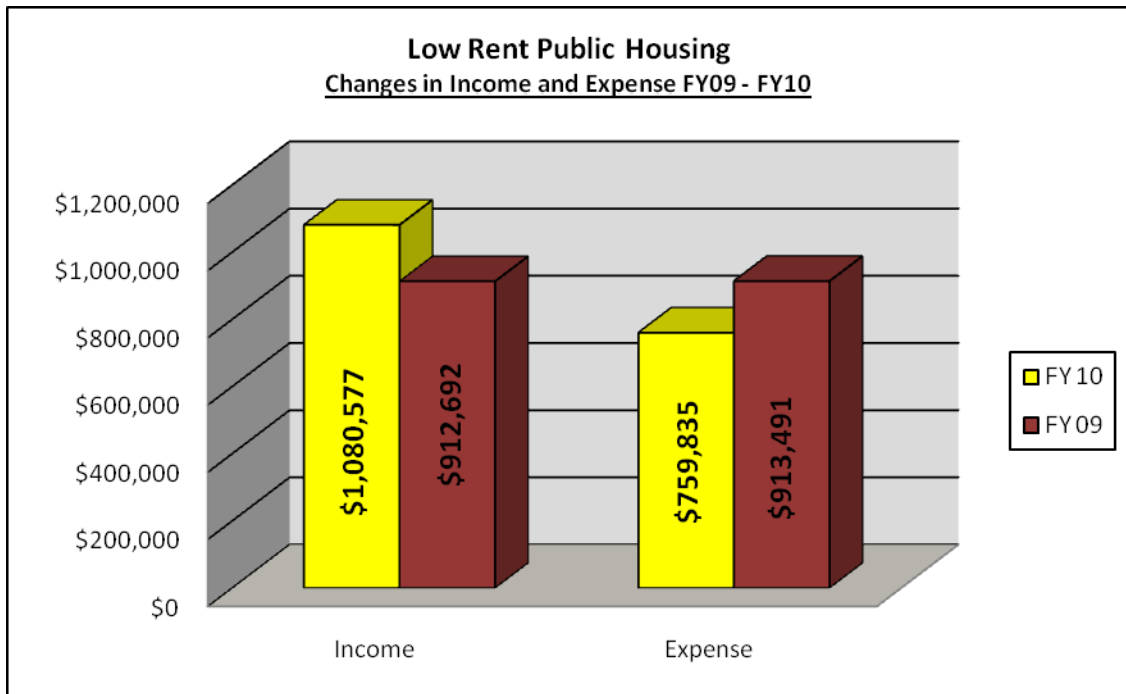
FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) (continued)

Total revenue increased by \$722,583 as compared to fiscal year ending 2009 revenue. This increase was due to 103% proration for Public Housing Operating Subsidy and also higher HCV Program and Supportive Housing Program Subsidies.

HUD capital grants increased in 2010. This is owing to the aggressive stance taken by the authority to implement capital grant dollars as expeditiously as possible and the completion of the CFP 2009 Stimulus monies. The WMHA endeavors to spend these dollars quickly and effectively to improve the conditions under which our participants live.

Comparatively, FYE 2010 total expense decreased significantly from FYE 2009 by \$59,155. The reductions in expenses are as a result of the elimination of administrative salaries and the use of Capital fund monies for maintenance contracts. General expenses also decreased compared to FYE 2009 since there were no casualty losses in FYE 2010.

Elevated per unit costs and higher leasing levels increased the Housing assistance payments (HAP) by \$68,932 for Housing Choice Voucher and the Supportive Housing Program.



Note: The above table does not include depreciation.

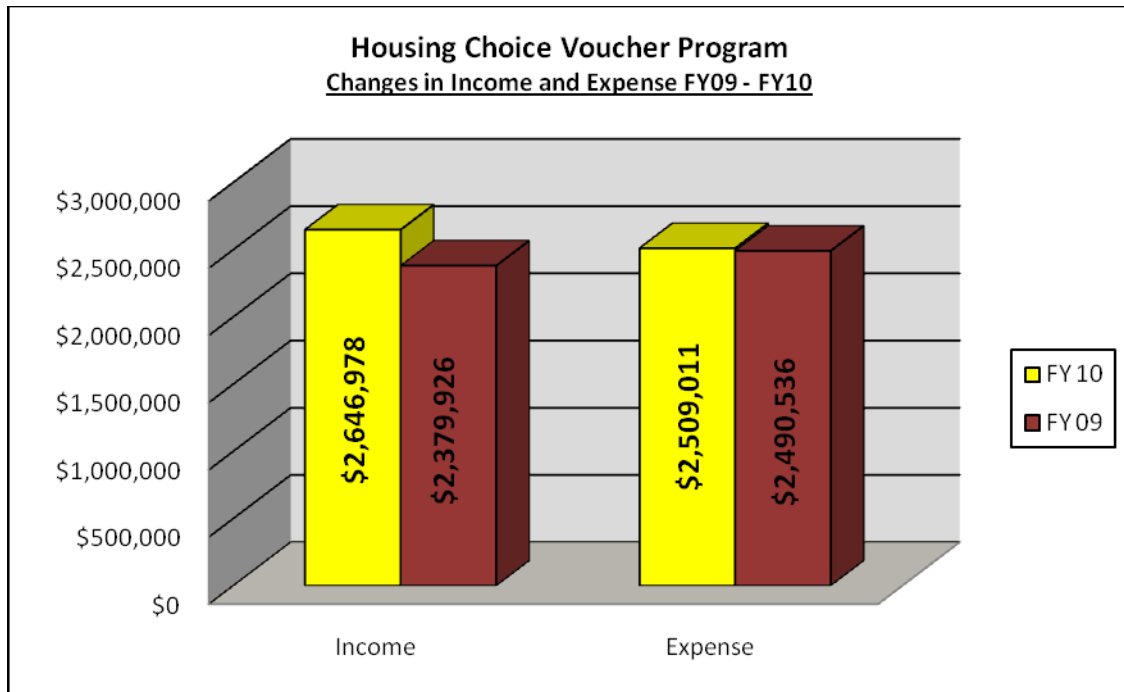
**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

Unaudited

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) (continued)

The above table shows how the income and expenses have changed between the FYE 2010 and 2009 for the Low Rent Public Housing Program. FYE 2010 total operating expenses decreased from FYE 2009 operating expenses by 17%, which is due to the casualty loss incurred during the prior year. FYE 2010 total income increased from FYE 2009 income by 18% due to 103% proration in Operating Subsidy.

The following chart illustrates the Housing Choice Voucher Program changes in income and expenses for the years 2009-2010. Income increased in FYE 2010 for the HCV program by 11%, which is mainly due to the increase in HAP funding. Expenses increased about 1% in FYE 2010.



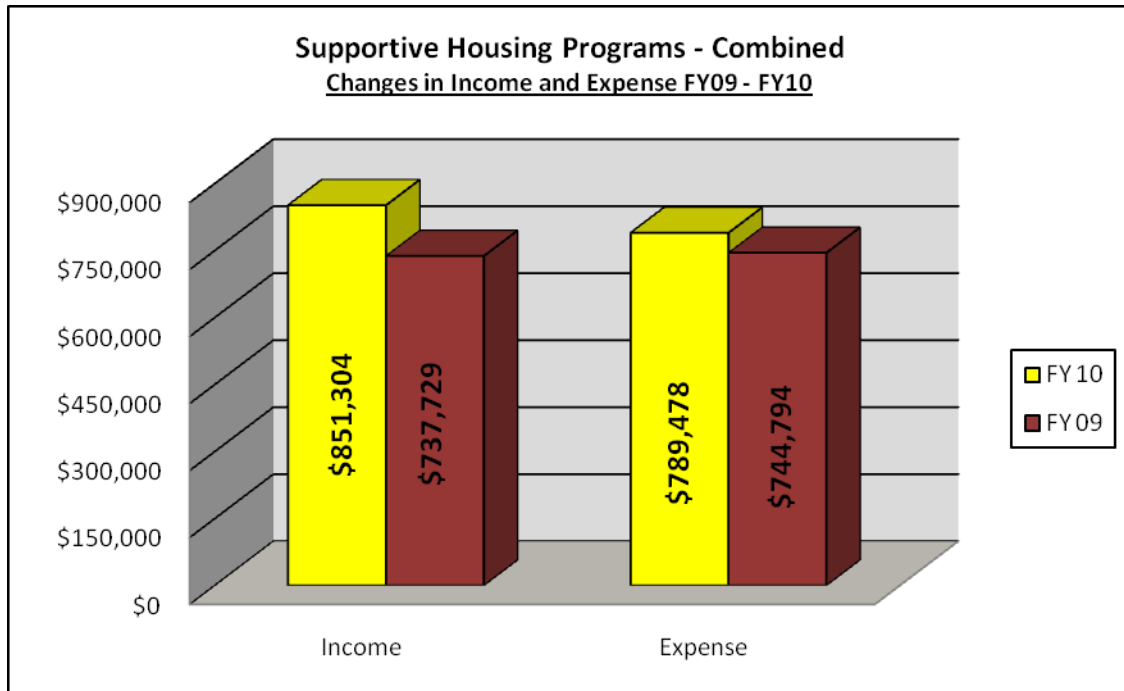
Note: The above table does not include depreciation.

**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

Unaudited

FINANCIAL ANALYSIS OF THE AUTHORITY (ENTITY-WIDE) (continued)

The following chart illustrates the Supportive Housing Program changes in income and expenses for the FYE 2010 and 2009. Income and expenses reflect a minor increase in funding and higher HAP expenses.



Note: The above table does not include depreciation

**Warren Metropolitan Housing Authority
MANAGEMENT'S DISCUSSION & ANALYSIS
December 31, 2010**

Unaudited

CAPITAL ASSET

The following table summarizes the changes in capital assets between December 31, 2010 and 2009:

	2010	2009	Net Change
Land	\$ 1,638,445	\$ 1,638,445	\$ -
Building	17,272,414	17,096,466	175,948
Equipment	963,714	640,115	323,599
Construction in Progress	604,929	530,479	74,450
Total	<u>20,479,502</u>	<u>19,905,505</u>	<u>573,997</u>
Accumulated Depreciation	<u>(9,305,254)</u>	<u>(8,607,825)</u>	<u>(697,429)</u>
Net Capital Assets	<u>\$ 11,174,248</u>	<u>\$ 11,297,680</u>	<u>\$ (123,432)</u>

The increase in equipment and buildings are due to the closing of Capital Fund grants to Public Housing. The use of CFP 2009 Stimulus funds in FYE 2010 is the main reason for the increase in construction in progress. Some current year purchases include a laptop, ranges, refrigerators, siding, and roofing.

DEBT

As of year-end, the Authority had no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

CONTACTING THE AUTHORITY

This financial report is designed to provide a general overview of the authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Joy A. Bankston Executive Director, Warren Metropolitan Housing Authority, 990 East Ridge Drive, Lebanon, Ohio 45036-1678.

WARREN METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets
Proprietary Funds
December 31, 2010

ASSETS

Current assets

Cash and cash equivalents	\$1,819,060
Restricted cash and cash equivalents	527,722
Receivables, net	145,935
Prepaid expenses and other assets	20,792
Total current assets	<u>2,513,509</u>

Noncurrent assets

Capital assets:

Land	1,638,445
Building and equipment	18,236,128
Construction in Progress	604,929
Less accumulated depreciation	(9,305,254)
Total noncurrent assets	<u>11,174,248</u>

Total assets	<u><u>\$13,687,757</u></u>
---------------------	-----------------------------------

Liabilities

Current liabilities

Accounts payable	\$15,865
Accrued liabilities	47,065
Intergovernmental payables	20,926
Tenant security deposits	39,364
Deferred revenue	7,094
Total current liabilities	<u>130,314</u>

Noncurrent liabilities

Accrued compensated absences non-current	26,448
Other noncurrent liabilities	76,047
Total noncurrent liabilities	<u>102,495</u>
Total liabilities	<u><u>\$232,809</u></u>

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

WARREN METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets (Continued)
Proprietary Funds
December 31, 2010

NET ASSETS

Invested in capital assets, net of related debt	\$11,174,248
Restricted net assets	412,311
Unrestricted net assets	1,868,389
Total net assets	<u><u>\$13,454,948</u></u>

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

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

OPERATING REVENUES

Tenant Revenue	\$364,752
Government operating grants	4,246,827
Other revenue	29,215
Total operating revenues	<u>4,640,794</u>

OPERATING EXPENSES

Administrative	621,870
Tenant services	116,619
Utilities	78,296
Maintenance	264,443
General	232,541
Housing assistance payment	2,746,122
Depreciation	697,428
Total operating expenses	<u>4,757,319</u>
Operating income (loss)	<u>(116,525)</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue	6,442
Total nonoperating revenues (expenses)	<u>6,442</u>
Income (loss) before contributions and transfers	(110,083)
Capital grants	557,674
Change in net assets	447,591
Total net assets - beginning	13,007,357
Total net assets - ending	<u><u>\$13,454,948</u></u>

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

**Warren Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	\$4,391,749
Tenant revenue received	356,358
Other revenue received	29,215
General and administrative expenses paid	(1,516,461)
Housing assistance payments	(2,746,122)
	<hr/>
Net cash provided (used) by operating activities	514,739
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	6,442
	<hr/>
Net cash provided (used) by investing activities	6,442
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES	
Capital grant funds received	557,674
Property and equipment purchased	(573,997)
	<hr/>
Net cash provided (used) by capital and related activities	(16,323)
	<hr/>
Net increase (decrease) in cash	504,858
Cash and cash equivalents - Beginning of year	1,841,924
	<hr/>
Cash and cash equivalents - End of year	\$2,346,782
	<hr/> <hr/>

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

**Warren Metropolitan Housing Authority
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2010**

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$116,525)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	697,428
- (Increases) Decreases in Accounts Receivable	141,317
- (Increases) Decreases in Prepaid Assets	(1,290)
- Increases (Decreases) in Accounts Payable	(4,263)
- Increases (Decreases) in Accrued Payable	(7,591)
- Increases (Decreases) in Intergovernmental Payable	956
- Increases (Decreases) in Tenant Security Deposit Payable	(3,155)
- Increases (Decreases) in Deferred Revenue	(218,837)
- Increases (Decreases) in Other Noncurrent Liabilities	19,851
- Increases (Decreases) in Accrued Compensated Absences	6,848
Net cash provided by operating activities	\$514,739

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

WARREN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Warren 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.

WARREN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 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 in 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 operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

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.

WARREN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 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 Warren 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. Supportive Housing Program

The Supportive Housing Program is a HUD and State funded program to provide tenant-based rental assistance to low income persons with disabilities for payment of housing on the private market.

E. Resident Opportunity and Supportive Services (ROSS)

The ROSS Program is a HUD funded program that addresses the needs of residents by providing a service coordinator to coordinate supportive services, resident empowerment activities, and/or assisting the residents in becoming economically self-sufficient.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2010 totaled \$6442.

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 \$1,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. 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	3-7 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.

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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

The following is a summary of changes in compensated absences for the year ended December 31, 2010:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>12/31/09</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/10</u>	<u>One Year</u>
Liability Amount	\$28,221	\$52,396	(\$45,548)	\$35,069	\$8,621

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.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- 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.

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

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

At fiscal year-end December 31, 2010, the carrying amount of the Authority’s deposits totaled \$2,346,782 and its bank balance was \$2,379,971. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of December 31, 2010, \$2,036,268 was exposed to custodial risk as discussed below, while \$343,703 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

The restricted cash balance of \$527,722 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	\$412,311
FSS Escrow Cash Account for the Housing Choice Voucher and Low Rent Public Housing Programs	76,047
Tenant Security deposits in the Low Rent Public Housing Program	<u>39,364</u>
Total Restricted Cash	<u>\$527,722</u>

NOTE 4: 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 5: CAPITAL ASSETS

The following is a summary of changes:

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

NOTE 5: CAPITAL ASSETS (Continued)

	Balance				Balance
	12/31/2009	Adjust.	Additions	Deletion	12/31/2010
Capital Assets Not Depreciated:					
Land	\$1,638,445	\$0	\$0	\$0	\$1,638,445
Construction in Progress	530,479	0	74,450	0	604,929
Total Capital Assets Not Being Depreciated	2,168,924	0	74,450	0	2,243,374
Capital Assets Being Depreciated:					
Buildings	17,096,466	0	175,948	0	17,272,414
Furnt, Mach. & Equip.-Dwelling	18,521	41,492	323,599	0	383,612
Furnt, Mach. & Equip.- Admin	621,594	(41,492)	0	(0)	580,102
Total Capital Assets Being Depreciated	17,736,581	0	499,547	(0)	18,236,128
Accumulated Depreciation:					
Buildings	(8,248,628)	(1)	(604,755)	0	(8,853,384)
Furnt, Mach. & Equip. - Dwelling	(15,107)	0	(70,168)	0	(85,275)
Furnt, Mach. & Equip. – Admin	(344,090)	0	(22,505)	0	(366,595)
Total Accumulated Depreciation	(8,607,825)	(1)	(697,428)	0	(9,305,254)
Total Capital Assets Being Depreciated, Net	9,128,756	(1)	(197,881)	(0)	8,930,874
Total Capital Assets, Net	\$11,297,680	(\$1)	(\$123,431)	(\$0)	\$11,174,248

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

NOTE 6: DEFINED BENEFIT PENSION PLANS

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans as described below:

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.
3. The Combined Plan – A cost sharing, multiple-employer defined pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
4. OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Direct Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer rates were consistent across all three plans. The 2010 member contribution rates were 10.0% for members 14.0% for employers of covered payroll. The Authority's contribution for the years ended December 31, 2010, 2009, and 2008 amounted to \$80,966, \$91,194, and \$98,600, respectively. Ninety-two percent has been contributed for 2010. All required contributions for the two previous years have been paid.

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

NOTE 7: POST EMPLOYMENT BENEFITS

The Public Employees Retirement System of Ohio (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 establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issue 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.

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 benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010 and 2009, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

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

NOTE 7: POST EMPLOYMENT BENEFITS (Continued)

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2010 and 2009, the employer contribution allocated to the health care plan was 5.50 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2010, which were used to fund post-employment benefits were \$29,572.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 8: 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 December 31, 2008 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, 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.

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

NOTE 9: CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2010, the Authority implemented GASB Statement No. 51, Accounting and Reporting for Intangible Assets, GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, GASB Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, and GASB Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies.

The implementation of GASB Statements No. 51, No. 54, No. 55, No. 56, and No. 58 did not affect the presentation of the financial statements of the Authority.

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
111 Cash - Unrestricted	\$820,070	\$0	\$61,259	\$335,198	\$0	\$0	\$508,830	\$0	\$1,725,357
113 Cash - Other Restricted	\$40,171	\$0	\$448,187	\$0	\$0	\$0	\$0	\$0	\$488,358
114 Cash - Tenant Security Deposits	\$39,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,364
100 Total Cash	\$899,605	\$0	\$509,446	\$335,198	\$0	\$0	\$508,830	\$0	\$2,253,079
122 Accounts Receivable - HUD Other Projects	\$71,000	\$0	\$4,225	\$0	\$0	\$0	\$0	\$0	\$75,225
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$56,702	\$0	\$0	\$56,702
126 Accounts Receivable - Tenants	\$8,140	\$0	\$0	\$254	\$0	\$0	\$0	\$0	\$8,394
126.1 Allowance for Doubtful Accounts - Tenants	(\$5,437)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,437)
126.2 Allowance for Doubtful Accounts - Other	(\$8,374)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,374)
127 Notes, Loans, & Mortgages Receivable - Current	\$14,468	\$0	\$0	\$2,686	\$0	\$0	\$0	\$0	\$17,154
128 Fraud Recovery	\$0	\$0	\$36,190	\$2,452	\$0	\$0	\$0	\$0	\$38,642
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	(\$36,190)	(\$181)	\$0	\$0	\$0	\$0	(\$36,371)
120 Total Receivables, Net of Allowances Accounts	\$79,797	\$0	\$4,225	\$5,211	\$0	\$56,702	\$0	\$0	\$145,935
131 Investments - Unrestricted	\$93,703	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$93,703
142 Prepaid Expenses and Other Assets	\$12,711	\$0	\$1,000	\$648	\$0	\$2	\$6,431	\$0	\$20,792
144 Inter Program Due From	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	(\$100,000)	\$0
150 Total Current Assets	\$1,085,816	\$0	\$514,671	\$441,057	\$0	\$56,704	\$515,261	(\$100,000)	\$2,513,509
161 Land	\$1,638,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,638,445

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
162 Buildings	\$16,880,528	\$0	\$0	\$0	\$0	\$0	\$391,886	\$0	\$17,272,414
163 Furniture, Equipment & Machinery - Dwellings	\$383,612	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$383,612
164 Furniture, Equipment & Machinery - Administration	\$264,981	\$0	\$115,538	\$86,561	\$0	\$6,054	\$106,968	\$0	\$580,102
166 Accumulated Depreciation	(\$8,999,878)	\$0	(\$58,500)	(\$72,280)	\$0	(\$6,054)	(\$168,542)	\$0	(\$9,305,254)
167 Construction in Progress	\$604,929	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$604,929
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,772,617	\$0	\$57,038	\$14,281	\$0	\$0	\$330,312	\$0	\$11,174,248
180 Total Non-Current Assets	\$10,772,617	\$0	\$57,038	\$14,281	\$0	\$0	\$330,312	\$0	\$11,174,248
190 Total Assets	\$11,858,433	\$0	\$571,709	\$455,338	\$0	\$56,704	\$845,573	(\$100,000)	\$13,687,757
312 Accounts Payable <= 90 Days	\$9,176	\$0	\$3,880	\$1,934	\$0	\$30	\$845	\$0	\$15,865
321 Accrued Wage/Payroll Taxes Payable	\$6,200	\$0	\$2,422	\$3,759	\$0	\$353	\$25,710	\$0	\$38,444
322 Accrued Compensated Absences - Current Portion	\$905	\$0	\$331	\$5,605	\$0	\$909	\$871	\$0	\$8,621
333 Accounts Payable - Other Government	\$20,926	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,926
341 Tenant Security Deposits	\$39,364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,364
342 Deferred Revenues	\$6,379	\$0	\$0	\$715	\$0	\$0	\$0	\$0	\$7,094
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$54,619	\$45,381	(\$100,000)	\$0
310 Total Current Liabilities	\$82,950	\$0	\$6,633	\$12,013	\$0	\$55,911	\$72,807	(\$100,000)	\$130,314
353 Non-current Liabilities - Other	\$40,171	\$0	\$35,876	\$0	\$0	\$0	\$0	\$0	\$76,047

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
354 Accrued Compensated Absences - Non Current	\$8,141	\$0	\$2,982	\$6,695	\$0	\$793	\$7,837	\$0	\$26,448
350 Total Non-Current Liabilities	\$48,312	\$0	\$38,858	\$6,695	\$0	\$793	\$7,837	\$0	\$102,495
300 Total Liabilities	\$131,262	\$0	\$45,491	\$18,708	\$0	\$56,704	\$80,644	(\$100,000)	\$232,809
508.1 Invested In Capital Assets, Net of Related Debt	\$10,772,617	\$0	\$57,038	\$14,281	\$0	\$0	\$330,312	\$0	\$11,174,248
511.1 Restricted Net Assets	\$0	\$0	\$412,311	\$0	\$0	\$0	\$0	\$0	\$412,311
512.1 Unrestricted Net Assets	\$954,554	\$0	\$56,869	\$422,349	\$0	\$0	\$434,617	\$0	\$1,868,389
513 Total Equity/Net Assets	\$11,727,171	\$0	\$526,218	\$436,630	\$0	\$0	\$764,929	\$0	\$13,454,948
600 Total Liabilities and Equity/Net Assets	\$11,858,433	\$0	\$571,709	\$455,338	\$0	\$56,704	\$845,573	(\$100,000)	\$13,687,757
70300 Net Tenant Rental Revenue	\$272,814	\$0	\$0	\$66,798	\$0	\$0	\$0	\$0	\$339,612
70400 Tenant Revenue - Other	\$25,120	\$0	\$0	\$20	\$0	\$0	\$0	\$0	\$25,140
70500 Total Tenant Revenue	\$297,934	\$0	\$0	\$66,818	\$0	\$0	\$0	\$0	\$364,752
70600 HUD PHA Operating Grants	\$779,795	\$38,044	\$2,618,113	\$670,524	\$26,951	\$0	\$0	\$0	\$4,133,427
70610 Capital Grants	\$215,279	\$342,395	\$0	\$0	\$0	\$0	\$0	\$0	\$557,674
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$248,776	(\$248,776)	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$24,960	(\$24,960)	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$58,957	(\$58,957)	\$0

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
70740 Front Line Service Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$10,400	(\$10,400)	\$0
70700 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$343,093	(\$343,093)	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$113,400	\$0	\$0	\$113,400
71100 Investment Income - Unrestricted	\$4,251	\$0	\$450	\$562	\$0	\$0	\$504	\$0	\$5,767
71400 Fraud Recovery	\$0	\$0	\$13,636	\$0	\$0	\$0	\$0	\$0	\$13,636
71500 Other Revenue	\$1,475	\$0	\$14,104	\$0	\$0	\$0	\$0	\$0	\$15,579
72000 Investment Income - Restricted	\$0	\$0	\$675	\$0	\$0	\$0	\$0	\$0	\$675
70000 Total Revenue	\$1,298,734	\$380,439	\$2,646,978	\$737,904	\$26,951	\$113,400	\$343,597	(\$343,093)	\$5,204,910
91100 Administrative Salaries	\$64,893	\$0	\$66,466	\$54,600	\$0	\$10,889	\$135,355	\$0	\$332,203
91200 Auditing Fees	\$2,208	\$0	\$5,994	\$1,472	\$0	\$210	\$631	\$0	\$10,515
91300 Management Fee	\$118,659	\$38,044	\$64,512	\$27,561	\$0	\$0	\$0	(\$248,776)	\$0
91310 Book-keeping Fee	\$18,637	\$0	\$40,320	\$0	\$0	\$0	\$0	(\$58,957)	\$0
91400 Advertising and Marketing	\$1,427	\$0	\$212	\$0	\$0	\$0	\$76	\$0	\$1,715
91500 Employee Benefit contributions - Administrative	\$28,417	\$0	\$36,240	\$25,665	\$0	\$5,511	\$63,867	\$0	\$159,700
91600 Office Expenses	\$17,693	\$0	\$29,628	\$10,053	\$0	\$865	\$3,739	\$0	\$61,978
91700 Legal Expense	\$4,295	\$0	\$0	\$0	\$0	\$0	\$934	\$0	\$5,229
91800 Travel	\$1,407	\$0	\$32	\$1,395	\$0	\$0	\$0	\$0	\$2,834
91810 Allocated Overhead									
91900 Other	\$21,419	\$0	\$3,671	\$5,967	\$0	\$168	\$26,871	(\$10,400)	\$47,696

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
91000 Total Operating - Administrative	\$279,055	\$38,044	\$247,075	\$126,713	\$0	\$17,643	\$231,473	(\$318,133)	\$621,870
92000 Asset Management Fee	\$24,960	\$0	\$0	\$0	\$0	\$0	\$0	(\$24,960)	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$48,571	\$16,299	\$9,569	\$0	\$0	\$74,439
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$21,644	\$6,846	\$4,265	\$0	\$0	\$32,755
92400 Tenant Services - Other	\$0	\$0	\$0	\$4,603	\$3,806	\$1,016	\$0	\$0	\$9,425
92500 Total Tenant Services	\$0	\$0	\$0	\$74,818	\$26,951	\$14,850	\$0	\$0	\$116,619
93100 Water	\$27,039	\$0	\$1,881	\$1,167	\$0	\$0	\$705	\$0	\$30,792
93200 Electricity	\$25,307	\$0	\$4,343	\$2,171	\$0	\$0	\$1,629	\$0	\$33,450
93300 Gas	\$11,194	\$0	\$1,525	\$763	\$0	\$0	\$572	\$0	\$14,054
93000 Total Utilities	\$63,540	\$0	\$7,749	\$4,101	\$0	\$0	\$2,906	\$0	\$78,296
94100 Ordinary Maintenance and Operations - Labor	\$111,854	\$0	\$5,136	\$0	\$0	\$0	\$0	\$0	\$116,990
94200 Ordinary Maintenance and Operations - Materials and Other	\$63,075	\$0	\$126	\$1,492	\$0	\$0	\$3,698	\$0	\$68,391
94300 Ordinary Maintenance and Operations Contracts	\$25,249	\$0	\$506	\$745	\$0	\$17	\$111	\$0	\$26,628
94500 Employee Benefit Contributions - Ordinary Maintenance	\$49,706	\$0	\$2,728	\$0	\$0	\$0	\$0	\$0	\$52,434
94000 Total Maintenance	\$249,884	\$0	\$8,496	\$2,237	\$0	\$17	\$3,809	\$0	\$264,443
96110 Property Insurance	\$61,728	\$0	\$4,397	\$1,192	\$0	\$0	\$4,935	\$0	\$72,252
96120 Liability Insurance	\$7,730	\$0	\$551	\$149	\$0	\$0	\$618	\$0	\$9,048

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
96130 Workmen's Compensation	\$5,273	\$0	\$1,677	\$2,576	\$0	\$232	\$4,088	\$0	\$13,846
96140 All Other Insurance	\$4,210	\$0	\$672	\$2,491	\$0	\$9	\$8,439	\$0	\$15,821
96100 Total insurance Premiums	\$78,941	\$0	\$7,297	\$6,408	\$0	\$241	\$18,080	\$0	\$110,967
96200 Other General Expenses	\$4,622	\$0	\$3,506	\$0	\$0	\$0	\$1,200	\$0	\$9,328
96210 Compensated Absences	\$15,011	\$0	\$12,256	\$14,690	\$0	\$2,099	\$18,815	\$0	\$62,871
96300 Payments in Lieu of Taxes	\$20,926	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,926
96400 Bad debt - Tenant Rents	\$26,278	\$0	\$0	\$2,171	\$0	\$0	\$0	\$0	\$28,449
96000 Total Other General Expenses	\$66,837	\$0	\$15,762	\$16,861	\$0	\$2,099	\$20,015	\$0	\$121,574
96900 Total Operating Expenses	\$763,217	\$38,044	\$286,379	\$231,138	\$26,951	\$34,850	\$276,283	(\$343,093)	\$1,313,769
97000 Excess of Operating Revenue over Operating Expenses	\$535,517	\$342,395	\$2,360,599	\$506,766	\$0	\$78,550	\$67,314	\$0	\$3,891,141
97300 Housing Assistance Payments	\$0	\$0	\$2,220,369	\$444,940	\$0	\$78,550	\$0	\$0	\$2,743,859
97350 HAP Portability-In	\$0	\$0	\$2,263	\$0	\$0	\$0	\$0	\$0	\$2,263
97400 Depreciation Expense	\$663,399	\$0	\$5,240	\$9,670	\$0	\$0	\$19,119	\$0	\$697,428
90000 Total Expenses	\$1,426,616	\$38,044	\$2,514,251	\$685,748	\$26,951	\$113,400	\$295,402	(\$343,093)	\$4,757,319
10010 Operating Transfer In	\$3,382	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,382)	\$0
10020 Operating transfer Out	(\$3,382)	\$0	\$0	\$0	\$0	\$0	\$0	\$3,382	\$0

Warren Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	14.871 Housing Choice Vouchers	14.235 Supportive Housing Program	14.870 Resident Opportunity and Supportive Services	2 State/Local	COCC	ELIM	Total
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$127,882)	\$342,395	\$132,727	\$52,156	\$0	\$0	\$48,195	\$0	\$447,591
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$11,512,658	\$0	\$393,491	\$384,474	\$0	\$0	\$716,734	\$0	\$13,007,357
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$342,395	(\$342,395)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity	\$0	\$0	\$113,907	\$0	\$0	\$0	\$0	\$0	\$113,907
11180 Housing Assistance Payments Equity	\$0	\$0	\$412,311	\$0	\$0	\$0	\$0	\$0	\$412,311
11190 Unit Months Available	2482	0	5376	624	0	72	0	0	8554
11210 Number of Unit Months Leased	2471	0	5376	620	0	72	0	0	8539
11270 Excess Cash	\$887,452	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$887,452
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$457,432	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$457,432
11630 Furniture & Equipment - Dwelling Purchases	\$77,482	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$77,482
11640 Furniture & Equipment - Administrative Purchases	\$22,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,760
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Warren Metropolitan Housing Authority
 Schedule of Expenditures of Federal Award
 For the Year Ended December 31, 2010

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Supportive Housing Program	14.235	\$670,524
Low Rent Public Housing	14.850	776,413
Resident Opportunity and Supportive Services	14.870	26,951
Housing Choice Voucher Program	14.871	2,618,113
Public Housing Capital Fund Programs (Cluster):		
- Public Housing Capital Fund Program	14.872	218,661
- Capital Fund Stimulus Formula Grant	14.885	<u>380,439</u>
Total Public Housing Capital Fund Programs (Cluster)		<u>599,100</u>
Total Expenditure of Federal Award		<u>\$4,691,101</u>



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

**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
Warren Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of the Warren Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the Warren Metropolitan Housing Authority basic financial statements and have issued my report thereon dated April 28, 2011. 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 of America.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Warren 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 not 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 a 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 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 Warren 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.

I have noted certain matters that I have reported to management of Warren Metropolitan Housing Authority in a separate letter dated April 28, 2011.

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

Salvatore Consiglio, CPA, Inc.
April 28, 2011



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

**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
Warren Metropolitan Housing Authority

Compliance

I have audited the compliance of the Warren 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 December 31, 2010. Warren 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 Warren Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Warren 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 Warren 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 Warren Metropolitan Housing Authority, Ohio's compliance with those requirements.

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

Internal Control Over Compliance

The management of Warren 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 Warren 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, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Salvatore Consiglio, CPA, Inc.
April 28, 2011

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

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiency reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other 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 significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.850 – Low Rent Public Housing; 14.872 - Public Housing Capital Fund Program; and 14.885 - Capital Fund Stimulus Formula Grant
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 December 31, 2010.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

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

Warren Metropolitan Housing Authority
Schedule of Prior Audit Findings
December 31, 2010

The December 31, 2009 audit report contained no finding.



Dave Yost • Auditor of State

WARREN METROPOLITAN HOUSING AUTHORITY

WARREN 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 19, 2011**