

AUDITED BASIC FINANCIAL STATEMENTS

OF THE

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY**

JULY 1, 2009 - JUNE 30, 2010





Dave Yost • Auditor of State

Board of Directors
Consortium of Northwest Ohio
1044 Chelsea Avenue
Napoleon, Ohio 43545

We have reviewed the *Independent Auditors' Report* of the Consortium of Northwest Ohio, Henry County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Consortium of Northwest Ohio 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 31, 2011

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**CONSORTIUM OF NORTHWEST OHIO
HENRY 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	13
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	14
STATEMENT OF CASH FLOWS	15
NOTES TO THE BASIC FINANCIAL STATEMENTS	17
SUPPLEMENTAL DATA:	
STATEMENT OF NET ASSETS -CONSOLIDATING STATEMENT OF NET ASSETS	27
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – CONSOLIDATING STATEMENT OF NET ASSETS	28
STATEMENT OF NET ASSETS – BOWLING GREEN – FDS SCHEDULE SUBMITTED TO HUD	29
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – BOWLING GREEN - FDS SCHEDULE SUBMITTED TO HUD	31
STATEMENT OF NET ASSETS – HENRY – FDS SCHEDULE SUBMITTED TO HUD	32
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – HENRY - FDS SCHEDULE SUBMITTED TO HUD	34
STATEMENT OF NET ASSETS – WILLIAMS – FDS SCHEDULE SUBMITTED TO HUD	35

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY**

TABLE OF CONTENTS
(Continued)

<u>TITLE</u>	<u>PAGE</u>
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – WILLIAMS - FDS SCHEDULE SUBMITTED TO HUD	37
STATEMENT OF CHANGES IN EQUITY BALANCES – BOWLING GREEN – FDS SCHEDULE SUBMITTED TO HUD	38
STATEMENT OF CHANGES IN EQUITY BALANCES – HENRY – FDS SCHEDULE SUBMITTED TO HUD	39
STATEMENT OF CHANGES IN EQUITY BALANCES – WILLIAMS – FDS SCHEDULE SUBMITTED TO HUD	40
SCHEDULE OF FEDERAL AWARDS EXPENDITURES AND NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES	41
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	42
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH <i>OMB CIRCULAR A-133</i>	44
SCHEDULE OF FINDINGS - <i>OMB CIRCULAR A-133 § .505</i>	46



INDEPENDENT AUDITORS' REPORT

Board of Directors
Consortium of Northwest Ohio
1044 Chelsea Avenue
Napoleon, OH 43545-1202

We have audited the accompanying basic financial statements of the Consortium of Northwest Ohio, Henry County, Ohio (the Consortium) as of and for the fiscal year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Consortium'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 that 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 Consortium of Northwest Ohio, Henry County, as of June 30, 2010, 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 10, 2010 on our consideration of the Consortium'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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

Ten West Locust Street

Newark, Ohio 43055

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We conducted our audit to opine on the financial statements that collectively comprise the Consortium's financial statements. The Schedule of Federal Awards Expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Supplemental Financial Data Schedules is required by the U.S. Department of Housing and Urban Development, and are also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards and Expenditures and the Supplemental Financial Data Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 10, 2010

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Consortium of Northwest Ohio's (the Consortium) Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Consortium's financial activity, (c) identify changes in the Consortium's financial position (its ability to address the next and subsequent fiscal year challenges), and (d) identify individual fund issues or concerns. The Consortium consists of the Bowling Green, Henry, and Williams Metropolitan Housing Authorities.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Consortium's financial statements (beginning on page 13).

FINANCIAL HIGHLIGHTS

- During fiscal year 2010, the Consortium's net assets increased by \$35,777 (or 12.2%). Since the Consortium engages only in business-type activities, the increase is all in the category of business-type net assets. Net Assets for fiscal year 2009 were \$292,788 and \$328,565 for fiscal year 2010.
- Revenues increased by \$120,497 (or 6.5%) during fiscal year 2010, and was \$1,868,286 and \$1,988,783 for fiscal year 2009 and fiscal year 2010, respectively.
- Expenses of the Consortium increased by \$59,873 (or 3.2%). Total expenses were \$1,893,133 and \$1,953,006 for fiscal year 2009 and fiscal year 2010, respectively.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

USING THIS ANNUAL REPORT

The following is a graphic outlining the three major sections of the report.

MD&A

~ Management Discussion and Analysis – pgs 3-11 ~

Basic Financial Statements

~ Basic Financial Statements – pgs 13-15 ~
~ Notes to the Basic Financial Statements – pgs 17-25 ~

Other Required Supplementary Information

~ Required Supplementary Information - none~

The primary focus of the Consortium's financial statements is on the Consortium as a whole. The Consortium operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden basis for comparison (year-to-year or Consortium -to- Consortium), and enhance the Consortium's accountability.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Government-Wide Financial Statements

The Government-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns, which add to a total for the entire Consortium.

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

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

Finally, 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.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

THE CONSORTIUM'S FUND

The Consortium consists exclusively of an Enterprise Fund. The Enterprise fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector.

The fund maintained by the Consortium is required by the Department of Housing and Urban Development (HUD).

Business-Type Activities:

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Consortium administers contracts with independent landlords that own the property. The Consortium subsidizes the family's rent through a 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 Consortium to structure a lease that sets the participants' rent at 30% of adjusted household income.

Other Programs - In addition to the major program above, the Consortium also maintains other grant programs. The other activities the Consortium is involved with are listed below:

Business Activities – represents resources developed from services provided to other metropolitan housing authorities.

Home Investment Partnerships Program – grant monies are received from the County to administer this program in a manner similar to the Housing Choice Voucher Program.

Disaster Housing Assistance Payment Program – grant monies are received and grant is administered in a manner similar to the Housing Choice Voucher Program.

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**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to the prior year.

STATEMENT OF NET ASSETS

	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$ 312,408	\$ 279,898
Capital Assets, Net	<u>58,036</u>	<u>68,989</u>
Total Assets	<u>370,444</u>	<u>348,887</u>
Current Liabilities	14,563	30,368
Non-Current Liabilities	<u>27,316</u>	<u>25,731</u>
Total Liabilities	<u>41,879</u>	<u>56,099</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	37,907	45,495
Restricted	120,806	107,413
Unrestricted	<u>169,852</u>	<u>139,880</u>
Total Net Assets	<u>\$ 328,565</u>	<u>\$ 292,788</u>

For more detailed information see page 13 for the Statement of Net Assets.

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**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Major Factors Affecting the Statement of Net Assets

Current assets (primarily cash and cash equivalents) were increased by \$32,510 which is a result of the changes to HUD's funding, along with Consortium's cash management during the fiscal year. Total liabilities decreased \$14,220 due to the Authority having accounts payable to HUD for overpayment on grant programs at fiscal year end 2009 and no such liability at fiscal year end 2010.

The capital assets had a net decrease of \$10,953. This is the net of current year's depreciation. For more detail see "Capital Assets and Debt Administration" on page 10.

While the result of operations is a significant measure of the Consortium's activities, the analysis of the changes in Unrestricted and Restricted Net Assets provides a clearer change in financial well-being.

CHANGE OF UNRESTRICTED NET ASSETS

Unrestricted Net Assets June 30, 2009		\$ 139,880
Results of Operations Related to Administrative Fee	\$ 22,384	
Adjustments:		
Depreciation (1)	<u>10,953</u>	
Adjusted Results from Operations		33,337
Retirement of Debt		<u>(3,365)</u>
Unrestricted Net Assets June 30, 2010		\$ <u>169,852</u>

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

CHANGE OF RESTRICTED NET ASSETS

Restricted Net Assets June 30, 2009		\$ 107,413
Results of Operations		
HAP Reserves Carried Forward	\$6,814	
Fraud Recovery Payments Net Bad Debts	5,927	
Interest on HAP	<u>652</u>	
Adjusted Results from Operations		<u>13,393</u>
Restricted Net Assets June 30, 2010		\$ <u>120,806</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND ASSETS

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

	<u>2010</u>	<u>2009</u>
Revenues		
HUD PHA Operating Grants	\$1,974,190	\$1,842,438
Interest Income	1,465	2,109
Other Revenues	<u>13,128</u>	<u>23,739</u>
Total Revenue	<u>1,988,783</u>	<u>1,868,286</u>
Expenses		
Administrative	250,942	230,227
Material and Labor - Maintenance	11,227	10,034
General	11,238	11,247
Housing Assistance Payments	1,667,748	1,616,112
Depreciation	10,953	11,444
Fraud Losses	-	13,044
Interest	<u>898</u>	<u>1,025</u>
Total Expenses	<u>1,953,006</u>	<u>1,893,133</u>
Change in Net Assets	35,777	(24,847)
Net Assets at July 1	<u>292,788</u>	<u>317,635</u>
Net Assets June 30	<u>\$ 328,565</u>	<u>\$ 292,788</u>

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

HUD PHA Operating Grants increased by \$131,752 due to HUD funding increases, which offset decreases in grants received from Fulton and Paulding Counties. Housing Assistance Payments increased by \$51,636 or 3.2% during fiscal year 2010. Generally as increases in HUD funding are granted, this allows the Authority to increase its level of service (units leased) or the amount paid to cover HAP is covered by current revenues rather than HAP equity reserves.

Annual staffing and compensation changes contributed to the increase in the Administrative expenses category in fiscal year 2010. Administrative expenses include salaries and related benefits, along with other administrative expenses such as audit fees and office expenses.

Most other expenses fluctuated moderately due to inflation and current fiscal year needs.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

CAPTIAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, the Consortium had \$58,036 invested in capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation).

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

	Business-type Activities	
	<u>2010</u>	<u>2009</u>
Building	\$ 84,511	\$ 84,511
Furniture, Fixtures, and Equipment	55,381	61,306
Building Improvements	51,974	51,974
Accumulated Depreciation	(133,830)	(128,802)
Total	\$ <u>58,036</u>	\$ <u>68,989</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 22 of the notes.

CHANGE IN CAPITAL ASSETS

	Business-type Activities
Beginning Balance	\$ 68,989
Depreciation	(10,953)
Ending Balance	\$ <u>58,036</u>

There were no additions for fiscal year 2010. During fiscal year 2010, the Consortium disposed of \$5,925 in capital assets which were fully depreciated.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Debt Outstanding

As of June 30, 2010, the Consortium had \$20,129 in debt (mortgage loan) outstanding as compared to \$23,494 at June 30, 2009. The decrease of (\$3,365) represents the current year debt repayment. For further information related to fiscal year 2010 debt activity, see Note 7.

ECONOMIC FACTORS

Significant economic factors affecting the Consortium 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, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Marsha K. Inscho; Finance Manager for the Consortium of Northwest Ohio, at (419) 526-1622. Specific requests may be submitted to the Consortium at 1044 Chelsea Ave, Napoleon OH 43545-1202.

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**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENTS OF NET ASSETS
JUNE 30, 2010**

Assets

Current Assets:

Cash and Cash Equivalents	\$ 180,869
Accounts Receivable, net	5,688
Accrued Interest Receivable	60
Prepaid Items	4,985
	191,602
Total Current Assets	191,602

Non-Current Assets:

Restricted Cash	120,806
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Capital Assets:

Depreciable Capital Assets	191,866
Accumulated Depreciation	(133,830)
Total Capital Assets	58,036

Total Non-Current Assets	178,842
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Total Assets

370,444

Liabilities

Current Liabilities:

Accounts Payable	3,221
Accrued Wages and Payroll Taxes	2,896
Deferred Revenue	674
Accrued Compensated Absences	4,260
Current Portion of Mortgage Note	3,512
	14,563
Total Current Liabilities	14,563

Non-Current Liabilities:

Mortgage Note	16,617
Accrued Compensated Absences	10,699
	27,316
Total Non-Current Liabilities	27,316

Total Liabilities

41,879

Net Assets

Invested in Capital Assets, Net of Related Debt	37,907
Restricted	120,806
Unrestricted	169,852
	328,565

Total Net Assets

\$ 328,565

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

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Operating Revenues		
HUD PHA Operating Grants	\$	1,974,190
Other Revenues		<u>13,128</u>
Total Operating Revenues		<u>1,987,318</u>
Operating Expenses		
Housing Assistance Payments	\$	1,667,748
Salaries		150,973
Employee Benefits		50,032
Other Administrative Expenses		49,937
Material and Labor - Maintenance		11,227
Depreciation		10,953
General		<u>11,238</u>
Total Operating Expenses		<u>1,952,108</u>
Operating Income		<u>35,210</u>
Nonoperating Revenues (Expenses)		
Interest Income		1,465
Interest Expense		<u>(898)</u>
Total Nonoperating Revenues (Expenses)		<u>567</u>
Change in Net Assets		35,777
Net Assets at July 1, 2009		<u>292,788</u>
Net Assets at June 30, 2010	\$	<u><u>328,565</u></u>

The notes to the basic financial statements are an integral part of this statement.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Cash flows from operating activities:

Cash received from HUD/grant agencies	\$ 1,954,762
Cash received from other sources	13,128
Cash payments to employees for services	(197,336)
Cash payments for good or services - HUD	(1,667,748)
Cash payments for goods or services	(70,045)
	32,761

Net cash provided by operating activities

32,761

Cash flows from investing activities:

Interest Income	1,422
	1,422

Cash flows from capital and related financing activities:

Principal paid on mortgage note	(3,365)
Interest paid on mortgage note	(898)
	(4,263)

Net cash used in capital and related financing activities

(4,263)

Net change in cash and cash equivalents

29,920

Cash and cash equivalents at July 1, 2009

271,755

Cash and cash equivalents at June 30, 2010

\$ 301,675

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 35,210
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	10,953
Changes in assets and liabilities:	
Accounts receivable	(2,779)
Prepaid items	232
Accounts payable	(16,380)
Accrued wages and payroll taxes	591
Other liabilities	4,934
	4,934

Net cash provided by operating activities

\$ 32,761

The notes to the basic financial statements are an integral part of this statement.

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**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The basic financial statements of the Consortium of Northwest Ohio (the Consortium) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Consortium's accounting policies are described below.

Reporting Entity

On November 29, 2000, after receiving and reviewing public comment on section 13 of the United States Housing Act of 1937, HUD published the final rule which implemented the 1998 law that authorizes public housing agencies (PHAs) to administer any or all of their housing programs through a consortium of PHAs. The final rule specifies minimum requirements relating to formation and operation of the consortium and minimum contents of consortium agreements, as required by the statute and further reflects HUD's consideration of public comments received on the proposed rule.

On July 1, 2005, the following organizations: Bowling Green Housing Agency, Henry Metropolitan Housing Authority, and the Williams Metropolitan Housing Authority elected to form a consortium and entered into a consortium agreement among the participating authorities, specified a Lead Agency (Henry Metropolitan Housing Authority), and submitted a Joint Plan for all participating authorities in accordance with 24 CFR part 903.

The Consortium was created under the Ohio Revised Code, Section 3735.27. The Consortium contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Consortium depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the Consortium is financially accountable. This report includes all activities considered by management to be part of the Consortium by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

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

Fund Accounting

The Consortium uses a proprietary fund to report on its financial position and the results of its operations for the Section 8 Housing Choice Voucher and other grant programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Proprietary Fund Type:

Proprietary funds are used to account for the Consortium's ongoing activities that are similar to those found in the private sector. The following is the Consortium's proprietary fund type:

Enterprise Fund – The Consortium is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Consortium are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets. The statement of cash flows provides information about how the Consortium finances and meets cash flow needs.

The Consortium accounts for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body 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.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus/Basis of Accounting

The proprietary fund is 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 Consortium follows GASB guidance as applicable to its proprietary fund 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.

Basis of Consolidation

The basic financial statements includes the financial activity of the Bowling Green Housing Authority, Henry Metropolitan Housing Authority, and William Metropolitan Housing Authority, which make up the Consortium. Substantially all inter-consortium accounts and transactions have been eliminated.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold used by the Consortium is \$500. The following are the useful lives used for depreciation purposes:

<u>Description</u>	<u>Estimated Useful Lives -Years</u>
Building	40
Furniture	5
Equipment	7
Vehicles	5

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Compensated Absences

The Consortium accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. All employees who meet the termination policy of the Consortium for years of service are included in the calculation of the compensated absences accrual amount.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 current liability.

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 balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Consortium or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount reported as restricted net assets at fiscal year end represents the amounts restricted by HUD for future Housing Assistance Payments. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Consortium first applies restricted net assets. The Consortium did not have net assets restricted by enabling legislature at June 30, 2010.

Estimates

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

Prepaid Items

Payments made to vendors for services that will benefit beyond fiscal year-end are reported as prepaid items via the consumption method.

Restricted Assets

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 balances of \$120,806.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Consortium, these revenues are for Housing and Urban Development Grants and other revenues. Operating expenses are necessary costs to provide goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as nonoperating revenues.

Deferred Revenue

Deferred 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 deferred revenue of the current fiscal period.

Accounts Receivable

Management considers all accounts receivable (excluding the fraud recovery receivable) to be collected in full.

Accrued Interest Receivable

Accrued interest receivable represents the amount of interest earned but unpaid on certificates of deposit as of the balance sheet date. Interest is collected upon maturity.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

All monies are deposited into banks as determined by the Consortium. Funds are deposited in either interest bearing or non-interest bearing accounts at the Consortium's discretion. Security shall be furnished for all accounts in the Consortium's name.

Cash and cash equivalents included in the Consortium's cash position at June 30, 2010 are as follows:

	<u>Checking</u>	<u>Savings</u>	<u>Total</u>
Demand Deposits:			
Bank balance	\$268,850	\$32,999	\$301,849
Items-in-transit	<u>(21,534)</u>	-	<u>(21,534)</u>
Carrying balance	<u>\$247,316</u>	<u>\$32,999</u>	<u>\$280,315</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

In addition, the Consortium had certificates of deposit totaling \$21,310 at June 30, 2010 and maintains \$50 in petty cash funds. Of the fiscal year-end cash balance, including certificates of deposit, \$323,159 was covered by federal deposit insurance.

Based on the Consortium having only demand deposits at June 30, 2010, the Consortium is not subject to interest rate, credit, concentration, or custodial credit risks.

3. RISK MANAGEMENT

The Consortium is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2010, the Consortium purchased commercial insurance for vehicle, health, general liability, building contents, and real property insurance.

Vehicle insurance carries a \$250 comprehensive deductible and \$500 collision deductible. Property insurance carries a \$500 deductible. The deductible for general liability and electronic data processing insurance are \$500 each. The deductible for public officials' liability insurance is \$1,000.

Settled claims have not exceeded this coverage in any of the last three fiscal years. There has been no significant reduction in coverage from last year.

4. CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2010:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Governmental Activities - Cost</u>				
Buildings	\$ 84,511	\$ -	\$ -	\$ 84,511
Building improvements	51,974	-	-	51,974
Furniture, fixtures, and equipment	<u>61,306</u>	-	<u>(5,925)</u>	<u>55,381</u>
Total at cost	<u>197,791</u>	-	<u>(5,925)</u>	<u>191,866</u>
<u>Less: accumulated depreciation</u>				
Buildings	(41,908)	(4,226)	-	(46,134)
Building improvements	(29,555)	(4,740)	-	(34,295)
Furniture, fixture, and equipment	<u>(57,339)</u>	<u>(1,987)</u>	<u>5,925</u>	<u>(53,401)</u>
Total accumulated depreciation	<u>(128,802)</u>	<u>(10,953)</u>	<u>5,925</u>	<u>(133,830)</u>
Capital assets, net	\$ <u>68,989</u>	\$ <u>(10,953)</u>	\$ <u>-</u>	\$ <u>58,036</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

5. DEFINED BENEFIT PENSION PLANS

Plan Description – All employees of the Authority are eligible to participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

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

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-retirement health care coverage. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available comprehensive annual financial report which includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The Consortium and covered employees contribute at actuarially determined rates for fiscal year 2010, 14% and 10%, respectively, of covered employee payroll to OPERS. The Consortium's contributions to OPERS for the years ended June 30, 2010, 2009, and 2008 were \$20,540, \$19,937, and \$17,881, respectively. Required contributions are equal to 100% of the dollar amount billed. The employee's contribution to OPERS for June 30, 2010, 2009, and 2008 were \$14,564, \$14,287, and \$13,244, respectively.

Other Post Retirement 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.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

5. DEFINED BENEFIT PENSION PLANS - CONTINUED

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 was 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contributions are advance-funded on an actuarially determined basis and are determined by state statute. The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008 actuarial valuation was 356,388.

Employer contributions made to fund post-employment benefits were approximately \$10,270.

The assumptions and calculations used below were based on the System's latest Actuarial Review performed as of December 31, 2008 (latest actuarial review). An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actual gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2008 was 6.5 percent.

OPERS (assuming the number of active employees remains constant) assumes an annual increase of 4.00% compounded annually for the base portion of an individual's pay increase. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.3%.

Health care costs were assumed to increase at a projected wage inflation rate plus an additional factor ranging from .50% to 4% for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase 4% (the projected wage inflation rate).

As of December 31, 2008, the audited estimated net assets available for OPEB were \$10.7 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$29.6 billion and \$18.9 billion, respectively.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

5. DEFINED BENEFIT PENSION PLANS - CONTINUED

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

6. COMPENSATED ABSENCES

The following is a summary of compensated absences at June 30, 2010:

<u>Balance at July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2010</u>	<u>Due in One Year</u>
\$10,699	\$6,439	(\$2,179)	\$14,959	\$4,260

7. LONG-TERM DEBT

At June 30, 2006, the Consortium had an outstanding mortgage note payable of \$32,835. In September 2006, the Consortium refinanced this mortgage and is now obligated to a bond on a mortgage note, which matures September 9, 2015. The note requires monthly installments of \$355.31, including interest at 4% per annum.

	<u>Balance 7/1/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/10</u>	<u>Due in one year</u>
Mortgage Note Payable	\$ <u>23,494</u>	\$ _____-	\$(<u>3,365</u>)	\$ <u>20,129</u>	\$ <u>3,512</u>

The aggregate amounts of long-term debt maturities for the remaining fiscal years following fiscal year 2010 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,512	\$ 752	\$ 4,264
2012	3,656	608	4,264
2013	3,808	456	4,264
2014	3,966	298	4,264
2015	4,129	135	4,264
2016	<u>1,058</u>	<u>7</u>	<u>1,065</u>
Total	<u>\$20,129</u>	<u>\$2,255</u>	<u>\$22,384</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

8. CONTINGENT LIABILITIES

A. Grants

Amounts grantor agencies pay to the Consortium are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse effect on the overall financial position of the Consortium at June 30, 2010.

B. Litigation

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

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
CONSOLIDATING STATEMENT OF NET ASSETS
JUNE 30, 2010**

<u>Account Description</u>	<u>Bowling Green Housing Authority</u>	<u>Henry Metropolitan Housing Authority</u>	<u>Williams Metropolitan Housing Authority</u>	<u>Eliminations</u>	<u>Consolidated - Consortium Total</u>
Current Assets					
Cash - Unrestricted	\$ 16,229	\$ 120,204	\$ 44,436	\$ -	\$ 180,869
Accrued Interest Receivable	-	60	-	-	60
Prepaid Items	-	4,462	9,768	(9,245)	4,985
Interprogram Due From	-	84,896	-	(84,896)	-
Accounts Receivable:					
HUD Receivable	782	3,945	-	-	4,727
Miscellaneous	-	4,456	-	(4,456)	-
Fraud Recovery	6,042	7,125	6,104	-	19,271
Allowance for Doubtful Accounts	(5,740)	(6,770)	(5,800)	-	(18,310)
Total Receivables, Net of Allowance for Doubtful Accounts	1,084	8,756	304	(4,456)	5,688
Total Current Assets	17,313	218,378	54,508	(98,597)	191,602
Noncurrent Assets					
Cash - Other Restricted	74,549	36,993	9,264	-	120,806
Capital Assets					
Buildings	-	84,511	-	-	84,511
Furniture and Equipment - Administration	-	42,623	12,758	-	55,381
Leasehold Improvements	-	51,974	-	-	51,974
Accumulated Depreciation	-	(121,572)	(12,258)	-	(133,830)
Total Capital Assets net of accumulated depreciation	-	57,536	500	-	58,036
Total Noncurrent Assets	74,549	94,529	9,764	-	178,842
Total Assets	91,862	312,907	64,272	(98,597)	370,444
Current Liabilities					
Accounts Payable	4,456	3,221	-	(4,456)	3,221
Accrued Wages and Payroll Taxes	-	2,896	-	-	2,896
Accrued Compensated Absences - Current	-	4,260	-	-	4,260
Deferred Revenue	-	9,245	674	(9,245)	674
Current Portion of Long-Term Debt - Mortgage Note	-	3,512	-	-	3,512
Interprogram Due To	-	84,896	-	(84,896)	-
Total Current Liabilities	4,456	108,030	674	(98,597)	14,563
Non-Current Liabilities					
Long-Term Debt, Net of Current - Mortgage Note	-	16,617	-	-	16,617
Accrued Compensation Absences-Non-Current	-	10,699	-	-	10,699
Total Non-Current Liabilities	-	27,316	-	-	27,316
Total Liabilities	4,456	135,346	674	(98,597)	41,879
Net Assets					
Invested in Capital Assets-Net of Related Debt	-	37,407	500	-	37,907
Restricted Net Assets	74,549	36,993	9,264	-	120,806
Unrestricted Net Assets	12,857	103,161	53,834	-	169,852
Total Net Assets	87,406	177,561	63,598	-	328,565
Total Liabilities and Net Assets	\$ 91,862	\$ 312,907	\$ 64,272	\$ (98,597)	\$ 370,444

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
CONSOLIDATING STATEMENT OF NET ASSETS
JUNE 30, 2010**

Account Description	Bowling Green Housing Authority	Henry Metropolitan Housing Authority	Williams Metropolitan Housing Authority	Eliminations	Consolidated - Consortium Total
Revenue					
HUD PHA Operating Grants	\$ 554,215	\$ 907,988	\$ 511,987	\$ -	\$ 1,974,190
Other Revenues					
Fraud Recovery	6,372	4,606	876	-	11,854
Other Revenue	-	166,701	-	(165,427)	1,274
Total Other Revenues	<u>6,372</u>	<u>171,307</u>	<u>876</u>	<u>(165,427)</u>	<u>13,128</u>
Total Operating Revenues	<u>560,587</u>	<u>1,079,295</u>	<u>512,863</u>	<u>(165,427)</u>	<u>1,987,318</u>
Expenses					
Housing Assistance Payments	474,377	756,328	437,043	-	1,667,748
Salaries					
Administrative Salaries	-	146,713	-	-	146,713
Compensated Absences	-	4,260	-	-	4,260
Total Salaries	<u>-</u>	<u>150,973</u>	<u>-</u>	<u>-</u>	<u>150,973</u>
Employee Benefit Contribution - Administrative	-	50,032	-	-	50,032
Administrative Expenses					
Auditing Fees	-	6,969	-	-	6,969
Book-keeping Fee	-	17,492	-	-	17,492
Management Fee	80,940	-	84,487	(165,427)	-
Advertising and Marketing	-	146	-	-	146
Office Expenses	-	21,376	-	-	21,376
Travel	-	2,170	-	-	2,170
Other	-	1,755	29	-	1,784
Total Administrative Expenses	<u>80,940</u>	<u>49,908</u>	<u>84,516</u>	<u>(165,427)</u>	<u>49,937</u>
Ordinary Maintenance and Operations - Materials and Other	-	11,227	-	-	11,227
Depreciation	-	10,953	-	-	10,953
General					
Insurance Premiums	-	10,191	1,047	-	11,238
Total General	<u>-</u>	<u>10,191</u>	<u>1,047</u>	<u>-</u>	<u>11,238</u>
Total Operating Expenses	<u>555,317</u>	<u>1,039,612</u>	<u>522,606</u>	<u>(165,427)</u>	<u>1,952,108</u>
Operating Income/(Loss)	<u>5,270</u>	<u>39,683</u>	<u>(9,743)</u>	<u>-</u>	<u>35,210</u>
Nonoperating Revenues (Expenses)					
Interest Income					
Investment Income - Unrestricted	169	352	292	-	813
Investment Income - Restricted	220	367	65	-	652
Total Interest Income	<u>389</u>	<u>719</u>	<u>357</u>	<u>-</u>	<u>1,465</u>
Interest Expense	<u>-</u>	<u>(898)</u>	<u>-</u>	<u>-</u>	<u>(898)</u>
Total Nonoperating Revenues (Expenses)	<u>389</u>	<u>(179)</u>	<u>357</u>	<u>-</u>	<u>567</u>
Change in Net Assets	5,659	39,504	(9,386)	-	35,777
Beginning Net Assets	<u>81,747</u>	<u>138,057</u>	<u>72,984</u>	<u>-</u>	<u>292,788</u>
Total Ending Net Assets	<u>\$ 87,406</u>	<u>\$ 177,561</u>	<u>\$ 63,598</u>	<u>\$ -</u>	<u>\$ 328,565</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2010**

FDS Line Item No.	Account Description	<u>Bowling Green</u> 14.871 Section 8 Housing Choice Vouchers
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 16,229
113	Cash - Other Restricted	74,549
		90,778
100	Total Cash	90,778
	Accounts Receivable	
122	HUD Other Projects	782
128	Fraud Recovery	6,042
128.1	Allowance for Doubtful Accounts	(5,740)
		1,084
120	Total Receivables, Net of Allowance for Doubtful Accounts	1,084
150	Total Current Assets	91,862
190	Total Assets	\$ 91,862

NOTE FOR REAC REPORTING: The accompanying statements have been prepared in accordance with the format as required for HUD's electronic filing REAC system. The format and classifications of various line items may differ from those used in the preparation of the financial statements presented in accordance with accounting principles generally accepted in the United States of America.

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2010**

		<u>Bowling Green</u>
<u>FDS Line Item No.</u>	<u>Account Description</u>	<u>14.871 Section 8 Housing Choice Vouchers</u>
	Current Liabilities	
312	Accounts Payable	\$ 4,456
310	Total Current Liabilities	<u>4,456</u>
300	Total Liabilities	<u>4,456</u>
	Net Assets	
511.1	Restricted Net Assets	74,549
512.1	Unrestricted Net Assets	12,857
	Total Net Assets	<u>87,406</u>
600	Total Liabilities and Net Assets	<u>\$ 91,862</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Bowling Green

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	14.239 Home Investment Partnerships Program	Total
	Revenue			
70600-010	Housing Assistance Payment Revenues	\$ 465,565		\$ 465,565
70600-020	Administrative Fees Revenues	76,686		76,686
70600	HUD PHA Operating Grants	542,251	\$ 11,964	554,215
71100	Investment Income - Unrestricted	169	-	169
71400-010	Housing Assistance Payments	3,186	-	3,186
71400-020	Administrative Fees	3,186	-	3,186
71400	Fraud Recovery	6,372	-	6,372
72000	Investment Income - Restricted	220	-	220
70000	Total Revenue	549,012	11,964	560,976
	Expenses			
91300	Management Fee	79,652	1,288	80,940
91000	Total Operating - Administrative	79,652	1,288	80,940
96900	Total Operating Expenses	79,652	1,288	80,940
97000	Excess Operating Revenue Over Operating Expenses	469,360	10,676	480,036
	Other Expenses			
97300	Housing Assistance Payments	463,701	10,676	474,377
	Total Other Expenses	463,701	10,676	474,377
90000	Total Expenses	543,353	11,964	555,317
10000	Excess of Revenues over Expenses	5,659	-	5,659
11030	Beginning Net Assets	81,747	-	81,747
11170	Administrative Fee Equity	12,857	-	12,857
11180	Housing Assistance Payment Equity	74,549	-	74,549
	Total Ending Net Assets	\$ 87,406	\$ -	\$ 87,406

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2010**

		<u>Henry</u>		
FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	Business Activities	Total
	Current Assets			
	Cash			
111	Cash - Unrestricted	\$ 87,204	\$ 33,000	\$ 120,204
113	Cash - Other Restricted	36,993	-	36,993
100	Total Cash	124,197	33,000	157,197
	Accounts Receivable			
122	HUD Other Project	3,945	-	3,945
125	Miscellaneous	4,456	-	4,456
128	Fraud Recovery	7,125	-	7,125
128.1	Allowance for Doubtful Accounts	(6,770)	-	(6,770)
129	Accrued Interest Receivable	60	-	60
120	Total Receivables, Net of Allowance for Doubtful Accounts	8,816	-	8,816
	Other Assets			
142	Prepaid Items	4,462	-	4,462
144	Interprogram Due From	-	84,896	84,896
150	Total Current Assets	137,475	117,896	255,371
	Noncurrent Assets			
	Capital Assets			
162	Buildings	84,511	-	84,511
164	Furniture and Equipment - Administration	42,623	-	42,623
165	Leasehold Improvements	51,974	-	51,974
166	Accumulated Depreciation	(121,572)	-	(121,572)
160	Total Capital Assets net of accumulated depreciation	57,536	-	57,536
180	Total Noncurrent Assets	57,536	-	57,536
190	Total Assets	\$ 195,011	\$ 117,896	\$ 312,907

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2010**

FDS Line Item No.	Account Description	<u>Henry</u>		
		14.871 Section 8 Housing Choice Vouchers	Business Activities	Total
	Current Liabilities			
312	Accounts Payable	\$ 3,221	\$ -	\$ 3,221
321	Accrued Wages and Payroll Taxes	2,896	-	2,896
322	Accrued Compensated Absences - Current	4,260	-	4,260
342	Deferred Revenues	9,245	-	9,245
347	Interprogram Due To	84,896	-	84,896
348	Loan Liability - Current	3,512	-	3,512
310	Total Current Liabilities	<u>108,030</u>	<u>-</u>	<u>108,030</u>
	Non-Current Liabilities			
354	Accrued Compensated Absences-Non-Current	10,699	-	10,699
355	Loan Liability - Non-current	16,617	-	16,617
350	Total Non-Current Liabilities	<u>27,316</u>	<u>-</u>	<u>27,316</u>
300	Total Liabilities	<u>135,346</u>	<u>-</u>	<u>135,346</u>
	Net Assets			
508.1	Invested in Capital Assets-Net of Related Debt	37,407	-	37,407
511.1	Restricted Net Assets	36,993	-	36,993
512.1	Unrestricted Net Assets	(14,735)	117,896	103,161
	Total Net Assets	<u>59,665</u>	<u>117,896</u>	<u>177,561</u>
600	Total Liabilities and Net Assets	<u>\$ 195,011</u>	<u>\$ 117,896</u>	<u>\$ 312,907</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

		Henry			
FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	97.109 Disaster Housing Assistance Grant	Business Activities	Total
Revenue					
70600-010	Housing Assistance Payment Revenues	\$ 770,437			\$ 770,437
70600-020	Administrative Fees Revenues	136,551			136,551
70600	HUD PHA Operating Grants	906,988	\$ 1,000	\$ -	907,988
71100	Investment Income - Unrestricted	189	-	163	352
71400-010	Housing Assistance Payments	2,303	-	-	2,303
71400-020	Administrative Fees	2,303	-	-	2,303
71400	Fraud Recovery	4,606	-	-	4,606
71500	Other Revenue	-	-	166,701	166,701
72000	Investment Income - Restricted	367	-	-	367
70000	Total Revenue	912,150	1,000	166,864	1,080,014
Expenses					
91100	Administrative Salaries	59,782	-	86,931	146,713
91200	Auditing Fees	2,323	-	4,646	6,969
91310	Book-keeping Fee	8,632	500	8,360	17,492
91400	Advertising and Marketing	44	-	102	146
91500	Employee Benefit Contribution - Administrative	16,846	-	33,186	50,032
91600	Office Expenses	17,168	500	3,708	21,376
91800	Travel	1,759	-	411	2,170
91900	Other	1,755	-	-	1,755
91000	Total Operating - Administrative	108,309	1,000	137,344	246,653
94200	Ordinary Maintenance and Operations - Materials and Other	11,101	-	126	11,227
94000	Total Maintenance and Operations	11,101	-	126	11,227
96120	Liability Insurance	7,890	-	-	7,890
96130	Workmen's Compensation	2,301	-	-	2,301
96100	Total Insurance Premiums	10,191	-	-	10,191
96210	Compensated Absences	4,260	-	-	4,260
96710	Interest Expense	898	-	-	898
96900	Total Operating Expenses	134,759	1,000	137,470	273,229
97000	Excess Operating Revenue Over Operating Expenses	777,391	-	29,394	806,785
Other Expenses					
97300	Housing Assistance Payments	756,328	-	-	756,328
97400	Depreciation Expense	1,987	-	8,966	10,953
	Total Other Expenses	758,315	-	8,966	767,281
90000	Total Expenses	893,074	1,000	146,436	1,040,510
10000	Excess of Revenues over Expenses	19,076	-	20,428	39,504
11030	Beginning Net Assets	40,589	-	97,468	138,057
11170	Administrative Fee Equity	22,672	-	-	22,672
11180	Housing Assistance Payment Equity	36,993	-	-	36,993
	Total Ending Net Assets	\$ 59,665	\$ -	\$ 117,896	\$ 177,561

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2010**

FDS Line Item No.	Account Description	Williams
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 44,436
113	Cash - Other Restricted	9,264
100	Total Cash	<u>53,700</u>
	Accounts Receivable	
128	Fraud Recovery	6,104
128.1	Allowance for Doubtful Accounts	<u>(5,800)</u>
120	Total Receivables, net of allowance for doubtful accounts	<u>304</u>
	Other Assets	
142	Prepaid Items	<u>9,768</u>
150	Total Current Assets	<u>63,772</u>
	Noncurrent Assets	
	Capital Assets	
164	Furniture and Equipment - Administration	12,758
166	Accumulated Depreciation	<u>(12,258)</u>
160	Total Capital Assets net of accumulated depreciation	<u>500</u>
180	Total Noncurrent Assets	<u>500</u>
190	Total Assets	<u><u>\$ 64,272</u></u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2010**

FDS Line Item No.	Account Description	Williams 14.871 Section 8 Housing Choice Vouchers
	Current Liabilities	
342	Deferred Revenues	\$ 674
310	Total Current Liabilities	674
300	Total Liabilities	674
	Net Assets	
508.1	Invested in Capital Assets-Net of Related Debt	500
511.1	Restricted Net Assets	9,264
512.1	Unrestricted Net Assets	53,834
	Total Net Assets	63,598
600	Total Liabilities and Net Assets	\$ 64,272

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FDS Line Item No.	Account Description	Williams 14.871 Section 8 Housing Choice Vouchers
	Revenue	
70600-010	Housing Assistance Payment Revenues	\$ 427,884
70600-020	Administrative Fees Revenues	84,103
70600	HUD PHA Operating Grants	<u>511,987</u>
71100	Investment Income - Unrestricted	<u>292</u>
71400-010	Housing Assistance Payments	438
71400-020	Administrative Fees	438
71400	Fraud Recovery	<u>876</u>
72000	Investment Income - Restricted	<u>65</u>
70000	Total Revenue	<u>513,220</u>
	Expenses	
91300	Management Fee	84,487
91900	Other	29
91000	Total Operating - Administrative	<u>84,516</u>
96120	Liability Insurance	<u>1,047</u>
96100	Total Insurance Premiums	<u>1,047</u>
96900	Total Operating Expenses	<u>85,563</u>
97000	Excess Operating Revenue Over Operating Expenses	<u>427,657</u>
	Other Expenses	
97300	Housing Assistance Payments	437,043
	Total Other Expenses	<u>437,043</u>
900	Total Expenses	<u>522,606</u>
1000	Excess of Revenues over Expenses	(9,386)
1103	Beginning Net Assets	<u>72,984</u>
11170	Administrative Fee Equity	54,334
11180	Housing Assistance Payment Equity	9,264
	Total Ending Net Assets	<u>\$ 63,598</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF CHANGES IN EQUITY BALANCES
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FDS Line Item No.	Account Description	Bowling Green - 14.871 Housing Choice Vouchers	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 12,468
11170-010	Administrative Fee Revenue	76,686	
11170-040	Investment Income	169	
11170-045	Fraud Recovery Revenue	3,186	
11170-060	Total Administrative Fee Revenues		80,041
11170-080	Total Operating Expenses	79,652	
11170-110	Total Expenses		79,652
11170-002	Net Administrative Fee		389
11170-003	Administrative Fee Equity - Ending Balance		12,857
11170	Administrative Fee Equity		<u>\$ 12,857</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 69,279
11180-010	Housing Assistance Payment Revenues	465,565	
11180-015	Fraud Recovery Revenue	3,186	
11180-025	Investment Income	220	
11180-030	Total Housing Assistance Payments Revenues		468,971
11180-080	Housing Assistance Payments	463,701	
11180-100	Total Housing Assistance Payments Expenses		463,701
11180-002	Net Housing Assistance Payments		5,270
11180-003	Housing Assistance Payments Equity - Ending Balance		74,549
11180	Housing Assistance Payments Equity		<u>\$ 74,549</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF CHANGES IN EQUITY BALANCES
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FDS Line Item No.	Account Description	Henry - 14.871 Housing Choice Vouchers	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 20,375
11170-010	Administrative Fee Revenue	136,551	
11170-040	Investment Income	189	
11170-045	Fraud Recovery Revenue	2,303	
11170-060	Total Administrative Fee Revenues		139,043
11170-080	Total Operating Expenses	134,759	
11170-090	Depreciation	1,987	
11170-110	Total Expenses		136,746
11170-002	Net Administrative Fee		2,297
11170-003	Administrative Fee Equity - Ending Balance		22,672
11170	Administrative Fee Equity		<u>\$ 22,672</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 20,214
11180-010	Housing Assistance Payment Revenues	770,437	
11180-015	Fraud Recovery Revenue	2,303	
11180-025	Investment Income	367	
11180-030	Total Housing Assistance Payments Revenues		773,107
11180-080	Housing Assistance Payments	756,328	
11180-100	Total Housing Assistance Payments Expenses		756,328
11180-002	Net Housing Assistance Payments		16,779
11180-003	Housing Assistance Payments Equity - Ending Balance		36,993
11180	Housing Assistance Payments Equity		<u>\$ 36,993</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
STATEMENT OF CHANGES IN EQUITY BALANCES
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FDS Line Item No.	Account Description	Williams - 14.871 Housing Choice Vouchers	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 55,064
11170-010	Administrative Fee Revenue	84,103	
11170-040	Investment Income	292	
11170-045	Fraud Recovery Revenue	438	
11170-060	Total Administrative Fee Revenues		84,833
11170-080	Total Operating Expenses	85,563	
11170-110	Total Expenses		85,563
11170-002	Net Administrative Fee		(730)
11170-003	Administrative Fee Equity - Ending Balance		54,334
11170	Administrative Fee Equity		<u>\$ 54,334</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 17,920
11180-010	Housing Assistance Payment Revenues	427,884	
11180-015	Fraud Recovery Revenue	438	
11180-025	Investment Income	65	
11180-030	Total Housing Assistance Payments Revenues		428,387
11180-080	Housing Assistance Payments	437,043	
11180-100	Total Housing Assistance Payments Expenses		437,043
11180-002	Net Housing Assistance Payments		(8,656)
11180-003	Housing Assistance Payments Equity - Ending Balance		9,264
11180	Housing Assistance Payments Equity		<u>\$ 9,264</u>

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<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>			
Section 8 Housing Choice Vouchers	N/A	14.871	\$ 1,961,226
<i>Passed through Fulton County:</i>			
Housing Investment Partnerships Program	B-C-08-1AX-2	14.239	<u>11,964</u>
Total U.S. Department of Housing and Urban Development			<u>1,973,190</u>
<u>U.S. Department of Homeland Security</u>			
Disaster Housing Assistance Grant	N/A	97.109	<u>1,000</u>
Total Federal Awards Expenditures			<u><u>\$ 1,974,190</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 Consortium'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 Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board of Directors
Consortium of Northwest Ohio
1044 Chelsea Avenue
Napoleon, Ohio 43545-1202

We have audited the financial statements of the Consortium of Northwest Ohio, Henry County, Ohio (the Consortium) as of and for the fiscal year ended June 30, 2010, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated December 10, 2010. 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 Consortium'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 Consortium's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Consortium'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 would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
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Compliance and Other Matters

As part of reasonably assuring whether the Consortium'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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the Board of Directors, management, Auditor of State, federal awarding agencies and pass-through entities, and other members of the Consortium. We intend it for no one other than these specified parties.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 10, 2010



**Independent Auditors' Report on Compliance with Requirements
Applicable to Its Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

Board of Directors
Consortium of Northwest Ohio
1044 Chelsea Avenue
Napoleon, Ohio 43545-1202

Compliance

We have audited the compliance of the Consortium of Northwest Ohio, Henry County, Ohio (the Consortium) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the fiscal year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the Consortium's major federal program. The Consortium'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 express an opinion on the Consortium's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure about whether noncompliance occurred with the types of 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 Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Consortium's compliance with those requirements.

In our opinion, the Consortium of Northwest Ohio, Henry County, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the fiscal year ended June 30, 2010.

Internal Control over Compliance

The Consortium'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 Consortium's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Consortium's internal control over compliance.

Wilson, Shannon & Snow, Inc.

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Consortium of Northwest Ohio
Board of Directors
Independent Auditors' Report on Compliance with
Requirements Applicable to Its Major Program and
on Internal Control over Compliance in Accordance
with *OMB Circular A-133*
Page 2

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 the 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 Directors, management, the Auditor of State, federal awarding agencies and pass-through entities, and other members of the Consortium. It is not intended for anyone other than these specified parties.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 10, 2010

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY**

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 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 Program's Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (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

**CONSORTIUM OF NORTHWEST OHIO
HENRY COUNTY**

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



Dave Yost • Auditor of State

CONSORTIUM OF NORTHWEST OHIO

HENRY 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
FEBRUARY 10, 2011**