

AUDITED BASIC FINANCIAL STATEMENTS
OF THE
MEDINA METROPOLITAN HOUSING AUTHORITY
JULY 1, 2011 – JUNE 30, 2012





Dave Yost • Auditor of State

Board of Commissioners
Medina County Metropolitan Housing Authority
850 Walter Road
Medina, Ohio 44256-1515

We have reviewed the *Independent Auditors' Report* of the Medina County Metropolitan Housing Authority, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2011 through June 30, 2012. 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 Medina County 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

January 9, 2013

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**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

TABLE OF CONTENTS

| <u>TITLE</u> | <u>PAGE</u> |
|--|--------------------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 |
| BASIC FINANCIAL STATEMENTS: | |
| STATEMENT OF NET ASSETS – PROPRIETARY FUND | 11 |
| STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS – PROPRIETARY FUND | 12 |
| STATEMENT OF CASH FLOWS - PROPRIETARY FUND | 13 |
| NOTES TO THE BASIC FINANCIAL STATEMENTS | 14 |
| SUPPLEMENTAL DATA: | |
| STATEMENT OF NET ASSETS – FDS SCHEDULE SUBMITTED TO HUD | 27 |
| STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – FDS SCHEDULE SUBMITTED TO HUD | 29 |
| PHA'S STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS | 32 |
| SCHEDULE OF FEDERAL AWARDS EXPENDITURES AND NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES | 33 |
| INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i> | 34 |
| INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY <i>OMB CIRCULAR A-133</i> | 36 |
| SCHEDULE OF FINDINGS – <i>OMB CIRCULAR A-133 § .505</i> | 38 |

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Board of Commissioners
Medina Metropolitan Housing Authority
850 Walter Road
Medina, OH 44256-1515

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the Medina Metropolitan Housing Authority, Medina County, Ohio (the Authority) as of and for the fiscal year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Medina Metropolitan Housing Authority, Medina County, as of June 30, 2012, and the changes in financial position and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2012, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or to provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Authority's basic financial statements taken as a whole. The Schedule of Federal Awards Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the Supplemental Financial Data Schedules are required by the U.S. Department of Housing and Urban Development, are not a required part of the basic financial statements. The Schedule of Federal Awards Expenditures and Supplemental Financial Data Schedules are management's responsibility, and were derived from and relate directly to underlying accounting and other records used to prepare the basic financial statements. These schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 12, 2012

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Medina 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 year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 11).

Financial Highlights

- The Authority's net assets decreased by \$227,094 during the fiscal year 2012. Net assets were \$8,370,393 and \$8,597,487 for 2012 and 2011, respectively.
- Revenues decreased by \$568,352 during fiscal year 2012, and were \$5,827,755 and \$6,396,107 for 2012 and 2011 respectively. The decrease was due to less funding for the Section 8 program.
- The total expenses of the Authority programs decreased by \$217,203. Total expenses were \$6,054,849 and \$6,272,052 for 2012 and 2011 respectively. The main decrease in expenses was from a decrease in general expenses during the fiscal year.

Overview of the Financial Statements

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the basic financial statements for a summary of the Authority's significant accounting policies and practices.

USING THIS REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)," "Basic Financial Statements," and "Other Required Supplementary Information." The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide). There is no required supplementary information presented for the Authority.

Authority-Wide Financial Statements

The Authority-wide financial statements (see pages 11-13) 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.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

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

The focus of the Statement of Net Assets (the “Unrestricted Net Assets”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, the Authority’s Board of Commissioners, 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 tenant revenue and operating grants income, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as investment revenue and capital grants.

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, investing activities, and from capital and related financing activities.

THE AUTHORITY’S PROGRAMS

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Capital Fund Program – The Capital Fund Program is the primary funding source for physical and management improvements to the Authority's Public Housing property. Separate ACC's are executed for this annual allotment of funding. Modernization affected under these grants include renovated apartments, improved energy efficiencies, and updated common spaces at the Authority – owned Public Housing property.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own rental property for use by eligible families. The Authority subsidizes the families' rent through a monthly Housing Assistance Payment (HAP) 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 contracts that set the families' rent at 30% of household income.

Shelter Plus Care Program – The Shelter Plus Care program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families if they are also homeless.

Business-Type Activities – This represents non-HUD resources developed from a variety of activities. These include:

Leases – The Authority leases residential property from two different entities: the Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC). The housing units are then sublet to eligible households consistent with the Authority's mission. The fee income and operating expenses for those services are noted in the Statement of Revenue, Expenses, and Changes in Net Assets.

Service Contracts – The Authority provides property management services for three properties owned by the Medina County ADAMH Board. The properties provide housing to persons with severe mental illness. The Authority also administers several programs for the ADAMH Board; each program provides affordable housing services for persons with low to moderate income that have been diagnosed with severe mental illness. The fee income and operating expenses for those services are noted in the Statement of Revenue, Expenses, and Changes in Net Assets.

Grants – The Authority administers two state grants and other local grants, the purpose of which is to provide emergency assistance for households experiencing a housing crisis. The fee income and operating expenses for services are noted in the Statement of Revenue, Expenses, and Changes in Net Assets.

Interest Income – The Authority manages its surplus cash in compliance with HUD and State guidelines. The Authority generates interest income from the investment of surplus cash. Interest income is also derived from allowable forms of investment, including loans to affiliated organizations, which furthers the development of housing. The loans are secured by notes and mortgages.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Other Rental Units

- *Wadsworth Villas* - The Authority constructed a new five unit, non-subsidized housing development during fiscal year 2010 named Wadsworth Villas. These units are designated for persons with sensory and/or mobility impairments. The units were constructed using Authority funds (lent to the development) and a loan from the Ohio Housing Finance Agency.

- *Board of Developmental Disabilities* - Early in the fiscal year, the Authority concluded a grant/loan agreement with the Medina County Board of Developmental Disabilities (MCBODD) which enabled the Authority to acquire a wheelchair accessible, single family home. The home will be rented to MCBODD eligible clients who also meet the low to moderate income levels. The Authority retains all rights to terminate leases should situations warrant such action. Financing for the acquisition of this home included a grant, secured with a lien to MCBODD governing the use of the home, from MCBODD as well as some Authority funds. The Authority funds will be repaid from operating proceeds.

AUTHORITY-WIDE STATEMENTS

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

Table 1 - Condensed Statement of Net Assets Compared to Prior Year

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| Current and Other Noncurrent Assets | \$ 7,092,755 | \$ 7,273,112 |
| Capital Assets, Net | <u>2,420,007</u> | <u>2,484,291</u> |
| Total Assets | <u>\$ 9,512,762</u> | <u>\$ 9,757,403</u> |
| Current Liabilities | \$ 340,692 | \$ 351,256 |
| Long-Term Liabilities | <u>801,677</u> | <u>808,660</u> |
| Total Liabilities | <u>1,142,369</u> | <u>1,159,916</u> |
| Net Assets: | | |
| Investment in Capital Assets, net of Related Debt | 1,971,405 | 2,065,939 |
| Restricted Net Assets | 1,857,076 | 1,774,130 |
| Unrestricted Net Assets | <u>4,541,912</u> | <u>4,757,418</u> |
| Total Net Assets | <u>8,370,393</u> | <u>8,597,487</u> |
| Total Liabilities and Net Assets | <u>\$ 9,512,762</u> | <u>\$ 9,757,403</u> |

For more detailed information see Statement of Net Assets presented on page 11 of this report.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Major Factors Affecting the Statement of Net Assets

Total current and other noncurrent assets decreased \$180,357 from fiscal year 2011 to 2012 primarily due to an decrease in cash as a result of current activities.

Total liabilities decreased by \$17,547 due to decrease in accrued compensated absences caused by a current year activity.

Capital assets net of accumulated depreciation decreased \$64,284 due to the current year’s depreciation exceeding the purchase of various assets during fiscal year 2012.

Table 2 presents details on the change in Unrestricted Net Assets, Invested in Capital Assets, Net of Related Debt, and Restricted Net Assets.

| Table 2 - Change in Net Assets | | | |
|---------------------------------------|--------------------------------|--------------------------|-------------------------|
| | <u>Unrestricted N/A</u> | <u>Inv in C/A</u> | <u>Restr N/A</u> |
| Beginning Net Assets | \$ 4,757,418 | \$ 2,065,939 | \$ 1,774,130 |
| Results from Operation | (310,040) | - | 82,946 |
| Adjustment: | | | |
| Current Year Depreciation Expense | 165,552 | (165,552) | - |
| Current Year Capital Expenditures | (101,268) | 101,268 | - |
| Loan Proceeds | 30,250 | (30,250) | - |
| Ending Net Assets | <u>\$ 4,541,912</u> | <u>\$ 1,971,405</u> | <u>\$ 1,857,076</u> |

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

The following table reflects the condensed Statement of Revenues, Expenses and Changes in Fund Net Assets compared to prior year.

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

| | <u>2012</u> | <u>2011</u> |
|-----------------------------------|----------------------------|----------------------------|
| <u>Revenues</u> | | |
| Tenant Revenues | \$ 1,782,279 | \$ 1,700,044 |
| Operating Subsidies Grants | 3,598,597 | 4,098,459 |
| Capital Grants | 64,133 | 54,811 |
| Investment Revenue | 86,978 | 88,436 |
| Gain Sale of Capital Asset | 5,180 | 600 |
| Other Revenue | <u>290,588</u> | <u>453,757</u> |
| Total Revenues | <u>5,827,755</u> | <u>6,396,107</u> |
| <u>Expenses</u> | | |
| Administrative | 1,165,351 | 1,034,686 |
| Tenant Services | 956 | 137,406 |
| Utilities | 284,209 | 273,338 |
| Maintenance | 559,458 | 535,143 |
| General Expenses | 877,206 | 1,206,802 |
| Housing Assistance Payments | 3,001,188 | 2,927,284 |
| Casualty Loss | - | 950 |
| Interest Expense | 929 | - |
| Depreciation | <u>165,552</u> | <u>156,443</u> |
| Total Expenses | <u>6,054,849</u> | <u>6,272,052</u> |
| Change in Net Assets | (227,094) | 124,055 |
| Total beginning net assets | <u>8,597,487</u> | <u>8,473,432</u> |
| Total ending net assets | <u>\$ 8,370,393</u> | <u>\$ 8,597,487</u> |

Major Factors Affecting the Statement of Revenue, Expenses, and Changes in Fund Net Assets

Total revenue decreased \$568,532 in comparison with last fiscal year. The decrease was due mainly to a decrease in housing choice voucher grant revenue.

Total expenses decreased \$217,203. The majority of decreases were in tenant services and general expenses. Tenant services decreased due to salaries and benefits not being allocated to this category based on changes to grant program, these expenses are reflected under administrative. General expenses decreased due to the Authority's attempts to minimize expenses during the fiscal year.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year-end, the Authority had \$2,420,007 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions and depreciation) of \$64,284 from the end of last fiscal year.

Table 4 - Condensed Statement of Changes in Capital Assets

| | <u>2012</u> | | <u>2011</u> |
|--------------------------|---------------------|----|--------------------|
| Land | \$ 262,076 | \$ | 262,076 |
| Building & Improvements | 4,217,633 | | 4,172,277 |
| Equipment | 916,813 | | 874,681 |
| Construction in Progress | - | | 8,442 |
| Accumulated Depreciation | <u>(2,976,515)</u> | | <u>(2,833,185)</u> |
| Total | <u>\$ 2,420,007</u> | \$ | <u>2,484,291</u> |

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Table 4 above. More detail over Capital Assets can be found in Note 8 in the Notes to the Financial Statements.

Table 5 - Change in Capital Assets

| | |
|---------------------------------|---------------------|
| Beginning Balance, July 1, 2011 | \$ 2,484,291 |
| Current year purchases | 101,268 |
| Less Depreciation Expense | <u>(165,552)</u> |
| Ending Balance, June 30, 2012 | <u>\$ 2,420,007</u> |

Current year purchases are summarized as follows:

| | |
|----------------------------|-------------------|
| - Building Purchases | \$ 532 |
| - Leasehold Improvements | 36,382 |
| - Dwelling Equipment | 33,416 |
| - Administrative Equipment | <u>30,938</u> |
| Total Current Additions | <u>\$ 101,268</u> |

The Authority had \$22,222 in capital asset disposals for fiscal year 2012; this asset was fully depreciated.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)**

Debt Outstanding

In fiscal year 2012, the Authority received a loan from Ohio Housing Finance Agency of \$30,250 for the construction of Wadsworth Villas. The debt becomes due upon specific events as detailed in the agreement. More information over Debt can be found in Note 10 in the Notes to the Financial Statements.

Table 6 - Condensed Statement of Changes in Debt Outstanding

| | <u>2012</u> | <u>2011</u> |
|---------------------------------------|-------------------|-------------------|
| Beginning Balance, July 1 | \$ 656,716 | \$ 384,466 |
| Loan from Ohio Housing Finance Agency | 30,250 | 272,250 |
| Loan from MCBODD (Honey Shade) | - | - |
| Current year debt retired | - | - |
| Ending Balance, June 30 | <u>\$ 686,966</u> | <u>\$ 656,716</u> |

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income and the overall costs associated with the Section 8 Housing Choice Voucher Program
- Inflationary pressure on utility rates, supplies and other costs
- Decreased rates of return on investments which affect investment income
- Negotiation and ratification of a collective bargaining agreement with AFSCME Local 265, Ohio Council 8, AFL-CIO

FINANCIAL CONTACT

The individual to be contacted regarding this report is Skip Sipos, Executive Director of the Medina Metropolitan Housing Authority. Specific requests may be submitted to Mr. Sipos' attention at 850 Walter Road; Medina, Ohio 44256-1515 or skip@mmha.org. His telephone number is 330-725-7531.

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets
Proprietary Fund
June 30, 2012

ASSETS

Current assets

| | |
|--------------------------------------|-------------------------|
| Cash and cash equivalents | \$ 485,800 |
| Restricted cash and cash equivalents | 2,093,106 |
| Receivables, net | 570,606 |
| Prepaid items | 82,782 |
| Total current assets | <u>3,232,294</u> |

Noncurrent assets

| | |
|---|-------------------------|
| Capital assets: | |
| Land | 262,076 |
| Building, equipment, and leasehold improvements | 5,134,446 |
| Less accumulated depreciation | <u>(2,976,515)</u> |
| Capital assets, net | 2,420,007 |
| Other noncurrent assets | 3,860,461 |
| Total noncurrent assets | <u>6,280,468</u> |
| Total assets | <u>9,512,762</u> |

LIABILITIES

Current liabilities

| | |
|----------------------------------|-----------------------|
| Accounts payable | 42,330 |
| Accrued wages and benefits | 50,309 |
| Accrued interest payable | 43,244 |
| Accrued compensated absences | 57,691 |
| Intergovernmental payables | 17,759 |
| Tenant security deposits | 121,319 |
| Unearned revenue | 6,341 |
| Other current liabilities | 1,699 |
| Total current liabilities | <u>340,692</u> |

Noncurrent liabilities

| | |
|-------------------------------------|-------------------------|
| Loan Liability - noncurrent | 686,966 |
| Noncurrent liabilities - other | 114,711 |
| Total noncurrent liabilities | <u>801,677</u> |
| Total liabilities | <u>1,142,369</u> |

NET ASSETS

| | |
|---|----------------------------|
| Invested in capital assets, net of related debt | 1,971,405 |
| Restricted net assets | 1,857,076 |
| Unrestricted net assets | 4,541,912 |
| Total net assets | <u>\$ 8,370,393</u> |

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

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

OPERATING REVENUES

| | |
|--|-------------------------|
| Tenant Revenue | \$1,782,279 |
| Government operating grants | 3,598,597 |
| Other revenue | 290,588 |
| <i>Total operating revenues</i> | <u>5,671,464</u> |

OPERATING EXPENSES

| | |
|--|-------------------------|
| Administrative | 1,165,351 |
| Tenant services | 956 |
| Utilities | 284,209 |
| Maintenance | 559,458 |
| General | 877,206 |
| Housing assistance payment | 3,001,188 |
| Depreciation | 165,552 |
| <i>Total operating expenses</i> | <u>6,053,920</u> |
| Operating loss | <u>(382,456)</u> |

NON-OPERATING REVENUES (EXPENSES)

| | |
|--|-----------------------|
| Interest and investment revenue | 86,978 |
| Gain on sale of capital assets | 5,180 |
| Interest Expense | (929) |
| Capital grants | 64,133 |
| <i>Total nonoperating revenues (expenses)</i> | <u>155,362</u> |

| | |
|----------------------------------|----------------------------------|
| Change in net assets | (227,094) |
| Total net assets - beginning | 8,597,487 |
| Total net assets - ending | <u><u>\$8,370,393</u></u> |

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

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-------------|
| Operating grants received | \$3,597,945 |
| Tenant revenue received | 1,782,319 |
| Other revenue received | 351,438 |
| General and administrative expenses paid | (3,074,761) |
| Housing assistance payments | (3,001,188) |

Net cash used by operating activities (344,247)

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------------------|---------------|
| Interest and investment revenue | 86,978 |
| Repayment of notes receivable by BHDC | <u>50,046</u> |

Net cash provided by investing activities 137,024

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

| | |
|------------------------------|------------------|
| Capital grant revenues | 64,133 |
| Proceeds from sale of assets | 5,180 |
| Proceeds from loans | 30,250 |
| Payment of interest | (929) |
| Purchase of capital assets | <u>(101,268)</u> |

Net cash used by capital and related activities (2,634)

Net decrease in cash (209,857)

Cash and cash equivalents - Beginning of year 2,788,763

Cash and cash equivalents - End of year \$2,578,906

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

| | |
|---|-------------|
| Operating Loss | (\$382,456) |
| Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities | |
| Depreciation | 165,552 |

(Increases) Decreases in:

| | |
|----------------------|----------|
| Accounts Receivables | (65,418) |
| Prepaid Items | (14,128) |

Increases (Decreases) in:

| | |
|------------------------------|-----------------|
| Accounts Payable | 1,856 |
| Intergovernmental Payable | 589 |
| Accrued Liabilities Payable | (19,156) |
| Unearned Revenue | (3,204) |
| Tenant Security Deposits | 9,537 |
| Other current liabilities | (186) |
| Noncurrent Liabilities Other | <u>(37,233)</u> |

Net cash used by operating activities (\$344,247)

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Medina Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code. The Authority contracts with the United States Department of Housing and Urban Development (HUD) and other outside entities to provide safe and sanitary housing for people in low to moderate income brackets.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*," in that the statements include all organizations, activities, functions and component units for which the Authority (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the Authority's ability to impose its will over the organization's governing body or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the Authority. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the Authority's reporting entity.

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 Medina 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 for the Public Housing program, including modernization.
- 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. Shelter Plus Care Program** - The Shelter Plus Care program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families if they are also homeless.
- E. State and Local Grants** - The Authority administers two state grants and other local grants, the purpose of which is to provide emergency assistance for households experiencing a housing crisis.
- F. Business Activity** - The Business Activity Program was set-up to separate the HUD funded programs with non-HUD activities. This program is used to account for the financial activities for the various properties and programs managed by the Authority that are separate from annual contribution contracts with HUD.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fund Accounting/Financial Reporting Entity

The Authority's basic financial statements consist of a statement of net assets, statement of revenues, expenses and changes in fund net assets, and a statement of cash flows. It uses the proprietary fund to report on its financial position and the results of its operations for its 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.

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.

Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for 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.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounting and Reporting for Nonexchange Transactions

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

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

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal year.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics (vacation) are accrued as a liability based on the leave accumulated at the statement of net assets date by those employees who currently are eligible pursuant to Agency policy or the collective bargaining agreement to receive payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a payment. All employees who meet the eligibility criteria pursuant to Agency policy or the collective bargaining agreement are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees, if both of the following conditions are met:

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

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of six months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

Restricted Cash and Investments

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Housing Assistance Payment equity balance of \$338,656, \$114,711 for Family Self-Sufficiency Program deposits, \$121,319 for Tenant Security Deposits, and \$1,518,420 for amounts required by the leased agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development Corporation to be kept in separate restricted bank accounts that can only be used for specific purposes:

Reserves for Replacements- Money set aside each month to cover the cost for property repairs and replacements.

Surplus Fund- The surplus fund is primarily for the purpose of covering any deficiencies the other various reserve accounts suffer. If no deficiencies exist, the balance in the surplus fund may be used for any purpose with the agreement of both parties to the lease.

Taxes and Insurance Fund- Funds set aside to cover the cost of taxes and insurance.

Property and Equipment

Property and equipment is stated at cost. Renewals and betterments are capitalized. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$1,000 or more per unit. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

| | |
|-------------------------------------|----------|
| Land improvements | 20 years |
| Buildings and building improvements | 40 years |
| Furniture, equipment and machinery | 5 years |
| Leasehold improvements | 20 years |

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes amounts due from tenants, amounts identified for fraud recovery, accrued interest on certificates of deposits, and other revenue sources. Management considers all accounts receivable (excluding tenant accounts receivable) to be collected in full. At June 30, 2012, allowance for doubtful accounts in tenant accounts receivable was \$14,050.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Actual results could vary from those estimates.

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. The amount reported as restricted net assets at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts required by the leased agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development Corporation that can only be used for specific purposes. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Authority first applies restricted net assets.

Income Taxes

No provision for income taxes is recorded as the Authority is a political subdivision of that state of Ohio and is exempt from all income taxes.

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, fees, 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.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits with Financial Institutions

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.

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 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 June 30, 2012, the carrying balance was \$2,578,906 and the bank balance was \$2,644,176. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2011, \$2,344,093 was exposed to custodial risk as discussed below, while \$300,024 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.

The Authority had no certificates of deposits held at June 30, 2012. Deposits in Money Market accounts related to lease agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development totaling \$451,699 at June 30, 2012 and are reported as cash and cash equivalents.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 2 – DEPOSITS AND INVESTMENTS - continued

B. Investments

As of June 30, 2012, the Authority had the following investments and maturities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities</u> |
|------------------------------|-------------------|------------------------------|
| | | <u>6 months or less</u> |
| U.S. Government Money Market | \$451,699 | \$451,699 |

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the Authority’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor’s has assigned the U.S. Government money market AAAM money market ratings.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty’s trust department or agent but not in the Authority’s name. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The Authority places no limit on the amount that may be invested in any one issuer. At June 30, 2012, the Authority had 100% of its investments with U.S. Government Money Market investment type.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC) are both non-profit corporations under the Internal Revenue Service ruling 501(c) (3). Both entities operate autonomously and each is governed by its own separate Board of Directors (independent of the MMHA). WHDC owns Wadsworth Tower, a federally-assisted, elderly housing complex located in Wadsworth, Ohio. The BHDC owns Southwick Place, Jefferson Place, New Manhattan Place, and Home Place. Southwick Place, Jefferson Place, and New Manhattan Place are all affordable housing complexes located in Medina County, Ohio. Home Place is a combination of leased to own and scattered site-rental single family units located in Medina County.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 3 – RELATED PARTY TRANSACTIONS - continued

Medina Metropolitan Housing Authority has entered into a lease agreement with both non-profit corporations to manage the operation of the apartment complexes for which in return the Authority receives all revenues associated with the operation of the projects and is responsible for all expenses related thereto. The non-profit corporations retain ownership to the properties and are responsible for the debt associated with the buildings. The repayment of the debt is made by Medina Metropolitan Housing Authority from the rental revenue collected during the fiscal year. The current year activities of these apartment complexes have been reported in the financial statements of Medina Metropolitan Housing Authority as Business Activities.

Medina Metropolitan Housing Authority has provided a guarantee to First Merit Bank on a \$500,000 BHDC line of credit in the form of pledged collateral of a Housing Authority mortgage note.

Medina Metropolitan Housing Authority has several loans outstanding with Brunswick Housing Development Corporation. The details of these loans are listed in Note 4, below.

The Authority has promissory notes outstanding with Wadsworth Housing Development Corporation and Medina County Board of Developmental Disabilities. The details of these promissory notes are listed in Note 11.

NOTE 4 – NOTES RECEIVABLE – RELATED ENTITIES

Notes receivable – related entities consists of the following as of June 30, 2012:

Brunswick Housing Development Corporation (BHDC):

| | |
|--|-------------|
| Mortgage note receivable from Brunswick Housing Development Corporation with interest at 2% per annum, to be received by the Authority as the income and cash flow of BHDC permits, with the entire remaining outstanding balance payable to the Authority; secured by an open end Mortgage on Southwick Place property. | \$2,000,000 |
|--|-------------|

| | |
|--|-----------|
| Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$5,040 with a final balloon payment February 2014 on which date the balance of principal and interest shall be payable; secured by New Manhattan Place property. | 1,062,676 |
|--|-----------|

| | |
|---|---------|
| Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$1,338 with a final balloon payment February 2014 on which date the balance of principal and interest shall be payable; secured by New Jefferson Place. | 282,178 |
|---|---------|

| | |
|---|--------|
| Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$50 with a final balloon payment March 2014 on which date the balance of principal and interest shall be payable; secured by property at 515 Bronson. | 50,000 |
|---|--------|

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 4 – NOTES RECEIVABLE – RELATED ENTITIES - continued

Brunswick Housing Development Corporation (BHDC):

Note receivable from Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$122 with a final balloon payment February 2014 on which date the balance of principal and interest shall be payable;. secured by property at New Manhattan Place. 25,607

Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$150 with a final balloon payment January 2017 on which date the balance of principal and interest shall be payable; secured by property at 140A Ivy Hill, 235B Canterbury and 600C Canterbury. 90,000

Note receivable from Brunswick Housing Development Corporation with interest at 4% per annum; payable in interest only payments of \$1,167 per month beginning on January 1, 2010 and ending with a final balloon payment December 1, 2019 on which date the balance of principal and interest shall be payable. 350,000

Total Notes Receivable \$3,860,461

NOTE 5 – INSURANCE COVERAGE

As of June 30, 2012, the Authority had general liability insurance limits of \$2,000,000 (each occurrence) with no annual aggregate; director and officer liability coverage of \$2,000,000 per loss and in the aggregate; vehicle liability coverage of \$2,000,000; and real and personal property coverage of \$250,000,000 per occurrence. Insurance settlements have not exceeded available coverage limits during each of the fiscal years ended June 30, 2012, 2011, and 2010.

NOTE 6 – DEFINED BENEFIT PENSION PLAN

All full-time employees of Authority participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provides retirement, disability and survivor benefits, and annual costs-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-PERS.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 6 – DEFINED BENEFIT PENSION PLAN - continued

Ohio Public Employees Retirement System administers three separate pension plans as described below:

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

Funding Policy - The Authority and covered employees contribute at actuarially determined rates for both 2011 and 2012, 14% and 10%, respectively, of covered employee payroll to OPERS. The Authority's contributions to OPERS for the fiscal years ended June 30, 2012, 2011, and 2010 amounted to \$122,175, \$120,803, and \$119,320, respectively which were equal to the required contributions for each year. The employees' contributions to OPERS for June 30, 2012, 2011, 2010 were \$87,268, \$86,288, and \$85,492. Required contributions are equal to 100% of the charges. The Board of the Authority has elected to pay certain employees' portion of OPERS which totaled \$9,010 for fiscal year 2012.

NOTE 7 – POSTEMPLOYMENT BENEFITS

In order to qualify for post-retirement health care coverage, age-and service retirees under the Traditional Pension and Combined plans must have ten 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-Retirement Employment Benefit (OPEB) as described in GASB Statement 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.

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.

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 7 – POSTEMPLOYMENT BENEFITS - continued

4.0% during calendar year 2011(latest information available).The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contributions made to fund post-employment benefits for fiscal year 2012 were approximately \$34,905.

The Health Care Preservation Fund (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 8 – CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2012:

| | <u>Balance 6/30/2011</u> | <u>Transfers</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance 6/30/2012</u> |
|--|------------------------------|------------------|-------------------|-----------------|------------------------------|
| Capital Assets Not Depreciated | | | | | |
| Land | \$ 262,076 | \$ - | \$ - | \$ - | \$ 262,076 |
| Construction in Progress | 8,442 | (8,442) | - | - | - |
| Total Capital Assets Not Depreciated | <u>270,518</u> | <u>(8,442)</u> | <u>-</u> | <u>-</u> | <u>262,076</u> |
| Capital Assets Depreciated | | | | | |
| Building | 3,950,146 | 8,442 | 532 | - | 3,959,120 |
| Furniture, Mach & Equipment | 874,681 | - | 64,354 | (22,222) | 916,813 |
| Leasehold Improvement | 222,131 | - | 36,382 | - | 258,513 |
| Total Capital Assets Depreciated | <u>5,046,958</u> | <u>8,442</u> | <u>101,268</u> | <u>(22,222)</u> | <u>5,134,446</u> |
| Accumulated Depreciation | | | | | |
| Building | (2,102,998) | - | (72,990) | - | (2,175,988) |
| Furniture, Machinery & Equipment | (652,129) | - | (86,508) | 22,222 | (716,415) |
| Leasehold Improvement | (78,058) | - | (6,054) | - | (84,112) |
| Total Accumulated Depreciation | <u>(2,833,185)</u> | <u>-</u> | <u>(165,552)</u> | <u>22,222</u> | <u>(2,976,515)</u> |
| Total Capital Assets Depreciated, Net | <u>2,213,773</u> | <u>-</u> | <u>(64,284)</u> | <u>-</u> | <u>2,157,931</u> |
| Total Capital Assets, Net | <u>\$ 2,484,291</u> | <u>\$ -</u> | <u>(\$64,284)</u> | <u>\$ -</u> | <u>\$ 2,420,007</u> |

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 9 – COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of June 30, 2012, the accrual for compensated absences totaled \$57,691 and has been included in the accompanying Statement of Net Assets. The Authority considers all compensated absences payable as due within one year.

NOTE 10 – LONG-TERM DEBT

The following is a summary of changes in long-term debt and compensated absence for the fiscal year ended June 30, 2012:

| <u>Description</u> | <u>Balance 06/30/11</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 06/30/12</u> | <u>Due Within One Year</u> |
|-----------------------------|-----------------------------|-------------------------|--------------------------|-----------------------------|--------------------------------|
| Promissory Note – WHDC | \$238,364 | \$ 0 | \$ 0 | \$238,364 | \$ 0 |
| Promissory Note - MCBDD | 146,102 | 0 | 0 | 146,102 | 0 |
| Promissory Note - OHFA | <u>272,250</u> | <u>30,250</u> | <u>0</u> | <u>302,500</u> | <u>0</u> |
| Total Promissory Notes | <u>656,716</u> | <u>30,250</u> | <u>0</u> | <u>686,966</u> | <u>0</u> |
| Compensated Absence Payable | <u>72,526</u> | <u>56,802</u> | <u>(71,637)</u> | <u>57,691</u> | <u>57,691</u> |
| Total | <u>\$729,242</u> | <u>\$ 87,052</u> | <u>\$(71,637)</u> | <u>\$744,657</u> | <u>\$57,691</u> |

The Authority issued a no interest promissory note in the amount of \$238,364 dated October 31, 2008 to Wadsworth Housing Development Corporation (WHDC). The funds are due in a balloon payment on October 31, 2038. There is no repayment schedule. Therefore, no amortization schedule is presented. There are no capital assets owned by the Authority related to this debt.

On December 8, 2009, the Authority entered into a no interest promissory note with the Medina County Board of Developmental Disabilities (MCBDD) in the amount of \$146,102 to purchase the property located in Chippewa Lake, Ohio (known as Honey Shade). There is no repayment schedule, as the note shall only become due on the sale or transfer of the property securing the note and upon other specific events as detailed in the agreement. Therefore, no amortization schedules are provided.

On July 9, 2010, the Authority entered into a promissory note with the Ohio Housing Finance Agency (OHFA) in the amount of \$302,500 to build housing units located in Wadsworth, Ohio for mobility and sensory impaired persons (known as Wadsworth Villas). During fiscal year 2012, the Authority had drawn down an additional \$30,250 on the note. As of June 30, 2012, the Authority completed the project and the total amount drawn down was \$302,500 for project expenses. The note accrues interest at a rate of two percent per annum. The note shall become due upon specific events as detailed in the agreement, of which, as of June 30, 2012, none of these events have occurred or are anticipated to occur. Therefore, no amortization schedules are provided.

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 11 – NONCURRENT LIABILITY-OTHER

The Authority is involved in the Family Self-Sufficiency program through the Housing Choice Vouchers Program. The noncurrent liability-other of \$114,711 represents escrow money held in escrow for residents participating in the Family Self-Sufficiency Program. Each month contributions are deposited into the Authority's savings account on behalf of the program participants. Participants enter into an initial five year contract (with an option for a two year extension upon Authority's approval). At the end of the contract, the participant either meet their program goals and may withdraw their money earned from the savings account, or they fail to meet their goals and forfeit their money. If a forfeiture occurs, the money earned is used by the Authority to reinvest into the Voucher Program.

NOTE 12 - CONTINGENT LIABILITIES

A. Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at June 30, 2012.

B. Litigation

The Authority is unaware of any outstanding lawsuits or other contingencies.

MEDINA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS - FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2012

| | Northview Manor | Northview Manor Capital Fund | Project Total | 14.871 Housing Choice Vouchers | Total State/Local | Total Business Activities | 14.238 Shelter Plus Care | 97.024 Emergency Food and Shelter National Board Program | Subtotal | ELIM | Total |
|---|------------------|------------------------------|------------------|--------------------------------|-------------------|---------------------------|--------------------------|--|------------------|-----------------|------------------|
| 111 Cash - Unrestricted | 110,656 | | 110,656 | 168,485 | 0 | 206,654 | 0 | 5 | 485,800 | 0 | 485,800 |
| 112 Cash - Restricted - Modernization and Development | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 113 Cash - Other Restricted | | | 0 | 338,656 | 0 | 1,518,420 | 0 | 0 | 1,857,076 | 0 | 1,857,076 |
| 114 Cash - Tenant Security Deposits | 24,145 | | 24,145 | 0 | 0 | 97,174 | 0 | 0 | 121,319 | 0 | 121,319 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 100 Total Cash | 134,801 | 0 | 134,801 | 507,141 | 0 | 1,822,248 | 0 | 5 | 2,464,195 | 0 | 2,464,195 |
| 121 Accounts Receivable - PHA Projects | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 122 Accounts Receivable - HUD Other Projects | | | 0 | 0 | 0 | 0 | 18,783 | 0 | 18,783 | 0 | 18,783 |
| 124 Accounts Receivable - Other Government | | | 0 | 0 | 7,198 | 5,888 | 0 | 0 | 13,086 | 0 | 13,086 |
| 125 Accounts Receivable - Miscellaneous | | | 0 | 0 | 0 | 514,913 | 0 | 0 | 514,913 | 0 | 514,913 |
| 126 Accounts Receivable - Tenants | 2,647 | | 2,647 | 0 | 0 | 26,189 | 0 | 0 | 28,836 | 0 | 28,836 |
| 126.1 Allowance for Doubtful Accounts - Tenants | (1,323) | | (1,323) | 0 | 0 | (12,727) | 0 | 0 | (14,050) | 0 | (14,050) |
| 126.2 Allowance for Doubtful Accounts - Other | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 128 Fraud Recovery | | | 0 | 9,038 | 0 | 0 | 0 | 0 | 9,038 | 0 | 9,038 |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 129 Accrued Interest Receivable | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | 1,324 | 0 | 1,324 | 9,038 | 7,198 | 534,263 | 18,783 | 0 | 570,606 | 0 | 570,606 |
| 131 Investments - Unrestricted | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 132 Investments - Restricted | | | 0 | 114,711 | 0 | 0 | 0 | 0 | 114,711 | 0 | 114,711 |
| 135 Investments - Restricted for Payment of Current Liability | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 142 Prepaid Expenses and Other Assets | 4,805 | | 4,805 | 4,029 | 0 | 73,948 | 0 | 0 | 82,782 | 0 | 82,782 |
| 143 Inventories | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 143.1 Allowance for Obsolete Inventories | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 144 Inter Program Due From | | | 0 | 0 | 0 | 30,311 | 0 | 0 | 30,311 | (30,311) | 0 |
| 145 Assets Held for Sale | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 150 Total Current Assets | 140,930 | 0 | 140,930 | 634,919 | 7,198 | 2,460,770 | 18,783 | 5 | 3,262,605 | (30,311) | 3,232,294 |
| 161 Land | 151,675 | | 151,675 | 0 | 0 | 110,401 | 0 | 0 | 262,076 | 0 | 262,076 |
| 162 Buildings | 2,603,764 | | 2,603,764 | 0 | 0 | 1,355,356 | 0 | 0 | 3,959,120 | 0 | 3,959,120 |
| 163 Furniture, Equipment & Machinery - Dwellings | 295,925 | | 295,925 | 0 | 0 | 13,665 | 0 | 0 | 309,590 | 0 | 309,590 |
| 164 Furniture, Equipment & Machinery - Administration | 157,645 | | 157,645 | 34,461 | 0 | 415,117 | 0 | 0 | 607,223 | 0 | 607,223 |
| 165 Leasehold Improvements | 120,435 | | 120,435 | 0 | 0 | 138,078 | 0 | 0 | 258,513 | 0 | 258,513 |
| 166 Accumulated Depreciation | (2,205,742) | | (2,205,742) | (30,330) | 0 | (740,443) | 0 | 0 | (2,976,515) | 0 | (2,976,515) |
| 167 Construction in Progress | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 168 Infrastructure | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | 1,123,702 | 0 | 1,123,702 | 4,131 | 0 | 1,292,174 | 0 | 0 | 2,420,007 | 0 | 2,420,007 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | 0 | 0 | 0 | 3,860,461 | 0 | 0 | 3,860,461 | 0 | 3,860,461 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 173 Grants Receivable - Non Current | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 174 Other Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 176 Investments in Joint Ventures | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 180 Total Non-Current Assets | 1,123,702 | 0 | 1,123,702 | 4,131 | 0 | 5,152,635 | 0 | 0 | 6,280,468 | 0 | 6,280,468 |
| 190 Total Assets | 1,264,632 | 0 | 1,264,632 | 639,050 | 7,198 | 7,613,405 | 18,783 | 5 | 9,543,073 | (30,311) | 9,512,762 |

MEDINA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS - FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2012

| | | | | | | | | | | | | | |
|---|------------------|----------|------------------|----------------|--------------|------------------|---------------|------------------|------------------|------------------|------------------|------------------|----------|
| 311 Bank Overdraft | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 312 Accounts Payable <= 90 Days | 9,858 | 9,858 | 7,476 | 15 | 24,981 | 0 | 0 | 42,330 | 0 | 42,330 | 0 | 42,330 | 0 |
| 313 Accounts Payable >90 Days Past Due | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 321 Accrued Wage/Payroll Taxes Payable | 8,581 | 8,581 | 11,355 | 0 | 30,373 | 0 | 0 | 50,309 | 0 | 50,309 | 0 | 50,309 | 0 |
| 322 Accrued Compensated Absences - Current Portion | 11,040 | 11,040 | 20,713 | 0 | 25,938 | 0 | 0 | 57,691 | 0 | 57,691 | 0 | 57,691 | 0 |
| 324 Accrued Contingency Liability | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 325 Accrued Interest Payable | | 0 | 0 | 0 | 43,244 | 0 | 0 | 43,244 | 0 | 43,244 | 0 | 43,244 | 0 |
| 331 Accounts Payable - HUD PHA Programs | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 332 Account Payable - PHA Projects | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 333 Accounts Payable - Other Government | 17,079 | 17,079 | 0 | 0 | 680 | 0 | 0 | 17,759 | 0 | 17,759 | 0 | 17,759 | 0 |
| 341 Tenant Security Deposits | 24,145 | 24,145 | 0 | 0 | 97,174 | 0 | 0 | 121,319 | 0 | 121,319 | 0 | 121,319 | 0 |
| 342 Deferred Revenues | 752 | 752 | 0 | 0 | 5,589 | 0 | 0 | 6,341 | 0 | 6,341 | 0 | 6,341 | 0 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 345 Other Current Liabilities | | 0 | 0 | 0 | 1,699 | 0 | 0 | 1,699 | 0 | 1,699 | 0 | 1,699 | 0 |
| 346 Accrued Liabilities - Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 347 Inter Program - Due To | 6,231 | 6,231 | 0 | 7,183 | 0 | 16,892 | 5 | 30,311 | (30,311) | 0 | 0 | 0 | 0 |
| 348 Loan Liability - Current | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 310 Total Current Liabilities | 77,686 | 0 | 77,686 | 39,544 | 7,198 | 229,678 | 16,892 | 5 | 371,003 | (30,311) | 340,692 | 340,692 | 0 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | 0 | 0 | 0 | 448,602 | 0 | 0 | 448,602 | 0 | 448,602 | 0 | 448,602 | 0 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 353 Non-current Liabilities - Other | | 0 | 114,711 | 0 | 0 | 0 | 0 | 114,711 | 0 | 114,711 | 0 | 114,711 | 0 |
| 354 Accrued Compensated Absences - Non Current | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 355 Loan Liability - Non Current | | 0 | 0 | 0 | 238,364 | 0 | 0 | 238,364 | 0 | 238,364 | 0 | 238,364 | 0 |
| 356 FASB 5 Liabilities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 357 Accrued Pension and OPEB Liabilities | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 350 Total Non-Current Liabilities | 0 | 0 | 0 | 114,711 | 0 | 686,966 | 0 | 0 | 801,677 | 0 | 801,677 | 801,677 | 0 |
| 300 Total Liabilities | 77,686 | 0 | 77,686 | 154,255 | 7,198 | 916,644 | 16,892 | 5 | 1,172,680 | (30,311) | 1,142,369 | 1,142,369 | 0 |
| 508.1 Invested In Capital Assets, Net of Related Debt | 1,123,702 | 0 | 1,123,702 | 4,131 | 0 | 843,572 | 0 | 1,971,405 | 0 | 1,971,405 | 0 | 1,971,405 | 0 |
| 509.2 Fund Balance Reserved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 511.2 Unreserved, Designated Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 511.1 Restricted Net Assets | 0 | 0 | 0 | 338,656 | 0 | 1,518,420 | 0 | 1,857,076 | 0 | 1,857,076 | 0 | 1,857,076 | 0 |
| 512.1 Unrestricted Net Assets | 63,244 | 0 | 63,244 | 142,008 | 0 | 4,334,769 | 1,891 | 4,541,912 | 0 | 4,541,912 | 0 | 4,541,912 | 0 |
| 512.2 Unreserved, Undesignated Fund Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 513 Total Equity/Net Assets | 1,186,946 | 0 | 1,186,946 | 484,795 | 0 | 6,696,761 | 1,891 | 8,370,393 | 0 | 8,370,393 | 0 | 8,370,393 | 0 |
| 600 Total Liabilities and Equity/Net Assets | 1,264,632 | 0 | 1,264,632 | 639,050 | 7,198 | 7,613,405 | 18,783 | 5 | 9,543,073 | (30,311) | 9,512,762 | 9,512,762 | 0 |

MEDINA METROPOLITAN HOUSING AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - FDS SCHEDULE SUBMITTED TO HUD
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Northview Manor | Northview Manor Capital Fund | Project Total | 14.871 Housing Choice Vouchers | Total State/Local | 1 Business Activities | 14.238 Shelter Plus Care | Subtotal | ELIM | Total |
|---|-----------------|------------------------------|----------------|--------------------------------|-------------------|-----------------------|--------------------------|------------------|----------|------------------|
| 70300 Net Tenant Rental Revenue | 245,586 | | 245,586 | 0 | 0 | 1,528,382 | 0 | 1,773,968 | 0 | 1,773,968 |
| 70400 Tenant Revenue - Other | 8,247 | | 8,247 | 0 | 0 | 64 | 0 | 8,311 | 0 | 8,311 |
| 70500 Total Tenant Revenue | 253,833 | 0 | 253,833 | 0 | 0 | 1,528,446 | 0 | 1,782,279 | 0 | 1,782,279 |
| 70600 HUD PHA Operating Grants | 146,768 | 18,000 | 164,768 | 2,842,867 | 0 | 0 | 220,472 | 3,228,107 | 0 | 3,228,107 |
| 70610 Capital Grants | | 64,133 | 64,133 | 0 | 0 | 0 | 0 | 64,133 | 0 | 64,133 |
| 70710 Management Fee | | 0 | 0 | 0 | 0 | 63,491 | 0 | 63,491 | 0 | 63,491 |
| 70720 Asset Management Fee | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 70730 Book Keeping Fee | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 70740 Front Line Service Fee | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 70750 Other Fees | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 70700 Total Fee Revenue | 146,768 | 82,133 | 228,901 | 2,842,867 | 0 | 63,491 | 220,472 | 3,355,731 | 0 | 3,355,731 |
| 70800 Other Government Grants | | | 0 | 0 | 56,160 | 314,330 | 0 | 370,490 | 0 | 370,490 |
| 71100 Investment Income - Unrestricted | 23 | | 23 | 0 | 0 | 8,496 | 0 | 8,519 | 0 | 8,519 |
| 71200 Mortgage Interest Income | | | 0 | 0 | 0 | 78,399 | 0 | 78,399 | 0 | 78,399 |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 71310 Cost of Sale of Assets | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 71400 Fraud Recovery | | | 0 | 17,774 | 0 | 0 | 0 | 17,774 | 0 | 17,774 |
| 71500 Other Revenue | 8,288 | | 8,288 | 39,746 | 0 | 161,289 | 0 | 209,323 | 0 | 209,323 |
| 71600 Gain or Loss on Sale of Capital Assets | | | 0 | 0 | 0 | 5,180 | 0 | 5,180 | 0 | 5,180 |
| 72000 Investment Income - Restricted | | | 0 | 60 | 0 | 0 | 0 | 60 | 0 | 60 |
| 70000 Total Revenue | 408,912 | 82,133 | 491,045 | 2,900,447 | 56,160 | 2,159,631 | 220,472 | 5,827,755 | 0 | 5,827,755 |
| 91100 Administrative Salaries | 109,633 | | 109,633 | 227,905 | 0 | 319,621 | 0 | 657,159 | 0 | 657,159 |
| 91200 Auditing Fees | 1,469 | | 1,469 | 1,469 | 0 | 10,459 | 0 | 13,397 | 0 | 13,397 |
| 91300 Management Fee | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91310 Book-keeping Fee | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91400 Advertising and Marketing | 263 | | 263 | 62 | 0 | 615 | 0 | 940 | 0 | 940 |
| 91500 Employee Benefit contributions - Administrative | 42,882 | | 42,882 | 88,078 | 0 | 118,364 | 0 | 249,324 | 0 | 249,324 |
| 91600 Office Expenses | 7,205 | | 7,205 | 18,558 | 144 | 24,304 | 0 | 50,211 | 0 | 50,211 |
| 91700 Legal Expense | 8,142 | | 8,142 | 12,050 | 0 | 21,697 | 0 | 41,889 | 0 | 41,889 |
| 91800 Travel | 401 | | 401 | 1,936 | 0 | 8,229 | 0 | 10,566 | 0 | 10,566 |
| 91810 Allocated Overhead | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 91900 Other | 16,315 | | 16,315 | 57,519 | 0 | 52,018 | 16,013 | 141,865 | 0 | 141,865 |
| 91000 Total Operating - Administrative | 186,310 | 0 | 186,310 | 407,577 | 144 | 555,307 | 16,013 | 1,165,351 | 0 | 1,165,351 |
| 92000 Asset Management Fee | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 92100 Tenant Services - Salaries | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 92200 Relocation Costs | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 92300 Employee Benefit Contributions - Tenant Services | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 92400 Tenant Services - Other | 956 | | 956 | 0 | 0 | 0 | 0 | 956 | 0 | 956 |
| 92500 Total Tenant Services | 956 | 0 | 956 | 0 | 0 | 0 | 0 | 956 | 0 | 956 |

MEDINA METROPOLITAN HOUSING AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - FDS SCHEDULE SUBMITTED TO HUD
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | | | | | | | | | | |
|--|-----------------|---------------|----------------|------------------|---------------|------------------|----------------|------------------|----------|------------------|
| 93100 Water | 7,071 | | 7,071 | 0 | 24 | 45,397 | 0 | 52,492 | 0 | 52,492 |
| 93200 Electricity | 49,022 | | 49,022 | 0 | 0 | 86,043 | 0 | 135,065 | 0 | 135,065 |
| 93300 Gas | 17,016 | | 17,016 | 0 | 32 | 32,889 | 0 | 49,937 | 0 | 49,937 |
| 93400 Fuel | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 93500 Labor | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 93600 Sewer | 9,939 | | 9,939 | 0 | 0 | 36,776 | 0 | 46,715 | 0 | 46,715 |
| 93700 Employee Benefit Contributions - Utilities | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 93800 Other Utilities Expense | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 93000 Total Utilities | 83,048 | 0 | 83,048 | 0 | 56 | 201,105 | 0 | 284,209 | 0 | 284,209 |
| 94100 Ordinary Maintenance and Operations - Labor | 62,097 | 0 | 62,097 | 0 | 0 | 153,423 | 0 | 215,520 | 0 | 215,520 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | 22,641 | | 22,641 | 0 | 0 | 50,567 | 0 | 73,208 | 0 | 73,208 |
| 94300 Ordinary Maintenance and Operations Contracts | 42,076 | | 42,076 | 0 | 0 | 161,110 | 0 | 203,186 | 0 | 203,186 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | 19,942 | | 19,942 | 0 | 0 | 47,602 | 0 | 67,544 | 0 | 67,544 |
| 94000 Total Maintenance | 146,756 | 0 | 146,756 | 0 | 0 | 412,702 | 0 | 559,458 | 0 | 559,458 |
| 95100 Protective Services - Labor | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95200 Protective Services - Other Contract Costs | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95300 Protective Services - Other | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95500 Employee Benefit Contributions - Protective Services | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 95000 Total Protective Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96110 Property Insurance | 6,652 | | 6,652 | 701 | 0 | 23,615 | 0 | 30,968 | 0 | 30,968 |
| 96120 Liability Insurance | 2,888 | | 2,888 | 337 | 0 | 13,421 | 0 | 16,646 | 0 | 16,646 |
| 96130 Workmen's Compensation | 1,397 | | 1,397 | 8,713 | 0 | 4,299 | 0 | 14,409 | 0 | 14,409 |
| 96140 All Other Insurance | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96100 Total Insurance Premiums | 10,937 | 0 | 10,937 | 9,751 | 0 | 41,335 | 0 | 62,023 | 0 | 62,023 |
| 96200 Other General Expenses | | | 0 | 0 | 55,960 | 732,823 | 0 | 788,783 | 0 | 788,783 |
| 96210 Compensated Absences | (632) | | (632) | (4,973) | 0 | (9,231) | 0 | (14,836) | 0 | (14,836) |
| 96300 Payments in Lieu of Taxes | 17,079 | | 17,079 | 0 | 0 | 6,019 | 0 | 23,098 | 0 | 23,098 |
| 96400 Bad debt - Tenant Rents | 787 | | 787 | 0 | 0 | 16,471 | 0 | 17,258 | 0 | 17,258 |
| 96500 Bad debt - Mortgages | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96600 Bad debt - Other | | | 0 | 880 | 0 | 0 | 0 | 880 | 0 | 880 |
| 96800 Severance Expense | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96000 Total Other General Expenses | 17,234 | 0 | 17,234 | (4,093) | 55,960 | 746,082 | 0 | 815,183 | 0 | 815,183 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96720 Interest on Notes Payable (Short and Long Term) | | | 0 | 0 | 0 | 929 | 0 | 929 | 0 | 929 |
| 96730 Amortization of Bond Issue Costs | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 96700 Total Interest Expense and Amortization Cost | 0 | 0 | 0 | 0 | 0 | 929 | 0 | 929 | 0 | 929 |
| 96900 Total Operating Expenses | 445,241 | 0 | 445,241 | 413,235 | 56,160 | 1,957,460 | 16,013 | 2,888,109 | 0 | 2,888,109 |
| 97000 Excess of Operating Revenue over Operating Expenses | (36,329) | 82,133 | 45,804 | 2,487,212 | 0 | 202,171 | 204,459 | 2,939,646 | 0 | 2,939,646 |
| 97100 Extraordinary Maintenance | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97200 Casualty Losses - Non-capitalized | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97300 Housing Assistance Payments | | | 0 | 2,796,897 | 0 | 0 | 204,291 | 3,001,188 | 0 | 3,001,188 |

MEDINA METROPOLITAN HOUSING AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - FDS SCHEDULE SUBMITTED TO HUD
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | | | | | | | | | | | |
|---|------------------|-----------------|------------------|------------------|---------------|------------------|----------------|------------------|----------|------------------|----------|
| 97350 HAP Portability-In | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 97400 Depreciation Expense | 88,498 | | 88,498 | 1,667 | | 75,387 | | 165,552 | | 165,552 | |
| 97500 Fraud Losses | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 97600 Capital Outlays - Governmental Funds | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 97700 Debt Principal Payment - Governmental Funds | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 97800 Dwelling Units Rent Expense | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 90000 Total Expenses | 533,739 | 0 | 533,739 | 3,211,799 | 56,160 | 2,032,847 | 220,304 | 6,054,849 | 0 | 6,054,849 | |
| 10010 Operating Transfer In | 18,000 | | 18,000 | 0 | | 0 | | 18,000 | (18,000) | 0 | |
| 10020 Operating transfer Out | | (18,000) | (18,000) | 0 | | 0 | | (18,000) | 18,000 | 0 | |
| 10030 Operating Transfers from/to Primary Government | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10040 Operating Transfers from/to Component Unit | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10050 Proceeds from Notes, Loans and Bonds | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10060 Proceeds from Property Sales | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10070 Extraordinary Items, Net Gain/Loss | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10080 Special Items (Net Gain/Loss) | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10091 Inter Project Excess Cash Transfer In | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10092 Inter Project Excess Cash Transfer Out | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10093 Transfers between Program and Project - In | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10094 Transfers between Project and Program - Out | | | 0 | 0 | | 0 | | 0 | 0 | 0 | |
| 10100 Total Other financing Sources (Uses) | 18,000 | (18,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | (106,827) | 64,133 | (42,694) | (311,352) | 0 | 126,784 | 168 | (227,094) | 0 | (227,094) | |
| 11030 Beginning Equity | 1,227,429 | 2,211 | 1,229,640 | 796,147 | 0 | 6,569,977 | 1,723 | 8,597,487 | 0 | 8,597,487 | |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | 66,344 | (66,344) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Ending Equity | 1,186,946 | 0 | 1,186,946 | 484,795 | 0 | 6,696,761 | 1,891 | 8,370,393 | 0 | 8,370,393 | |
| 11020 Required Annual Debt Principal Payments | | | 0 | 0 | | 8,867 | | 8,867 | | 8,867 | |
| 11050 Changes in Compensated Absence Balance | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 11060 Changes in Contingent Liability Balance | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | 0 | 0 | | 0 | | 0 | | 0 | |
| 11170 Administrative Fee Equity | | | 0 | 146,137 | | 0 | | 146,137 | | 146,137 | |
| 11180 Housing Assistance Payments Equity | | | 0 | 338,656 | | 0 | | 338,656 | | 338,656 | |
| 11190 Unit Months Available | 996 | | 996 | 6,360 | 132 | 2,561 | 511 | 10,560 | 0 | 10,560 | |
| 11210 Number of Unit Months Leased | 990 | | 990 | 6,257 | 110 | 2,510 | 511 | 10,378 | 0 | 10,378 | |

MEDINA METROPOLITAN HOUSING AUTHORITY
PHA's Statement and Certification of Actual Modernization Costs
June 30, 2012

Capital Fund Program Number OH12P027501-09

1. The Program Costs are as follows:

| | |
|---------------------------------------|---------------|
| Funds Approved | \$92,846 |
| Funds Expended | <u>92,846</u> |
| Excess (Deficiency) of Funds Approved | <u>\$ -0-</u> |
| | |
| Funds Advanced | \$92,846 |
| Funds Expended | <u>92,846</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 15, 2011.
4. The final costs on the certification agree to the Authority's records.

**MEDINA METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

| <u>Federal Grantor / Pass Through Grantor Program Title</u> | <u>Pass- Through Number</u> | <u>CFDA Number</u> | <u>Federal Expenditures</u> |
|--|-------------------------------------|------------------------|---------------------------------|
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| <i>Direct Funding:</i> | | | |
| Shelter Plus Care | N/A | 14.238 | \$ 220,472 |
| Public and Indian Housing - Low Rent Public Housing | N/A | 14.850a | 146,768 |
| Section 8 Housing Choice Vouchers | N/A | 14.871 | 2,842,867 |
| Public Housing Capital Fund | N/A | 14.872 | <u>82,133</u> |
| Total Federal Award Expenditures | | | <u><u>\$ 3,292,240</u></u> |

NOTES TO THE 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.



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Required By Government Auditing Standards**

Board of Commissioners
Medina Metropolitan Housing Authority
850 Walter Road
Medina, OH 44256-1515

We have audited the financial statements of the Medina Metropolitan Housing Authority, Medina County (the Authority) as of and for the fiscal year ended June 30, 2012, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority'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 a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

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

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
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Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the Board of Commissioners, management, Auditor of State, federal awarding agencies, and other members of the Authority. We intend it for no one anyone other than these specified parties.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 12, 2012



**Independent Auditors' Report on Compliance with Requirements
Applicable to Its Major Federal Program and on Internal Control
Over Compliance Required By OMB Circular A-133**

Board of Commissioners
Medina Metropolitan Housing Authority
850 Walter Road
Medina, OH 44256-1515

Compliance

We have audited the compliance of the Medina Metropolitan Housing Authority, Medina County, Ohio (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect its major federal program for the fiscal year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to opine on the Authority's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Authority's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with these requirements.

In our opinion, the Medina Metropolitan Housing Authority, Medina County, complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2012.

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Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of opining 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the Board of Commissioners, management, the Auditor of State, federal awarding agencies, and other members of the Authority. It is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Shanna E. Snow, Inc.

Newark, Ohio
December 12, 2012

**MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any other significant deficiencies conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other significant deficiencies in internal control reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | No |
| <i>(d)(1)(vii)</i> | Major Program (list): | Section 8 Housing Choice Vouchers/CFDA #14.871 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | Yes |

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



Dave Yost • Auditor of State

MEDINA METROPOLITAN HOUSING AUTHORITY

MEDINA 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
JANUARY 22, 2013**