

Coshocton Metropolitan Housing Authority

Financial Statements

For the Year Ended June 30, 2011





# Dave Yost • Auditor of State

Board of Directors  
Coshocton Metropolitan Housing Authority  
823 Magnolia Street  
Coshocton, Ohio 43812

We have reviewed the *Independent Auditors' Report* of the Coshocton Metropolitan Housing Authority, Coshocton County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2010 through June 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 Coshocton 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

February 15, 2012

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COSHOCTON METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2011

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Statement of Net Assets	11-12
Statement of Revenue, Expenses and Change in Net Assets	13
Statement of Cash Flows	14-15
Notes to the Basic Financial Statements	16-28
Supplemental Data:	
FDS Schedule Submitted To REAC	29-35
Schedule of Expenditures of Federal Awards	36
PHA's Statement and Certification of Actual Modernization Cost	37-41
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	42-43
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	44-45
Schedule of Findings and Questioned Costs	46
Schedule of Prior Audit Findings	47

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## Independent Auditors' Report

Board of Directors  
Coshocton Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Coshocton Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2011, which collectively comprise the Authority basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Coshocton Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Coshocton Metropolitan Housing Authority, Ohio, as of June 30, 2011, and the respective change in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 23, 2011, on my consideration of the Coshocton Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of my audit.

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

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Coshocton 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 combining financial data schedule ("FDS") and the PHA statement and certification of actual costs are presented for purposes additional analysis as required by the Department of Housing and Urban Development and is not a required part of the basic 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.  
November 23, 2011



**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

This Management's Discussion and Analysis (MD&A) for the Coshocton Metropolitan Housing Authority (Coshocton MHA) is intended to assist the reader identify what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify changes in Coshocton MHA's financial position. It is designed to focus on the financial activity for the fiscal year ended June 30, 2011, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

**Overview of the Financial Statements**

The Basic Financial Statements included elsewhere in this report are:

- Statement of Net Assets
- Statement of Revenues, Expenses & Changes in Net Assets
- Statement of Cash Flows

The **Statement of Net Assets** is very similar to, and what most people would think of as, a Balance Sheet. In the first half it reports the value of assets Coshocton MHA holds at 6/30/11, that is, the cash Coshocton MHA has, the amounts that are owed Coshocton MHA from others, and the value of the equipment Coshocton MHA owns. In the other half of the report it shows the liabilities Coshocton MHA has, that is, what Coshocton MHA owes others at 6/30/11; and what Net Assets (or what is commonly referred to as Equity) Coshocton MHA has at 6/30/11. The two parts of the report are in balance, thus why many might refer to this type of report as a Balance Sheet, in that the total of the assets part equals the total of the liabilities plus net assets (or equity) part.

In the statement, the Net Assets part is broken out into three broad categories:

- Net Assets, Invested in Capital Assets, Net of Related Debt
- Restricted Net Assets
- Unrestricted Net Assets

The balance in Net Assets, Invested in Capital Assets, Net of Related Debt reflects the value of capital assets (assets such as land, buildings, & equipment) reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding amount of debt yet owed on those assets.

The balance in Restricted Net Assets reflects the value of assets reported in the top part of the statement that are restricted for use by law or regulation, or when the use of those assets is restricted by constraints placed on the assets by creditors.

**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

The balance in Unrestricted Net Assets is what is left over of Net Assets after what is classified in the two previously mentioned components of Net Assets. It reflects the value of assets available to Coshocton MHA to use to further its purposes.

The **Statement of Revenues, Expenses & Changes in Net Assets** are very similar to and may commonly be referred to as an Income Statement. It is in essence a report showing what Coshocton MHA earned, that is what its revenues or incomes were, versus what expenses Coshocton MHA had over the same period. And then it shows how the Fund Balance (or net assets or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if Coshocton MHA had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the Fund Balance (or net assets or equity). The bottom line of the report, the Ending Total Net Assets, is what is referred to in the above discussion of the Statement of Net Assets that when added to the liabilities the Coshocton MHA has equals the total assets Coshocton MHA has.

The **Statement of Cash Flows** is a report that shows how the amount of cash Coshocton MHA had at the end of the previous year was impacted by the activities of the current year. It breaks out in general categories the cash coming in, and the cash going out. It helps the reader to understand the sources and uses of cash by Coshocton MHA during the year, to include a measurement of cash gained or used by operating activities, by activities related to acquiring capital assets, and by activities related to investing activities.

### **Coshocton MHA's Business Type Programs**

The financial statements included elsewhere in this report are presented using the Authority-wide perspective meaning the activity reported reflects the summed results of all the programs, or business type fund of Coshocton MHA. Coshocton MHA consists exclusively of Enterprise Funds. The full accrual basis of accounting is used for Enterprise Funds. That method of accounting is very similar to accounting used in the private sector.

Coshocton MHA's business type programs include the following:

- Low Rent Public Housing Program
- Section 8 Housing Programs
- Rural Housing Program, and
- State & Local Program

**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

Under the Low Rent Public Housing program, Coshocton MHA rents dwelling units it owns to low to moderate-income families. Through an Annual Contributions Contract (commonly referred to as an ACC) with HUD, HUD provides an operating subsidy to Coshocton MHA to help support the operations of the program. In addition, HUD provides funds for physical improvements to Coshocton MHA's properties and funds for management improvements through Capital Fund Program grants.

Under the Section 8 Housing Choice Voucher program, Coshocton MHA subsidizes the rents of low to moderate-income families through Housing Assistance Payments contracts when those families rent from private landlords. This is called a tenant-based program because when the tenant family moves, the rental assistance goes with the family to the new rental unit.

Under the Rural Housing program, the USDA provided a low interest loan to Coshocton MHA to finance the construction of the dwelling units and then also provides rental assistance to the low to moderate-income families that rent them from the owner, Coshocton MHA.

Under its State and Local programs, Coshocton MHA operates coin laundry facility. 100% of the revenue generated from this program is used to pay down the debt owed to the low rent public housing program as a result of the IG audit finding noted in prior years. This was part of the settlement reached with HUD to resolve the findings noted by the IG.

**Condensed Financial Statements**

The following page reflects a condensed **Statement of Net Assets** compared to prior year. Coshocton MHA is engaged only in business type activities.

**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

**Table 1 - Condensed Statement of Net Assets Compared to Prior Year  
(Values Rounded to Nearest Thousand)**

	<u><b>2011</b></u>	<u><b>2010</b></u>
Current and Other Assets	\$ 514,000	\$ 408,000
Capital Assets	<u>2,740,000</u>	<u>2,966,000</u>
<b>Total Assets</b>	<u><b>\$ 3,254,000</b></u>	<u><b>\$ 3,374,000</b></u>
Current Liabilities	\$ 89,000	\$ 92,000
Long-Term Liabilities	<u>763,000</u>	<u>775,000</u>
<b>Total Liabilities</b>	<u><b>852,000</b></u>	<u><b>867,000</b></u>
Net Assets:		
Investment in Capital Assets, net of Related Debt	2,040,000	2,262,000
Restricted Net Assets	190,000	163,000
Unrestricted Net Assets	<u>172,000</u>	<u>82,000</u>
<b>Total Net Assets</b>	<u><b>2,402,000</b></u>	<u><b>2,507,000</b></u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 3,254,000</b></u>	<u><b>\$ 3,374,000</b></u>

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

Total Net Assets decreased from the prior year-end by \$105,000, but Unrestricted Net Assets increased by \$90,000. The changes in incomes and expenses from the prior year causing those changes are discussed more in the next section where we discuss Table 2, the Modified Statement of Revenues, Expenses and Changes in Net Assets.

Current Assets increased about 26% over the prior year. That increase is a reflection of the increase in Unrestricted Net Assets and is a result of the favorable year-end finish from operations in the period. Again, that will be discussed further in the following section where changes in incomes and expenses are addressed.

Capital Assets decreased during the period by 8%, a reflection that depreciation on assets held by Coshocton MHA outpaced additions to capital assets in the period. Liabilities remained relatively stable.

**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

The components of Net Assets, the change in Invested in Capital Assets, Net of Related Debt closely corresponds to the change in Capital Assets because that is what that component of Net Assets represents. The change in Restricted Net Assets is primarily a result of the increase in funding of the Replacement Reserve held for making improvements at the agency's Parkview North project. Unrestricted Net Assets increased by \$90,000. Unrestricted Net Assets is the component that measures what the agency has in Net Assets to further its purpose. And that increase is a reflection of the favorable operating period the agency experienced, as discussed in the following section.

The following is a modified **Statement of Revenues, Expenses & Changes in Net Assets**. Coshocton MHA is engaged only in business type activities.

**Table 2 - Statement of Revenue, Expenses & Changes in Net Assets  
(Values Rounded to Nearest Thousand)**

	<u><b>2011</b></u>	<u><b>2010</b></u>
<b><u>Revenues</u></b>		
Tenant Revenues - Rents & Other	\$ 214,000	\$ 193,000
Operating Subsidies & Grants	1,432,000	1,575,000
Capital Grants	82,000	227,000
Other Revenues	16,000	31,000
<b>Total Revenues</b>	<b><u>1,744,000</u></b>	<b><u>2,026,000</u></b>
<b><u>Expenses</u></b>		
Administrative	416,000	448,000
Tenant Services	9,000	7,000
Utilities	99,000	124,000
Maintenance	187,000	184,000
General & Interest Expenses	65,000	74,000
Housing Assistance Payments	764,000	773,000
Depreciation	309,000	288,000
<b>Total Expenses</b>	<b><u>1,849,000</u></b>	<b><u>1,898,000</u></b>
<b>Net Increases (Decreases)</b>	<b><u>\$ (105,000)</u></b>	<b><u>\$ 128,000</u></b>

For more detailed information see Combined Statement of Revenues, Expenses and Changes in Net Assets presented elsewhere in this report.

**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

The agency enjoyed a very favorable year-end finish from operations that is excluding consideration of Capital Grants Revenue and Depreciation Expense. Revenues decreased by about 14% from the prior period. The biggest decrease was in Operating Subsidies and Capital Grants revenue from the Capital Fund Program. The prior year Capital Fund Program revenue was unusually large due in large part to stimulus grant funding received. Expenses also dropped although not quite to the extent as revenues. That also is a reflection of reduced funding for the Capital Fund Program. Less Capital Fund Program funds were received and less was spent. Otherwise the agency saw a drop in Utilities Expense and that was primarily in the category of water and sewer billings.

The following is a condensed **Statement of Changes in Capital Assets** comparing balances in capital assets at the year-end versus at the end of the prior year.

**Table 3 - Condensed Statement of Changes in Capital Assets  
(Value Rounded to Nearest Thousand)**

	<u>2011</u>	<u>2010</u>
Land and Land Rights	\$ 439,000	\$ 439,000
Building & Improvements	7,891,000	7,809,000
Equipment	342,000	283,000
Construction in Progress	-	54,000
Accumulated Depreciation	<u>(5,933,000)</u>	<u>(5,619,000)</u>
 Total	 <u>\$ 2,739,000</u>	 <u>\$ 2,966,000</u>

The change in capital assets in the period is a reflection of the amount of Capital Grants revenue discussed above offset by the amount of depreciation expense in the period. Overall, capital additions were outpaced by the increase in depreciation on assets owned by the agency.

The following is a **comparison of debt outstanding** at the year-end versus at the end of the prior year.

**Coshocton Metropolitan Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011  
Unaudited**

**Table 4 - Condensed Statement of Changes in Debt Outstanding  
(Values Rounded to Nearest Thousand)**

	<u>2011</u>	<u>2010</u>
Current Portion of Debt	\$ 4,000	\$ 4,000
Long Term Portion of Debt	<u>695,000</u>	<u>699,000</u>
Total	<u>\$ 699,000</u>	<u>\$ 703,000</u>

Debt was reduced by \$4,000 during year-end 2011, a reduction of about .6%. That is the result of regular payments on a loan due to the US Department of Agriculture issued to permit the development several years ago of rental property owned by Coshocton MHA.

**Economic Factors**

As was the case in the prior year, the agency benefitted greatly from the favorable funding level of operating subsidies for the Public Housing program by HUD. Despite the budget problems facing the Federal government, HUD managed to fund Public Housing operating subsidies at favorable levels in the period. And Coshocton MHA took advantage of the opportunity to improve its financial position. But because of ongoing Federal budget difficulties facing the nation, the agency is not so optimistic about HUD being able to continue to provide Federal subsidies used to administer agency programs and maintain agency properties at such favorable levels. Also, unfavorable economic times, as reflected in the numbers of families earning less in addition to those leaving the community because they cannot find adequate employment opportunities, also mean revenues from tenants are likely to be reduced because generally rents are based on the tenant families' ability to pay as dictated by the Federal government. Then expected increases in the costs of utilities, costs of providing employee benefits, and general inflationary increases in other operating areas represent challenges anticipated by the agency in the coming period.

**Financial Contact**

Questions concerning this report or requests for additional information should be directed to Gregory J. Darr, Executive Director of the Coshocton Metropolitan Housing Authority, 823 Magnolia Street, Coshocton, Ohio, 43812.

**Coshocton Metropolitan Housing Authority**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

***ASSETS***

Current assets

Cash and cash equivalents	\$293,041
Restricted cash and cash equivalents	170,694
Receivables, net	9,829
Inventories, net	5,000
Prepaid expenses and other assets	35,685
<b>Total current assets</b>	<b><u>514,249</u></b>

Noncurrent assets

Capital assets:

Land	438,538
Building and equipment	8,233,592
Less accumulated depreciation	<u>(5,932,572)</u>
<b>Capital assets, net</b>	<b><u>2,739,558</u></b>

**Total assets**

**\$3,253,807**

***LIABILITIES***

Current liabilities

Accounts payable	\$14,511
Accrued liabilities	18,088
Accrued Interest	1,281
Intergovernmental payables	21,971
Tenant security deposits	22,131
Deferred revenue	6,172
Bonds, notes, and loans payable	4,305
<b>Total current liabilities</b>	<b><u>\$88,459</u></b>

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



**Coshocton Metropolitan Housing Authority**  
**Statement of Net Assets (Continued)**  
**Proprietary Funds**  
**June 30, 2011**

Noncurrent liabilities	
Bonds, notes, and loans payable	\$694,879
Accrued compensated absences non-current	53,962
Other Noncurrent Liabilities	14,169
<b>Total noncurrent liabilities</b>	<u><b>763,010</b></u>
<b>Total liabilities</b>	<u><u><b>\$851,469</b></u></u>
 <i>NET ASSETS</i>	
Invested in capital assets, net of related debt	\$2,040,375
Restricted net assets	189,542
Unrestricted net assets	172,421
<b>Total net assets</b>	<u><u><b>\$2,402,338</b></u></u>

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

**Coshocton Metropolitan Housing Authority**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

<b><i>OPERATING REVENUES</i></b>	<b><u>2011</u></b>
Tenant Revenue	\$214,413
Government operating grants	1,431,783
Other revenue	15,286
<b>Total operating revenues</b>	<b><u>1,661,482</u></b>
<b><i>OPERATING EXPENSES</i></b>	
Administrative	415,832
Tenant Services	8,863
Utilities	99,429
Maintenance	187,117
General	50,523
Housing assistance payment	763,931
Depreciation	308,723
<b>Total operating expenses</b>	<b><u>1,834,418</u></b>
<b>Operating income (loss)</b>	<b><u>(172,936)</u></b>
<b><i>NONOPERATING REVENUES (EXPENSES)</i></b>	
Interest and investment revenue	330
Interest expense	(14,731)
<b>Total nonoperating revenues (expenses)</b>	<b><u>(14,401)</u></b>
Income (loss) before contributions and transfers	<b><u>(187,337)</u></b>
Capital grants	<b><u>82,240</u></b>
Change in net assets	(105,097)
Total net assets - beginning	<b><u>2,507,435</u></b>
<b>Total net assets - ending</b>	<b><u><u>\$2,402,338</u></u></b>

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

**Coshocton Metropolitan Housing Authority  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011**

***CASH FLOWS FROM OPERATING ACTIVITIES***

Operating grants received	\$1,474,989
Tenant revenue received	216,135
Other revenue received	15,286
General and administrative expenses paid	(711,968)
Housing assistance payments	(763,931)

**Net cash provided (used) by operating activities** **230,511**

***CASH FLOWS FROM INVESTING ACTIVITIES***

Interest earned	<u>330</u>
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**Net cash provided (used) by investing activities** **330**

***CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES***

Capital grant funds received	82,240
Property and equipment purchased	(82,240)
Principal Payment	(4,216)
Interest Payment on Debt	(14,731)

**Net cash provided (used) by capital and related activities** **(18,947)**

Net increase (decrease) in cash 211,894

Cash and cash equivalents - Beginning of year 251,841

***Cash and cash equivalents - End of year*** **\$463,735**

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

**Coshocton Metropolitan Housing Authority  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Year Ended June 30, 2011**

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

Net Operating Income (Loss)	(\$172,936)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	308,723
- (Increases) Decreases in Accounts Receivable	44,063
- (Increases) Decreases in Prepaid Assets	60,044
- (Increases) Decreases in Inventory	1,491
- Increases (Decreases) in Accounts Payable	(9,108)
- Increases (Decreases) in Intergovernmental Payable	4,641
- Increases (Decreases) in Accrued Expenses Payable	272
- Increases (Decreases) in Deferred Revenue/Other Liabilities	271
- Increases (Decreases) in Tenant Security Deposits	594
- Increases (Decreases) in Compensated Absence Payable	2,928
- Increases (Decreases) in Non-Current Liabilities Other	(10,472)
	(10,472)
<b><i>Net cash provided by operating activities</i></b>	<b><i>\$230,511</i></b>

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

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

**Summary of Significant Accounting Policies**

The financial statements of the Coshocton 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 Coshocton 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

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

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.

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, statement of revenue, expenses and changes net assets, and a statement of cash flows.

**Fund Accounting**

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 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:

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

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

**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 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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

**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. Rural Housing Program**

The United State Department of Agricultural provided a low interest loan to Coshocton MHA to finance the construction of the dwelling units and then also provides rental assistance to the low to moderate-income families that rent them from the owner, Coshocton MHA.

**Investments**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2011 totaled \$330.

**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 a purchase price of \$500 or more per unit. Depreciation is calculated using the straight-line method over the estimated useful lives. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	15-40 years
Furniture, fixtures & equipment	3-7 years



COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

**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.

**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 services 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

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2011  
 (CONTINUED)

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

are attributable to services already rendered and is not contingent on a specific event that is outside the control of the employer and employee; and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

<b>Description</b>	<b>Balance 06/30/10</b>	<b>Additions</b>	<b>Adjust / Deletion</b>	<b>Balance 06/30/10</b>
Compensated Absence Payable	\$51,034	\$24,105	(\$21,177)	\$53,962
<b>Total</b>	<b>\$45,034</b>	<b>\$24,105</b>	<b>(\$21,177)</b>	<b>\$53,962</b>

**Budgetary Accounting**

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development and Department of Agriculture. These budgets are adopted by the Board of the agency and submitted to the Federal agencies, as applicable.

**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: DEPOSIT**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority treasury, in commercial accounts payable or withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 2: DEPOSIT** (Continued)

Inactive deposits are public deposits identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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 certificates of deposit, maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of 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 MCTA or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At year-end, the carrying amount of the Authority's deposits was \$463,735, including \$335 in Petty Cash) and the bank balance was \$468,353. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2011, the Authority was not exposed to custodial risk as discussed below. \$218,353 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 covered by FDIC.

*Investments* - The Authority's had no investments during the fiscal year.

**NOTE 3: 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 June 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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 3: RISK MANAGEMENT** (Continued)

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 June 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 4: CAPITAL ASSETS**

	<b>Balance 06/30/10</b>	<b>Reclass Adjustment</b>	<b>Additions</b>	<b>Deletion</b>	<b>Balance 06/30/11</b>
<b>Capital Assets Not Depreciated:</b>					
Land	\$438,538	\$0	\$0	\$0	\$438,538
Construction in Progress	54,266	(54,266)	0	0	0
<b>Total Capital Assets Not Being Depreciated</b>	<b>492,804</b>	<b>(54,266)</b>	<b>0</b>	<b>0</b>	<b>438,538</b>
<b>Capital Assets Being Depreciated:</b>					
Buildings	7,804,023	54,266	32,920	0	7,891,209
Furniture and Equipment	293,063	0	49,320	0	342,383
<b>Total Capital Assets Being Depreciated</b>	<b>8,097,086</b>	<b>54,266</b>	<b>82,240</b>	<b>0</b>	<b>8,233,592</b>
<b>Accumulated Depreciated:</b>					
Buildings	(5,332,453)	0	(300,011)	0	(5,632,464)
Furniture and Equipment	(291,396)	0	(8,712)	0	(300,108)
<b>Total Accumulated Depreciated</b>	<b>(5,623,849)</b>	<b>0</b>	<b>(308,723)</b>	<b>0</b>	<b>(5,932,572)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>2,473,237</b>	<b>54,266</b>	<b>(226,483)</b>	<b>0</b>	<b>2,301,020</b>
<b>Total Capital Assets, Net</b>	<b>\$2,966,041</b>	<b>\$0</b>	<b>(\$226,483)</b>	<b>\$0</b>	<b>\$2,739,558</b>

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 5: DEFINED BENEFIT PENSION PLANS**

**Ohio Public Employees Retirement System**

The Authority participates in the Ohio Public Employees Retirement System (OPERS).

Ohio Public Employees Retirement System administers three separate pension plans.

1. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan.
2. 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 investment earnings.
3. 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 retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of both the Traditional Pension and 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. For 2010, member and employer contribution rates were consistent across all three plans. The 2010 member contribution rates were 10.0% and the employer contribution rate was 14.0%

The Authority's required contributions to OPERS for the years ended June 30, 2011, 2010 and 2009 were \$38,893, \$44,896 and \$45,724, respectively; 100 percent has been contributed for 2011, 2010 and 2009.

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 6: POSTEMPLOYMENT 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 does 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.

**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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 6: POSTEMPLOYMENT BENEFITS** (Continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 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 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 years ended June 30, 2011, 2010 and 2009, which were used to fund post-employment benefits, were \$15,279, 17,638 and 22,862, respectively.

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 7: LONG-TERM DEBT**

The Authority is obligated on a mortgage payable to the United States Department of Agriculture-Rural Development, which matures in November 2040. The date of the loan was October 30, 1990 for the amount of \$744,314 with an interest rate of 9%. Rural Development requires monthly installments of \$1,579. This monthly installment represents a discounted interest rate of 1%. The note is secured by the property.

**COSHOCTON METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**NOTE 7: LONG-TERM DEBT** (Continued)

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

<b>DESCRIPTION</b>	<b>BALANCE 06/30/10</b>	<b>ISSUED</b>	<b>RETIRED</b>	<b>BALANCE 06/30/11</b>	<b>DUE ONE YEAR</b>
Loan Payable	\$703,400	\$-0-	\$4,126	\$699,184	\$4,305
TOTAL	\$703,400	\$-0-	\$4,126	\$699,184	\$4,305

Debt maturities for the period after June 30, 2011 are estimated as follows:

<b><u>Years – June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2012	4,305	14,643
2013	5,089	13,858
2014	5,567	13,380
2015	6,089	12,858
2016	6,660	12,287
2017 to 2021	43,930	50,805
2022 to 2026	68,781	25,954
2027 to 2031	107,689	(12,954)
2032 to 2036	168,606	(73,871)
2037 to 2041	282,468	(169,248)
Total	699,184	(112,288)

**NOTE 8: 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.

**NOTE 9: CONTINGENCIES**

**Litigations and Claims**

In the normal course of operations the PHA may be subject to litigation and claims. At June 30, 2011 the PHA was involved in such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.



**COSHOCTON METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**(CONTINUED)**

**NOTE 9: CONTINGENCIES** (Continued)

**Inspector General Audit**

The financial data schedule submitted to REAC included a non-current receivable in the Low Rent Program and an offsetting liability in the State and Local program in the amount of \$571,129 related to an audit finding identified in a 2003 report by the Inspector General's Office. In accordance with generally accepted accounting principles, these amounts are not reflected in the agency wide financial statements because they are inter-agency receivables and payables. In addition management believes it is not likely that the receivable will ever be fully collected and the payable will ever be fully repaid. This information was reflected on the financial data schedule submitted to REAC as instructed by HUD.

Coshocton MHA did sign a repayment agreement with HUD related to this amount due to the Public Housing program. The agreement specifies that laundry income the PHA collects will be applied against the amount to be paid back to the Public Housing program. Based on this arrangement, it will take well over 100+ years for the liability to be satisfied.

The amount applied to the balance during the audit period was \$3,442.

<b>Balance 6/30/10</b>	<b>Payment Made In Period</b>	<b>Balance 6/30/11</b>
\$571,129	\$3,442	\$567,687

Coshocton Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
June 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$289,434	\$0	\$0	\$3,607	\$0	\$293,041	\$0	\$293,041
113 Cash - Other Restricted	\$0	\$71,904	\$0	\$76,659	\$0	\$148,563	\$0	\$148,563
114 Cash - Tenant Security Deposits	\$18,411	\$0	\$0	\$3,720	\$0	\$22,131	\$0	\$22,131
100 Total Cash	\$307,845	\$71,904	\$0	\$83,986	\$0	\$463,735	\$0	\$463,735
122 Accounts Receivable - HUD Other Projects	\$6,984	\$0	\$0	\$0	\$0	\$6,984	\$0	\$6,984
125 Accounts Receivable - Miscellaneous	\$3,559	\$0	\$0	\$0	\$0	\$3,559	\$0	\$3,559
126 Accounts Receivable - Tenants	\$618	\$0	\$0	\$668	\$0	\$1,286	\$0	\$1,286
126.1 Allowance for Doubtful Accounts - Tenants	(\$300)	\$0	\$0	\$0	\$0	(\$300)	\$0	(\$300)
126.2 Allowance for Doubtful Accounts - Other	(\$1,700)	\$0	\$0	\$0	\$0	(\$1,700)	\$0	(\$1,700)
128 Fraud Recovery	\$0	\$22,753	\$0	\$0	\$0	\$22,753	\$0	\$22,753
128.1 Allowance for Doubtful Accounts - Fraud	\$0	(\$22,753)	\$0	\$0	\$0	(\$22,753)	\$0	(\$22,753)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$9,161	\$0	\$0	\$668	\$0	\$9,829	\$0	\$9,829
142 Prepaid Expenses and Other Assets	\$35,685	\$0	\$0	\$0	\$0	\$35,685	\$0	\$35,685
143 Inventories	\$5,000	\$0	\$0	\$0	\$0	\$5,000	\$0	\$5,000
144 Inter Program Due From	\$84,327	\$0	\$0	\$0	\$0	\$84,327	(\$84,327)	\$0
150 Total Current Assets	\$442,018	\$71,904	\$0	\$84,654	\$0	\$598,576	(\$84,327)	\$514,249
161 Land	\$438,538	\$0	\$0	\$0	\$0	\$438,538	\$0	\$438,538
162 Buildings	\$7,121,343	\$0	\$0	\$769,866	\$0	\$7,891,209	\$0	\$7,891,209
163 Furniture, Equipment & Machinery - Dwellings	\$55,182	\$0	\$0	\$0	\$0	\$55,182	\$0	\$55,182
164 Furniture, Equipment & Machinery - Administration	\$247,000	\$30,482	\$4,480	\$5,239	\$0	\$287,201	\$0	\$287,201

Coshocton Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
June 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
166 Accumulated Depreciation	(\$5,525,721)	(\$30,482)	(\$4,480)	(\$371,889)	\$0	(\$5,932,572)	\$0	(\$5,932,572)
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,336,342	\$0	\$0	\$403,216	\$0	\$2,739,558	\$0	\$2,739,558
174 Other Assets	\$567,687	\$126,970	\$0	\$0	\$0	\$694,657	(\$694,657)	\$0
180 Total Non-Current Assets	\$2,904,029	\$126,970	\$0	\$403,216	\$0	\$3,434,215	(\$694,657)	\$2,739,558
190 Total Assets	\$3,346,047	\$198,874	\$0	\$487,870	\$0	\$4,032,791	(\$778,984)	\$3,253,807
312 Accounts Payable <= 90 Days	\$13,330	\$589	\$0	\$592	\$0	\$14,511	\$0	\$14,511
321 Accrued Wage/Payroll Taxes Payable	\$18,088	\$0	\$0	\$0	\$0	\$18,088	\$0	\$18,088
325 Accrued Interest Payable	\$0	\$0	\$0	\$1,281	\$0	\$1,281	\$0	\$1,281
333 Accounts Payable - Other Government	\$16,894	\$0	\$0	\$5,077	\$0	\$21,971	\$0	\$21,971
341 Tenant Security Deposits	\$18,411	\$0	\$0	\$3,720	\$0	\$22,131	\$0	\$22,131
342 Deferred Revenues	\$4,745	\$0	\$0	\$1,427	\$0	\$6,172	\$0	\$6,172
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$4,305	\$0	\$4,305	\$0	\$4,305
347 Inter Program - Due To	\$0	\$46,665	\$0	\$37,662	\$0	\$84,327	(\$84,327)	\$0
310 Total Current Liabilities	\$71,468	\$47,254	\$0	\$54,064	\$0	\$172,786	(\$84,327)	\$88,459
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$694,879	\$0	\$694,879	\$0	\$694,879
353 Non-current Liabilities - Other	\$4,053	\$0	\$126,970	\$10,116	\$567,687	\$708,826	(\$694,657)	\$14,169
354 Accrued Compensated Absences - Non Current	\$35,037	\$14,609	\$0	\$4,316	\$0	\$53,962	\$0	\$53,962
350 Total Non-Current Liabilities	\$39,090	\$14,609	\$126,970	\$709,311	\$567,687	\$1,457,667	(\$694,657)	\$763,010

Coshocton Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
June 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
300 Total Liabilities	\$110,558	\$61,863	\$126,970	\$763,375	\$567,687	\$1,630,453	(\$778,984)	\$851,469
508.1 Invested In Capital Assets, Net of Related Debt	\$2,336,342	\$0	\$0	(\$295,967)	\$0	\$2,040,375	\$0	\$2,040,375
511.1 Restricted Net Assets	\$0	\$112,883	\$0	\$76,659	\$0	\$189,542	\$0	\$189,542
512.1 Unrestricted Net Assets	\$899,147	\$24,128	(\$126,970)	(\$56,197)	(\$567,687)	\$172,421	\$0	\$172,421
513 Total Equity/Net Assets	\$3,235,489	\$137,011	(\$126,970)	(\$275,505)	(\$567,687)	\$2,402,338	\$0	\$2,402,338
600 Total Liabilities and Equity/Net Assets	\$3,346,047	\$198,874	\$0	\$487,870	\$0	\$4,032,791	(\$778,984)	\$3,253,807
70300 Net Tenant Rental Revenue	\$148,081	\$0	\$0	\$61,820	\$0	\$209,901	\$0	\$209,901
70400 Tenant Revenue - Other	\$4,512	\$0	\$0	\$0	\$0	\$4,512	\$0	\$4,512
70500 Total Tenant Revenue	\$152,593	\$0	\$0	\$61,820	\$0	\$214,413	\$0	\$214,413
70600 HUD PHA Operating Grants	\$507,005	\$891,680	\$0	\$0	\$0	\$1,398,685	\$0	\$1,398,685
70610 Capital Grants	\$82,240	\$0	\$0	\$0	\$0	\$82,240	\$0	\$82,240
70800 Other Government Grants	\$0	\$0	\$0	\$33,098	\$0	\$33,098	\$0	\$33,098
71100 Investment Income - Unrestricted	\$202	\$0	\$0	\$80	\$0	\$282	\$0	\$282
71400 Fraud Recovery	\$0	\$2,380	\$0	\$0	\$0	\$2,380	\$0	\$2,380
71500 Other Revenue	\$7,278	\$0	\$0	\$2,186	\$3,442	\$12,906	\$0	\$12,906
72000 Investment Income - Restricted	\$0	\$48	\$0	\$0	\$0	\$48	\$0	\$48
70000 Total Revenue	\$749,318	\$894,108	\$0	\$97,184	\$3,442	\$1,744,052	\$0	\$1,744,052
91100 Administrative Salaries	\$136,081	\$57,979	\$0	\$15,514	\$0	\$209,574	\$0	\$209,574
91200 Auditing Fees	\$4,810	\$3,000	\$0	\$0	\$0	\$7,810	\$0	\$7,810
91400 Advertising and Marketing	\$584	\$0	\$0	\$35	\$0	\$619	\$0	\$619

Coshocton Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
June 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
91500 Employee Benefit contributions - Administrative	\$49,683	\$20,695	\$0	\$5,510	\$0	\$75,888	\$0	\$75,888
91700 Legal Expense	\$14,963	\$0	\$0	\$280	\$0	\$15,243	\$0	\$15,243
91900 Other	\$81,511	\$16,736	\$0	\$8,451	\$0	\$106,698	\$0	\$106,698
91000 Total Operating - Administrative	\$287,632	\$98,410	\$0	\$29,790	\$0	\$415,832	\$0	\$415,832
92400 Tenant Services - Other	\$8,863	\$0	\$0	\$0	\$0	\$8,863	\$0	\$8,863
92500 Total Tenant Services	\$8,863	\$0	\$0	\$0	\$0	\$8,863	\$0	\$8,863
93100 Water	\$61,253	\$0	\$0	\$5,258	\$0	\$66,511	\$0	\$66,511
93200 Electricity	\$20,225	\$0	\$0	\$5,386	\$0	\$25,611	\$0	\$25,611
93300 Gas	\$6,900	\$0	\$0	\$407	\$0	\$7,307	\$0	\$7,307
93000 Total Utilities	\$88,378	\$0	\$0	\$11,051	\$0	\$99,429	\$0	\$99,429
94100 Ordinary Maintenance and Operations - Labor	\$67,887	\$0	\$0	\$8,696	\$0	\$76,583	\$0	\$76,583
94200 Ordinary Maintenance and Operations - Materials and Other	\$38,166	\$0	\$0	\$3,611	\$0	\$41,777	\$0	\$41,777
94300 Ordinary Maintenance and Operations Contracts	\$37,067	\$0	\$0	\$2,546	\$0	\$39,613	\$0	\$39,613
94500 Employee Benefit Contributions - Ordinary Maintenance	\$25,055	\$0	\$0	\$3,089	\$0	\$28,144	\$0	\$28,144
94000 Total Maintenance	\$168,175	\$0	\$0	\$17,942	\$0	\$186,117	\$0	\$186,117
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$18,110	\$0	\$0	\$3,544	\$0	\$21,654	\$0	\$21,654

Coshocton Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
June 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
96120 Liability Insurance	\$0	\$6,037	\$0	\$0	\$0	\$6,037	\$0	\$6,037
96100 Total insurance Premiums	\$18,110	\$6,037	\$0	\$3,544	\$0	\$27,691	\$0	\$27,691
96210 Compensated Absences	\$0	\$4,358	\$0	\$359	\$0	\$4,717	\$0	\$4,717
96300 Payments in Lieu of Taxes	\$6,422	\$0	\$0	\$5,077	\$0	\$11,499	\$0	\$11,499
96400 Bad debt - Tenant Rents	\$6,616	\$0	\$0	\$0	\$0	\$6,616	\$0	\$6,616
96000 Total Other General Expenses	\$13,038	\$4,358	\$0	\$5,436	\$0	\$22,832	\$0	\$22,832
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$14,731	\$0	\$14,731	\$0	\$14,731
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$14,731	\$0	\$14,731	\$0	\$14,731
96900 Total Operating Expenses	\$584,196	\$108,805	\$0	\$82,494	\$0	\$775,495	\$0	\$775,495
97000 Excess of Operating Revenue over Operating Expenses	\$165,122	\$785,303	\$0	\$14,690	\$3,442	\$968,557	\$0	\$968,557
97200 Casualty Losses - Non-capitalized	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$0	\$1,000
97300 Housing Assistance Payments	\$0	\$763,931	\$0	\$0	\$0	\$763,931	\$0	\$763,931
97400 Depreciation Expense	\$288,452	\$0	\$0	\$20,271	\$0	\$308,723	\$0	\$308,723
90000 Total Expenses	\$873,648	\$872,736	\$0	\$102,765	\$0	\$1,849,149	\$0	\$1,849,149
10010 Operating Transfer In	\$37,988	\$0	\$0	\$0	\$0	\$37,988	(\$37,988)	\$0
10020 Operating transfer Out	(\$37,988)	\$0	\$0	\$0	\$0	(\$37,988)	\$37,988	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Coshocton Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
June 30, 2011

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	8 Other Federal Program 1	2 State/Local	Subtotal	ELIM	Total
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(\$124,330)	\$21,372	\$0	(\$5,581)	\$3,442	(\$105,097)	\$0	(\$105,097)
11030 Beginning Equity	\$3,359,819	\$115,639	(\$126,970)	(\$269,924)	(\$571,129)	\$2,507,435	\$0	\$2,507,435
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11170 Administrative Fee Equity	\$0	\$24,128	\$0	\$0	\$0	\$24,128	\$0	\$24,128
11180 Housing Assistance Payments Equity	\$0	\$112,883	\$0	\$0	\$0	\$112,883	\$0	\$112,883
11190 Unit Months Available	1,572	3,024	0	276	0	4,872	0	4,872
11210 Number of Unit Months Leased	1,569	2,826	0	275	0	4,670	0	4,670
11270 Excess Cash	\$280,135	\$0	\$0	\$0	\$0	\$280,135	\$0	\$280,135
11620 Building Purchases	\$32,920	\$0	\$0	\$0	\$0	\$32,920	\$0	\$32,920
11640 Furniture & Equipment - Administrative Purchases	\$49,320	\$0	\$0	\$0	\$0	\$49,320	\$0	\$49,320

Coshocton Metropolitan Housing Authority  
Schedule of Expenditures of Federal Award  
For the Year Ended June 30, 2011

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850	\$428,801
Housing Choice Vouchers	14.871	891,680
Public Housing Capital Fund Program	14.872	<u>160,444</u>
<b>Total U.S. Department HUD</b>		<b><u>1,480,925</u></b>
U.S. Department of Agriculture - Rural Housing Service Direct Program		
Rural Rental Housing Loan	10.415	<u>33,098</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>33,098</u></b>
Total Expenditure of Federal Award		<b><u>\$1,514,023</u></b>



Coshocton Metropolitan Housing Authority  
PHA's Statement and Certification of Actual Modernization Cost  
June 30, 2011

Capital Fund Program Number OH16S03750109

1. The Program Costs are as follows:

Funds Approved	\$242,503
Funds Expended	<u>242,503</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$242,503
Funds Expended	<u>242,503</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -0-</u>

2. All costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on November 2, 2011.
4. The final costs on the certification agree to the Authority's records.

Coshocton Metropolitan Housing Authority  
PHA's Statement and Certification of Actual Modernization Cost  
June 30, 2011

Capital Fund Program Number OH03750109

1. The Program Costs are as follows:

Funds Approved	\$190,581
Funds Expended	<u>190,581</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$190,581
Funds Expended	<u>190,581</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ -0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on November 2, 2011.
4. The final costs on the certification agree to the Authority's records.



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

Board of Directors  
Coshocton Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of the Coshocton Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2011, which collectively comprise the Coshocton Metropolitan Housing Authority basic financial statements and have issued my report thereon dated November 23, 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.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered the Coshocton Metropolitan Housing Authority's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Coshocton Metropolitan Housing Authority's internal control over financial reporting. Accordingly, I have not opined on the effectiveness of the Government'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coshocton 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 noted certain matters that I have reported to management of Coshocton Metropolitan Housing Authority in a separate letter dated November 23, 2011.

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

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Salvatore Consiglio, CPA, Inc.  
November 23, 2011



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**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  
Coshocton Metropolitan Housing Authority

**Compliance**

I have audited the compliance of the Coshocton Metropolitan Housing Authority, Ohio, 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 its major federal programs for the year ended June 30, 2011. Coshocton 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 Coshocton Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Coshocton 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. 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 Coshocton 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 Coshocton Metropolitan Housing Authority, Ohio's compliance with those requirements.

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

### **Internal Control Over Compliance**

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

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

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

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Salvatore Consiglio, CPA, Inc.  
November 23, 2011

Coshocton Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 June 30, 2011

**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
Was 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 # 14.871 - Housing Choice Voucher Program
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There are no Findings or questioned costs for the year ended June 30, 2011.

**3. FINDINGS RELATED TO FEDERAL AWARDS**

There are no Findings or questioned costs for the year ended June 30, 2011.

Coshocton Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
June 30, 2011

The audit report for the fiscal year ending June 30, 2010 contained no audit findings.





# Dave Yost • Auditor of State

**COSHOCTON METROPOLITAN HOUSING AUTHORITY**

**COSHOCTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 8, 2012**