CLERMONT METROPOLITAN HOUSING AUTHORITY CLERMONT COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

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

Dave Yost • Auditor of State

Board of Directors
Clermont Metropolitan Housing Authority
65 S. Market Street
Batavia, Ohio 45103

We have reviewed the *Independent Auditor's Report* of the Clermont Metropolitan Housing Authority, Clermont County, prepared by James G. Zupka, CPA, Inc., for the audit period October 1, 2010 through September 30, 2011. 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 Clermont Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost
Auditor of State

April 27, 2012

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CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
BASIC FINANCIAL STATEMENTS AND SINGLE AUDIT
FOR THE YEAR ENDED SEPTEMBER 30, 2011

TABLE OF CONTENTS

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Clermont Metropolitan Housing Authority
Batavia, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

We have audited the accompanying financial statements of the Clermont Metropolitan Housing Authority, Clermont County, Ohio, as of and for the year ended September 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Clermont Metropolitan Housing Authority, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Clermont Metropolitan Housing Authority, Ohio, as of September 30, 2011, and the respective changes in financial position, and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 7, 2012, on our consideration of the Clermont Metropolitan Housing Authority, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clermont Metropolitan Housing Authority, Ohio's financial statements as a whole. 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 Governments, and Non-Profit Organizations,* and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Authority has not presented the Financial Data Schedules (FDS) utilized by the Department of Housing and Urban Development (HUD) for additional analysis, although not required to be part of the basic financial statements. The FDS are not available as HUD has not completed its review of the Schedules as of the date of this report.

James G. Zupka, CPA, Inc.

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

March 7, 2012

Throughout this document, references to "we", "our", "Authority" or "us" refer to the Clermont Metropolitan Housing Authority.

Management's Discussion and Analysis

The Clermont Metropolitan Housing Authority's (the Authority) Management's Discussion and Analysis 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 financial position and (**d**) identify individual fund issues or concerns.

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 12).

FINANCIAL HIGHLIGHTS

- The Authority's total assets were $11,696,406 and $11,840,504 for 2011 and 2010 respectively. The Authority-wide statements reflect a decrease in total assets of $144,098 during 2011.
- Revenue decreased by $202,656 (or 3 percent) during 2011, and were $6,714,694 and $6,917,350 for 2011 and 2010 respectively.
- The total expenses of all Authority programs increased by $256,732 or (4 percent). Total expenses were $6,749,426 and $6,492,694 for 2011 and 2010 respectively.

Using This Annual Report

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

MD&A

- Management Discussion and Analysis

Basic Financial Statements

- Authority-Wide Financial Statements (new) - pgs 12-14

- Notes to Financial Statements (Expanded/Restructured) - pgs 15 - 26

Other Required Supplementary Information

- Required Supplementary Information - pg 27 (Other than MD&A) (Expanded)

The primary focus of the Authority's financial statements is on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (Authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

AUTHORITY-WIDE FINANCIAL STATEMENTS

The Authority-wide financial statements (see pages 12-14) 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 equals "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:

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

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

Finally, a **Statement of Cash Flows** is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities and from capital and related financing activities.

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 required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Authority's Programs

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties.

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 participant's rent at 30 percent of household income.

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.

Shelter Plus Care Program - The Shelter Plus Care Program is funded by a grant from HUD. The Authority was awarded a five year grant in 2008 to house homeless families with disabilities, which includes severe mental illness, chronic substance abuse, physical disabilities, HIV/AIDS, or MRDD. The grant provides one bedroom rental assistance to 16 households. The housing assistance is provided by the Authority by contracting with independent landlords and subsidizing the family's rent. The supportive services are handled through the local mental health and counseling centers.

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 - Condensed Statement of Net Assets Compared to Prior Year

	2011	2010
Current and Other Assets	$ 3,335,767	$ 3,683,547
Capital Assets	8,360,639	8,156,957
Total Assets	$11,696,406	$11,840,504
Current Liabilities	$ 191,682	$ 193,882
Long-term Liabilities	48,752	75,340
Total Liabilities	240,434	269,222
Net Assets:		
Investment in Capital Assets, Net of Related Debt	8,360,639	8,156,957
Restricted Net Assets	465,985	951,496
Unrestricted Net Assets	2,629,348	2,462,829
Total Net Assets	11,455,972	11,571,282
TOTAL LIABILITIES AND NET ASSETS	$11,696,406	$11,840,504

For more detailed information see Statement of Net Assets presented elsewhere in this report.

Major Factors Affecting the Statement of Net Assets

During 2011, current and other assets decreased by $144,098 and total liabilities decreased by $28,788. The current and other assets decreased due to prior period adjustments for restricted assets and tenant security deposits. Liabilities decreased due to a decrease in the FSS escrow funds, accrued wages and accrued payables.

Capital assets also changed, increased from $8,156,957 to $8,360,639. The increase may be contributed primarily due to building improvements from the Capital Fund projects and the acquisition of four single family houses for the public housing program.

Change of Restricted and Unrestricted Net Assets

Table 2 presents details of the change in Net Assets.

Table 2 - Change of Net Assets

	Unrestricted	Restricted	Investment In Capital Asset
Beginning Balance - September 30, 2010	$ 2,462,829	$ 951,496	$ 8,156,957
Results of Operation	(34,732)	0	0
Adjustments:			
Current Year Depreciation Expense (1)	598,765	0	(598,765)
Capital Expenditure (2)	(472,515)	(410,511)	883,026
Current Adjustments	75,000	(75,000)	0
Prior Period Adjustment	1	0	(80,579)
Ending Balance - September 30, 2011	$2,629,348	$ 465,985	$ 8,360,639

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

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

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well-being.

Statement of Revenues, Expenses, and Changes in Net Assets

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

Table 3 - Statement of Revenue, Expenses and Changes in Net Assets

	2011	2010
Revenues		
Total Tenant Revenues	$ 436,908	$ 451,146
Operating Subsidies	5,942,575	5,795,353
Capital Grants	298,540	633,424
Investment Income	4,934	8,951
Other Revenues	31,737	28,476
Total Revenues	6,714,694	6,917,350
Expenses		
Administrative	876,766	816,184
Tenant Services	932	2,049
Utilities	209,964	198,824
Maintenance	426,917	440,331
General Expenses	97,039	94,574
Housing Assistance Payments	4,539,043	4,419,785
Depreciation	598,765	520,947
Total Expenses	6,749,426	6,492,694
Net Increase (Decrease)	$ (34,732)	$ 424,656

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

Total revenue decreased by $202,656 in comparison with last year's statements. The decrease is due mainly to the following:

- Decrease in tenant revenue from rent and other charges
- Decrease in investment income
- Decrease in the Capital Fund Grants

Total expenses increased from last year by $256,732. This increase was due to the following activities.

- Administrative expenses increased due to employee salaries and benefits, office expense and legal expense.

- Utility costs for electric, water and gas increased.

- General expenses increased due to compensated absences and money owed for tenant rents.

- Depreciation expense and HAP payments also added to the increase in total expenses.

CAPITAL ASSETS

As of year end, the Authority had $8,360,639 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (current additions less depreciation) of $203,682 or 2 percent from the end of last year.

Table 4 - Condensed Statement of Changes in Capital Assets

	2011	2010
Land and Land Rights	$ 1,931,214	$ 1,931,214
Buildings	15,334,741	13,387,704
Equipment	291,069	212,518
Leasehold Improvement	430,230	426,208
Construction in Progress	464,979	1,611,563
Accumulated Depreciation	(10,091,594)	(9,412,250)
Total	$ 8,360,639	$8,156,957

The following reconciliation summarizes the change in Capital Assets.

Table 5 - Changes in Capital Assets

Beginning Balance - September 30, 2010	$ 8,156,957
Current Year Additions	883,026
Depreciation Adjustment	(80,579)
Current Year Depreciation Expense	(598,765)
Ending Balance - September 30, 2011	$8,360,639
Current Year Additions	
Building Improvements	$ 335,474
Leasehold Improvements	4,022
Refrigerators and Ranges	8,637
Air Conditioners	23,473
Computer Equipment	7,142
Trucks	39,299
Construction in Progress	464,979
Total	$ 883,026

This year's major additions were capital expenditures related to modernizing the Authority's housing developments, replacement of computer equipment and appliances for public housing units.

DEBT

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

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Sarah Tyo, Executive Director of the Clermont Metropolitan Housing Authority, at (513) 732-6010. Specific requests may be submitted to the Clermont Metropolitan Housing Authority at 65 South Market Street, Batavia, Ohio 45103.

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 2,768,600
Restricted Cash and Cash Equivalents	541,443
Receivables, Net	18,127
Prepaid Expenses and Other Assets	7,597
Total Current Assets	3,335,767
Non-Current Assets	
Capital Assets:	
Non-Depreciable Capital Assets	2,396,193
Depreciable Capital Assets, Net	5,964,446
Total Non-Current Assets	8,360,639
TOTAL ASSETS	$11,696,406
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 50,789
Accrued Liabilities	61,651
Intergovernmental Payables	22,694
Tenant Security Deposits	56,339
Deferred Revenue	209
Total Current Liabilities	191,682
Non-Current Liabilities:	
Accrued Compensated Absences Non-Current	29,633
Other Non-Current Liabilities	19,119
Total Non-Current Liabilities	48,752
TOTAL LIABILITIES	$ 240,434
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	$ 8,360,639
Restricted Net Assets	465,985
Unrestricted Net Assets	2,629,348
TOTAL NET ASSETS	$11,455,972

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGED IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

OPERATING REVENUES	
Tenant Revenue	$ 436,908
Government Operating Grants	5,942,575
Other Revenue	31,737
TOTAL OPERATING REVENUES	6,411,220
OPERATING EXPENSES	
Administrative	876,766
Tenant Services	932
Utilities	209,964
Maintenance	426,917
General	97,039
Housing Assistance Payment	4,539,043
Depreciation	598,765
TOTAL OPERATING EXPENSES	6,749,426
Operating Income (Loss)	(338,206)
NON-OPERATING REVENUES (EXPENSES)	
Interest and Investment Revenue	4,934
TOTAL NON-OPERATING REVENUES (EXPENSES)	4,934
Income (Loss) before Contributions and Transfers	(332,272)
Capital Grants	298,540
Change in Net Assets	(34,732)
Prior Period Adjustment	(80,578)
Total Net Assets - Beginning of the Year	11,571,282
TOTAL NET ASSETS - ENDING OF THE YEAR	$11,455,972

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Cash Flows from Operating Activities	
Operating Grants Received	$ 5,942,575
Tenant Revenue Received	428,029
Other Revenue Received	34,968
Administrative Expenses	(884,308)
Other Operating Expenses	(758,858)
Housing Assistance Payments	(4,539,043)
Net Cash Provided by Operating Activities	223,363
Cash Flows from Investing Activities	
Investment Proceeds	120,097
Interest Earned	4,934
Net Cash Provided from Investing Activities	125,031
Cash Flows from Capital and Related Financing Activities	
Capital Grant Funds Received	298,540
Property and Equipment Purchased	(883,025)
Net Cash Provided by (Used by) Capital and Related Financing Activities	(584,485)
Net Decrease in Cash	(236,091)
Cash and Cash Equivalents at Beginning of Year	3,546,134
Cash and Cash Equivalents at End of Period	$ 3,310,043
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (338,206)
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Depreciation	598,765
(Increase) Decrease in Tenant Accounts Receivable	(8,879)
(Increase) Decrease in Prepaid Assets	471
Increase (Decrease) in Accounts Payable	4,039
Increase (Decrease) in Accounts Payable - Other Governments	(2,538)
Increase (Decrease) in Compensated Absences Payable	9,005
Increase (Decrease) in Accrued Expenses Payable	(16,726)
Increase (Decrease) in Tenant Security Deposits	3,410
Increase (Decrease) in Non-Current Liabilities - Other	(25,978)
Net Cash Provided by Operating Activities	$ 223,363

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Clermont 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 Clermont 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 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.

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 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.

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:

Public Housing Program
The public housing program is designed to provide low-cost housing within the Clermont 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.

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.

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.

Investments
The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending September 30, 2011 totaled $4,934.

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

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:

Land Improvements	20 years
Buildings	40 years
Building Improvements	15 years
Furniture, Equipment and Machinery	3-10 years
Leasehold Improvements	15 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 borrowings 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.

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

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual operating budgets for all its HUD funded programs. The budget for its programs is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end. The Board of Commissioners adopts the budget through passage of a budget resolution.

Accounting and Reporting for Non-Exchange Transactions

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return.

In conformity with the requirements of GASB Statement No. 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after September 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying Combined Statement of Revenue and Expenses.

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.

1. 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.

2. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two periods 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.

3. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time 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's 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 the 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 September 30, 2011, the carrying amount of the Authority's deposits totaled $3,310,043 and its bank balance was $3,316,499. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of September 30, 2011, $3,451,033 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Depository Insurance Corporation.

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

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 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve in the name of the Authority.

Investments

Clermont Metropolitan Housing Authority had no investments at September 30, 2011.

NOTE 3: **RESTRICTED CASH AND INVESTMENT**

Restricted cash balance as of September 30, 2011 of $541,443 represents cash on hand for the following:

- Proceeds from the sale of the PHA scattered sites plus interest earned	$ 91,033
- Tenant Security Deposit	56,339
- Cash on hand advance from HUD to be used for tenants housing assistance payments	374,952
- FSS Escrow held for tenants	19,119
Total Restricted Cash	$ 541,443

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 September 30, 2011 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.

NOTE 5: CAPITAL ASSETS

	Balance at 9/30/2010	Adjustments	Additions	Deletions	Balance at 9/30/2011
Capital Assets Not Being Depreciated					
Land	$ 1,931,214	$ 0	$ 0	$ 0	$ 1,931,214
Construction in Progress	1,611,563	(1,611,563)	464,979	0	464,979
Total Capital Assets Not Being Depreciated	3,542,777	(1,611,563)	464,979	0	2,396,193
Capital Assets Being Depreciated					
Buildings and Improvements	13,387,704	1,611,563	335,474	0	15,334,741
Furniture, Equipment, and Machinery	212,518	0	78,551	0	291,069
Leasehold Improvements	426,208	0	4,022	0	430,230
Sub-Total Capital Assets Being Depreciated	14,026,430	1,611,563	418,047	0	16,056,040
Accumulated Depreciation					
Buildings and Improvements	(9,121,817)	(80,578)	(469,837)	0	(9,672,232)
Furniture, Machinery and Equipment	(124,120)	0	(97,122)	0	(221,242)
Leasehold Improvements	(166,313)	0	(31,807)	0	(198,120)
Subtotal Accumulated Depreciation	(9,412,250)	(80,578)	(598,766)	0	(10,091,594)
Depreciable Assets, Net	4,614,180	1,530,985	(180,719)	0	5,964,446
TOTAL CAPITAL ASSETS, NET	$ 8,156,957	$ (80,578)	$ 284,260	$ 0	$ 8,360,639

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

Ohio Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is 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 the member and vested employer contributions plus any investments earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution 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, whose investment is self-directed by the members, accumulate retirements assets in a manner similar to the Member-Directed Plan.

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

Ohio Public Employees Retirement System (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the Traditional Pension and Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. Effective January 1, 2009, the members of all three plans were required to contribute 10.0 percent of their annual covered salaries. The Authority's contribution rate for 2010 and 2009 was 14.0 percent of covered payroll.

The Authority's required contributions to OPERS for the years ended September 30, 2011, 2010, and 2009 were $91,989, $83,204, $83,135 respectively. The full amount has been contributed for 2009 and 2010. Ninety-two percent has been contributed for 2011, with the remainder being reported as a liability with the enterprise fund.

NOTE 7: **POST-EMPLOYMENT BENEFITS**

A. **Plan Description**

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

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

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

A. **Plan Description** (Continued)

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

B. **Funding Policy**

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A 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 2011 and 2010, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the

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

B. **Funding Policy** (Continued)

Traditional Plan was 5.5 percent from October 1, 2009 through February 28, 2010 and 5.0 percent from March 1 through September 2010. 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 September 30, 2011, which were used to fund post-employment benefits were $27,947.

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 to January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 8: **COMPENSATED ABSENCES**

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of September 30, 2011, the accrual for compensated absences (including sick leave) totaled $83,708 and has been included in the accrued liabilities account balance in the accompanying Statement of Net Assets. The Authority considers all compensated absences payable as due within one year.

The following is a summary of changes in compensated absences for the year ended September 30, 2011:

Description	Balance at 9/30/2010	Additions	Deletions	Balance at 09/30/2011	Amounts Due In One Year
Compensated Absences	$ 74,703	$ 61,635	$(52,630)	$ 83,708	$ 54,075

NOTE 9: **CONTINGENCIES**

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at September 30, 2011.

Litigations and Claims

In the normal course of operations the PHA may be subject to litigations and claims. At September 30, 2011 the PHA was not aware of any such matters.

NOTE 10: **NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

The accompanying Schedule of Federal Awards expenditures is a summary of the activity of the Authority's federal awards programs. The schedule has been prepared on the accrual basis of accounting.

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Direct Programs:		
Low Rent Public Housing Program	14.850	$ 651,565
CFP Cluster		
Capital Fund Program	14.872	402,641
Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded	14.885	25,008
Total CFP Cluster		427,649
Section 8 Housing Choice Voucher Program	14.871	5,138,512
Shelter Plus Care	14.238	23,389
Total Direct Awards		6,241,115
Total U.S. Department of Housing and Urban Development		6,241,115
Total Federal Expenditures		$ 6,241,115

This schedule is prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

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

Board of Directors
Clermont Metropolitan Housing Authority
Batavia, Ohio

Regional Inspector General for Audit
Department of Housing and Urban Development

We have audited the financial statements of the business-type activities of the Clermont Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2011, which collectively comprise the Clermont Metropolitan Housing Authority, Ohio's basic financial statements and have issued our report thereon dated March 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Clermont Metropolitan Housing Authority, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Clermont Metropolitan Housing Authority, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clermont Metropolitan Housing Authority, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clermont Metropolitan Housing Authority, Ohio's internal control over financial reporting.

A *deficiency in internal control* exits when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain other matters that we reported to management of the Clermont Metropolitan Housing Authority, Ohio in a separate letter dated March 7, 2012.

Compliance and Other Matters

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

This report is intended solely for the information and use of the management, Board of Directors, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.

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

March 7, 2012

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Clermont Metropolitan Housing Authority
Batavia, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of the Clermont Metropolitan Housing Authority, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Clermont Metropolitan Housing Authority, Ohio's major federal programs for the year ended September 30, 2011. Clermont Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Clermont Metropolitan Housing Authority, Ohio's management. Our responsibility is to express an opinion on the Clermont Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, the Clermont Metropolitan Housing Authority, Ohio, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control Over Compliance

The management of the Clermont 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 our audit, we considered the Clermont Metropolitan Housing Authority, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clermont Metropolitan Housing Authority, Ohio'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.

Our consideration of the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, the Board of Directors, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.

James G. Zupka CPA, Inc.
Certified Public Accountants

March 7, 2012

CLERMONT METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
SEPTEMBER 30, 2011

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

2011(i)	Type of Financial Statement Opinion	Unqualified
2011(ii)	Were there any material control weakness reported at the financial statement level (GAGAS)?	No
2011(ii)	Were there any significant deficiencies in internal control reported at the financial statements level (GAGAS)?	No
2011(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2011(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
2011(iv)	Were there any other significant deficiencies in internal control reported for major Federal programs?	No
2011(v)	Type of Major Programs' Compliance Opinion	Unqualified
2011(vi)	Are there any reportable findings under .510?	No
2011(vii)	Major Programs (list):	
	Housing Choice Voucher - CFDA # 14.871	
2011(viii)	Dollar Threshold: Type A\B Programs	Type A: >$300,000 Type B: all others
2011(ix)	Low Risk Auditee?	Yes

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

None

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**
None

CLERMONT METROPOLITAN HOUSING AUTHORITY
STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

The audit report for the prior year ended September 1, 2010 contained no findings or citations.

Dave Yost • Auditor of State

CLERMONT METROPOLITAN HOUSING AUTHORITY

CLERMONT 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
MAY 10, 2012

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us