Hancock Metropolitan Housing Authority

Financial Statements

For the Year Ended December 31, 2011

Dave Yost · Auditor of State

Board of Commissioners
Hancock Metropolitan Housing Authority
1800 North Blanchard Street
Findlay, Ohio 45840

We have reviewed the *Independent Auditors' Report* of the Hancock Metropolitan Housing Authority, Hancock County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2011 through December 31, 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 Hancock Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

November 14, 2012

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HANCOCK METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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Independent Auditors' Report

Board of Commissioners
Hancock Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Hancock Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the Authority basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Hancock Metropolitan Housing Authority, Ohio's, management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Hancock Metropolitan Housing Authority, Ohio, as of December 31, 2011, and the respective changes in financial position and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* I have also issued a report dated June 13, 2012, on my consideration of Hancock Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be consider in conjunction with this report in considering the results of my audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 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 appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide assurance.

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Hancock 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") is presented for purposes of 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 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 by me and other auditors. In my opinion, the information is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
Date: 2012.11.08 22:02:36 -05'00'

Salvatore Consiglio, CPA, Inc.
June 13, 2012

HANCOCK METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (M D & A)
Year Ended DECEMBER 31, 2011

Unaudited

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

FINANCIAL HIGHLIGHTS

- During 2011, the Authority's net assets decreased by $32,480 (or 6.11%). Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net Assets were $498,816 and $531,296 for 2011 and 2010 respectively.

- Revenues increased by $241,417 (or 7.50%) during 2011, and were $3,462,166 and $3,220,749 for 2011 and 2010 respectively. The increase in revenue was mainly due to additional HUD grant revenue received.

- The total expenses of all Authority programs decreased by $23,218 (or 0.66%). Total expenses were $3,494,646 and $3,517,864 for 2011 and 2010 respectively. The increase in expenses was mainly due to decrease in Housing Assistance Payments.

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's Discussion & Analysis ~**

Basic Financial Statements
~ Authority-wide Financial Statements ~

Other Required Supplementary Information
~ Required Supplementary Information ~ **(other than the MD&A)**

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

The focus of the Statement of Net Assets (the "<u>Unrestricted</u> 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:

<u>Net Assets, Invested in Capital Assets, Net of Related Debt</u>: 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.

Unaudited

Authority-Wide Financial Statements (continued)

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 Fund Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income and interest expense.

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

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.

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.

The Authority's Funds

Business Type Fund

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

Unaudited

Business Type Fund (continued)

Other Non-Major Programs – In addition to the program above, the Authority also operates the following programs. The Authority received funding from Putnam and Wyandot County's HOME program an Community Housing Improvement Program (CHIP) during the fiscal year. State/Local activities represent non-HUD resources developed from a variety of activities.

AUTHORITY-WIDE STATEMENTS

Statement of Net Assets

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

TABLE 1
STATEMENT OF NET ASSETS

	2011	2010
Current and Other Assets	$ 456,872	$ 468,075
Capital Assets	72,261	84,264
Total Assets	$ 529,133	$ 552,339
Current Liabilities	$ 17,410	$ 16,973
Long-Term Liabilities	12,907	4,070
Total Liabilities	30,317	21,043
Net Assets:		
Investment in Capital Assets, net of Related Debt	72,261	84,264
Restricted net assets	88,775	-
Unrestricted Net Assets	337,780	447,032
Total Net Assets	498,816	531,296
Total Liabilities and Net Assets	$ 529,133	$ 552,339

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

Unaudited

Major Factors Affecting the Statement of Net Assets

During 2011, current and other assets decreased by $11,203. Current liabilities increased by $437.

Capital assets decreased from $84,264 to $72,261. The $12,003 decrease is due to current year purchases less depreciation expense. For more detail see "Capital Assets and Debt Administration" below.

Table 2 presents details on the change in Unrestricted Net Assets

TABLE 2

CHANGE OF TOTAL NET ASSETS

	Unrestricted Net Assets	Restricted Net Assets	Investment in Capital Assets
Beginning Balance - December 31, 2010	$ 447,032	$ -	$ 84,264
Results of Operation	(121,255)	88,775	-
Adjustments:			
Current year Depreciation Expense (1)	24,973	-	(24,973)
Capital Expenditure	(12,970)	-	12,970
Ending Balance - December 31, 2011	$ 337,780	$ 88,775	$ 72,261

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

(2) HUD now requires unspent HAP funding for the Housing Choice Voucher Program be classified as Restricted Net Assets

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

HANCOCK METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (M D & A)
Year Ended DECEMBER 31, 2011

Unaudited

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

	2011	2010
Revenues		
Operating Subsidies	$ 3,423,552	$ 3,187,854
Investment Income	89	405
Other Revenues	38,525	32,490
Total Revenues	**3,462,166**	**3,220,749**
Expenses		
Administrative	507,820	479,404
Maintenance	2,443	2,228
General Expenses	21,604	39,101
Housing Assistance Payments	2,937,806	2,976,441
Depreciation	24,973	20,690
Total Expenses	**3,494,646**	**3,517,864**
Net Increases (Decreases)	**$ (32,480)**	**$ (297,115)**

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

Total Revenue increased for the year by $241,417. The increase was mainly due to additional grant funds received from HUD.

Total expenses decreased by $23,218. This decrease was mainly due to a decrease in housing assistance payments.

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year end, the Authority had $72,261 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of $12,003 from the end of last year. The decrease is due to administrative equipment purchased and leasehold improvements, less depreciation expense.

TABLE 4

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

	2011	2010
Equipment - Administrative	$ 138,030	$ 125,060
Leasehold Improvements	20,305	20,305
Accumulated Depreciation	(86,074)	(61,101)
Total	$ 72,261	$ 84,264

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the Notes to the Basic Financial Statements.

**TABLE 5
CHANGE IN CAPITAL ASSETS**

Beginning Balance - December 31, 2010	$ 84,264
Current year Additions	12,970
Current year Depreciation Expense	(24,973)
Ending Balance - December 31, 2011	$ 72,261

Current year Additions are summarized as follows:	
- Office furniture	$ 10,622
- Computer Licenses & Hardware	2,347
Total 2011 Additions	$ 12,970

The Authority did not have any outstanding debt at December 31, 2011.

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 housing assistance
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Edwin Tharp, Executive Director of the Hancock Metropolitan Housing Authority, at (419) 424-7848. Specific requests may be submitted to the Hancock Metropolitan Housing Authority at Suite 114, The Family Center, 1800 North Blanchard Street, Findlay, Ohio 45840.

HANCOCK METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets
Proprietary Funds
December 31, 2011

ASSETS		
Current assets		
Cash and cash equivalents	$	326,847
Restricted cash and cash equivalents		101,682
Receivables, net		20,484
Prepaid expenses and other assets		7,859
Total current assets		**456,872**
Noncurrent assets		
Capital assets:		
Building and equipment		158,335
Less accumulated depreciation		(86,074)
Capital assets, Net		72,261
Total noncurrent assets		***72,261***
Total assets	**$**	**529,133**
LIABILITIES		
Current liabilities		
Accounts payable	$	1,669
Accrued Liabilities		11,714
Accrued Compensated Absences - Current		1,867
Other current liabilities		2,160
Total current liabilities		***17,410***
Noncurrent liabilities		
Noncurrent liabilities - other		12,907
Total noncurrent liabilities		***12,907***
Total liabilities	**$**	**30,317**
NET ASSETS		
Invested in capital assets, net of related debt	$	72,261
Restricted net assets		88,775
Unrestricted net assets		337,780
Total net assets	**$**	**498,816**

The accompanying notes to the Basic Financial Statements are an integral part of these statements.

HANCOCK METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

OPERATING REVENUES	
Government operating grants	$ 3,423,552
Other revenue	38,525
Total operating revenues	**3,462,077**
OPERATING EXPENSES	
Administrative	507,820
Maintenance	2,443
General	21,604
Housing assistance payment	2,937,806
Depreciation	24,973
Total operating expenses	***3,494,646***
Operating income (loss)	**(32,569)**
NONOPERATING REVENUES (EXPENSES)	
Interest and investment revenue	89
Total nonoperating revenues (expenses)	***89***
Change in net assets	(32,480)
Total net assets - beginning	531,296
Total net assets - ending	**$ 498,816**

The accompanying notes to the Basic Financial Statements are an integral part of these statements.

HANCOCK METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows
Proprietary Fund Type
For the year ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating grants received	$3,427,158
Other revenue received	48,305
Cash payments for administrative	(524,372)
Cash payments for HAP	(2,936,672)
Net cash provided (used) by operating activities	**14,419**
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	89
Net cash provided (used) by investing activities	**89**
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES	
Acquisition of capital assets	(12,970)
Net cash provided (used) by capital and related activities	**(12,970)**
Net increase (decrease) in cash	1,538
Cash and cash equivalents - Beginning of year	426,991
Cash and cash equivalents - End of year	**$ 428,529**

The accompanying notes to the Basic Financial Statements are an integral part of these statements.

HANCOCK METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2011

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	$	(32,569)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating		
- Depreciation		24,973
- (Increases) Decreases in Accounts Receivable - HUD		3,606
- (Increases) Decreases in Accounts Receivable - Other		9,780
- (Increases) Decreases in Prepaid Assets		(645)
- Increases (Decreases) in Accounts Payable		(1,727)
- Increases (Decreases) in Accounts Payable -HUD		1,134
- Increases (Decreases) in Accrued Liabilities		630
- Increases (Decreases) in Other Current Liabilities		(1,352)
- Increases (Decreases) in Non-Current Liabilities Other		10,589
Net cash provided by operating activities	**$**	**14,419**

The accompanying notes to the Basic Financial Statements are an integral part of these statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Hancock 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 Hancock Metropolitan Housing Authority is a political subdivision of the State of Ohio, located in Findlay, Ohio. The Authority was created under the Ohio Revised Code, Section 3735.27, to engage in the acquisition, development, leasing, and administration of low-rent housing program. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Fund Accounting
The Authority uses the proprietary fund to report on its financial position and the results of its 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:

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 December 31, 2011 totaled $89.

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 $500 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	27 1/2 - 40 year
Buildings Improvements	15 years
Furniture, equipment and machinery	3-7 years

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 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability. The liability amount of $1,867 was reported as current year liability.

The following is a summary of changes in compensated absence liability:

	Balance 12/31/10	Increase	Decrease	Balance 12/31/11	Due within a Year
Total Liability	$1,752	$13,029	($12,914)	$1,867	$1,867

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its Enterprise Funds receiving federal expenditure awards. All budgets are 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.

Estimates

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

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits – State statutes classify monies held by the Authority into three categories:

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

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

NOTE 2: <u>DEPOSITS AND INVESTMENTS</u> (Continued)

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

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

At fiscal year end December 31, 2011, the carrying amount of the Authority's deposits totaled $428,529 and its bank balance was $437,986. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2011, $187,986 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Depository Insurance Corporation.

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

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 Bank in the name of the Authority.

NOTE 3: <u>RESTRICTED CASH AND INVESTMENT</u>

Restricted cash balance as of December 31, 2011 was $101,682 and it represented the following:

- HUD advances for housing assistance payments	$88,775
- FSS Escrow Funds held for clients	12,907
Total Restricted Cash on Hand	$101,682

NOTE 4: CAPITAL ASSETS:

The following is the change in capital assets:

	Balance 12/31/10	Additions	Deletion	Balance 12/31/11
Capital Assets Being Depreciated:				
Furnt, Mach. and Equip. – Admin	$125,060	$12,970	$0	$138,030
Leasehold Improvements	20,305	0	0	20,305
Total Capital Assets Being Depreciated	145,365	12,970	0	158,335
Accumulated Depreciation:				
Furnt, Mach. and Equip. – Admin	(60,839)	(23,619)	0	(84,458)
Leasehold Improvements	(262)	(1,354)	0	(1,616)
Total Accumulated Depreciation	(61,101)	(24,973)	0	(86,074)
Total Capital Assets, Net	**$84,264**	**($12,003)**	**$0**	**$72,261**

NOTE 5: DEFINED BENEFIT PENSION PLANS

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

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Direct Plan – A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Direct Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions, plus any investment earnings.

3. The Combined Plan – A cost sharing, multiple-employer defined pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefits similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Direct Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone

NOTE 5: DEFINED BENEFIT PENSION PLANS (Continued)

financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011 and 2010, member and employer rates were consistent across all three plans. The 2011 member contribution rates were 10.0% for members 14.0% for employers of covered payroll. The Authority's contribution for the years ended December 31, 2011, 2010, and 2009 amounted to $43,222, $43,598 and $41,164. Ninety-Two percent has been contributed for 2011. All required contributions for the two previous years have been paid.

NOTE 6: POSTEMPLOYMENT BENEFITS

A. Plan Description

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

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

NOTE 6: POSTEMPLOYMENT BENEFITS (Continued)

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 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. For 2011 and 2010, the employer contribution allocated to the health care plan was 5.50 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the year ended December 31, 2011, 2010 and 2009 which were used to fund post-employment benefits were $16,980, $17,128 and $17,175 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: CONSTRUCTION AND OTHER COMMITMENTS

The Authority had no material operating lease commitments or material capital or construction commitments at December 31, 2011.

NOTE 8: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 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 9: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD

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

Hancock Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	14.871 Housing Choice Voucher	State and Local	14.181 Supportive Housing for Persons with Disabilities	ELIM	Total
111 Cash - Unrestricted	$271,565	$49,344	$5,938	0	$326,847
113 Cash - Other Restricted	$101,682	0	0	0	$101,682
100 Total Cash	$373,247	$49,344	$5,938	$0	$428,529
124 Accounts Receivable - Other Government	0	$43	0	0	$43
125 Accounts Receivable - Miscellaneous	$3,563	$1,680	0	0	$5,243
128 Fraud Recovery	$58,649	0	0	0	$58,649
128.1 Allowance for Doubtful Accounts - Fraud	($43,451)	0	0	0	($43,451)
120 Total Receivables, Net of Allowances for Doubtful Accounts	$18,761	$1,723	$0	$0	$20,484
142 Prepaid Expenses and Other Assets	$7,859	0	0	0	$7,859
150 Total Current Assets	$399,867	$51,067	$5,938	$0	$456,872
164 Furniture, Equipment & Machinery - Administration	$138,030	0	0	0	$138,030
165 Leasehold Improvements	$20,305	0	0	0	$20,305
166 Accumulated Depreciation	($86,074)	0	0	0	($86,074)
160 Total Capital Assets, Net of Accumulated Depreciation	$72,261	$0	$0	$0	$72,261
174 Other Assets	0	0	0	0	$0
180 Total Non-Current Assets	$72,261	$0	$0	$0	$72,261
190 Total Assets	$472,128	$51,067	$5,938	$0	$529,133
312 Accounts Payable <= 90 Days	$535	0	0	0	$535
321 Accrued Wage/Payroll Taxes Payable	$11,714	0	0	0	$11,714
322 Accrued Compensated Absences - Current Portion	$1,867	0	0	0	$1,867
331 Accounts Payable - HUD PHA Programs	0	0	$1,134	0	$1,134
345 Other Current Liabilities	0	$2,160	0	0	$2,160
310 Total Current Liabilities	$14,116	$2,160	$1,134	$0	$17,410
353 Non-current Liabilities - Other	$12,907	0	0	0	$12,907
350 Total Non-Current Liabilities	$12,907	$0	$0	$0	$12,907
300 Total Liabilities	$27,023	$2,160	$1,134	$0	$30,317

Hancock Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	14.871 Housing Choice Voucher	State and Local	14.181 Supportive Housing for Persons with Disabilities	ELIM	Total
508.1 Invested In Capital Assets, Net of Related Debt	$72,261	0	0	0	$72,261
511.1 Restricted Net Assets	$88,775	0	0	0	$88,775
512.1 Unrestricted Net Assets	$284,069	$48,907	$4,804	0	$337,780
513 Total Equity/Net Assets	$445,105	$48,907	$4,804	$0	$498,816
600 Total Liabilities and Equity/Net Assets	$472,128	$51,067	$5,938	$0	$529,133
70500 Total Tenant Revenue	$0	$0	$0	0	$0
70600 HUD PHA Operating Grants	$3,096,388	0	$327,164	0	$3,423,552
71100 Investment Income - Unrestricted	$86	0	0	0	$86
71400 Fraud Recovery	$8,240	0	0	0	$8,240
71500 Other Revenue	$1,339	$28,946	0	0	$30,285
72000 Investment Income - Restricted	$3	0	0	0	$3
70000 Total Revenue	$3,106,056	$28,946	$327,164	$0	$3,462,166
91100 Administrative Salaries	$261,572	$4,500	$38,019	0	$304,091
91200 Auditing Fees	$9,157	0	$1,018	0	$10,175
91400 Advertising and Marketing	$4,029	0	0	0	$4,029
91500 Employee Benefit contributions - Administrative	$74,775	$1,176	$9,933	0	$85,884
91600 Office Expenses	$100,617	0	0	0	$100,617
91800 Travel	$3,024	0	0	0	$3,024
91000 Total Operating - Administrative	$453,174	$5,676	$48,970	$0	$507,820
94300 Ordinary Maintenance and Operations Contracts	$2,443	0	0	0	$2,443
94000 Total Maintenance	$2,443	$0	$0	$0	$2,443
96120 Liability Insurance	$6,436	0	0	0	$6,436
96100 Total insurance Premiums	$6,436	$0	$0	$0	$6,436
96200 Other General Expenses	$2,139	0	0	0	$2,139
96210 Compensated Absences	$13,029	0	0	0	$13,029
96000 Total Other General Expenses	$15,168	$0	$0	$0	$15,168
96900 Total Operating Expenses	$477,221	$5,676	$48,970	$0	$531,867

Hancock Metropolitan Housing Authority

FDS Schedule Submitted to REAC

Proprietary Fund Type - Enterprise Fund

December 31, 2010

	14.871 Housing Choice Voucher	State and Local	14.181 Supportive Housing for Persons with Disabilities	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	$2,628,835	$23,270	$278,194	$0	$2,930,299
97300 Housing Assistance Payments	$2,639,407	$20,205	$278,194	0	$2,937,806
97400 Depreciation Expense	$24,973	0	0	0	$24,973
90000 Total Expenses	$3,141,601	$25,881	$327,164	0	$3,494,646
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	($35,545)	$3,065	$0	$0	($32,480)
11030 Beginning Equity	$480,650	$45,842	$4,804	0	$531,296
11170 Administrative Fee Equity	$356,330	0	0	0	$356,330
11180 Housing Assistance Payments Equity	$88,775	0	0	0	$88,775
11190 Unit Months Available	9468	68	900	0	10436
11210 Number of Unit Months Leased	8507	68	900	0	9475

Hancock Metropolitan Housing Authority
Schedule of Expenditure of Federal Award
For the Year Ended December 31, 2011

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Housing Choice Voucher Program	14.871	$3,096,388
Supportive Housing for Persons with Disabilities	14.181	327,164
Total Expenditure of Federal Award		$3,423,552

SALVATORE CONSIGLIO, CPA, INC.

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

Board of Commissioners
Hancock Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of the Hancock Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the Hancock Metropolitan Housing Authority basic financial statements and have issued my report thereon dated June 13, 2012. 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 Hancock Metropolitan Housing Authority, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but no for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of 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 Hancock Metropolitan Housing Authority financial statements are free of material misstatement, I performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The result of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
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Salvatore Consiglio, CPA, Inc.
June 13, 2012

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

Board of Commissioners
Hancock Metropolitan Housing Authority

Compliance

I have audited the compliance of the Hancock Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2011. Hancock 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 Hancock Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Hancock Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Hancock 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 Hancock Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Hancock Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

The management of Hancock Metropolitan Housing Authority, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Hancock Metropolitan Housing

Authority, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

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

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

Salvatore Consiglio

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio, o=Salvatore Consiglio, CPA, Inc., ou, email=sconsiglio@salcpa.com, c=US
Date: 2012.11.08 22:04:01 -05'00'

Salvatore Consiglio, CPA, Inc.
June 13, 2012

Hancock Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505
December 31, 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 deficiencies reported for any major federal programs as material weakness?	No
Were there any other significant deficiencies 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 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

There are no Findings or questioned costs for the year ended December 31, 2011.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no Findings or questioned costs for the year ended December 31, 2011.

Hancock Metropolitan Housing Authority
Schedule of Prior Year Audit Findings
December 31, 2011

The audit report for the fiscal year ending December 31, 2010 contained no audit finding.

Dave Yost • Auditor of State

HANCOCK METROPOLITAN HOUSING AUTHORITY

HANCOCK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 27, 2012

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