

Columbiana Metropolitan Housing Authority

Financial Statements

For the Year Ended June 30, 2011



Dave Yost • Auditor of State

Board of Directors
Columbiana Metropolitan Housing Authority
325 Moore Street
East Liverpool, Ohio 43920

We have reviewed the *Independent Auditors' Report* of the Columbiana Metropolitan Housing Authority, Columbiana County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Columbiana Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 14, 2012

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

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Independent Auditors' Report

Board of Directors
Columbiana Metropolitan Housing
Authority

I have audited the accompanying financial statements of the business-type activities of Columbiana Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2011, which collectively comprise the Authority basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Columbiana Metropolitan Housing Authority, Ohio's, management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated November 11, 2011, on my consideration of the Columbiana Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of my audit.

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

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Columbiana Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS") and the PHA statement and certification of actual costs are presented for purposes additional analysis as required by the Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the financial statements taken as a whole.

Salvatore Consiglio, CPA, Inc.
November 11, 2011

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

The Columbiana 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 (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

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

FINANCIAL HIGHLIGHTS

- The Authority’s net assets increased by \$499,592 during 2011. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets.
- The Authority’s total revenues decreased by \$48,962 during 2011, and were \$6,283,115 and \$6,332,077 for 2011 and 2010, respectively.
- The total expenses of all Authority programs increased by \$205,422. Total expenses were \$5,783,523 and \$5,578,101 for 2011 and 2010, respectively.

USING THIS ANNUAL REPORT

The following graphic outlines the format of this report:

MD&A ~ Management Discussion and Analysis ~
Basic Financial Statements ~ Authority-wide Financial Statements ~ ~ Fund Financial Statement ~ ~ Notes to Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information (other than MD&A) ~

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

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

Authority-Wide Financial Statements

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

These statements include a 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, 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”. This account resembles the old operating reserves account.

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

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

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

Financial Statements

Traditional users of governmental financial statements will find the Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. The Authority consists of exclusively of an Enterprise Fund. The enterprise fund utilizes the full accrual basis of accounting. The enterprise fund method of accounting is similar to accounting utilized by the private sector accounting.

Business Type Programs:

Conventional Public Housing (PH) – 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 to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority’s physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on size and age of your units.

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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State and Local Program – The State and Local Program represents the Authority contracts with the Columbiana County Department of Job and Family Services, City of Salem, City of East Liverpool and Columbiana Mental Health Board. Under these contracts the Authority administers a voucher program for the Cities of East Liverpool and City of Salem. The Authority contract with the Mental Health Board is to provide housing quality inspections and the contract with the Department of Job and Family Service is to operate an After School Program for disadvantage youths.

Shelter Plus Care Program – Under the Shelter Plus Care Program, the Authority administers contracts with independent landlords that own the property and property owned and managed by Columbiana County Mental Health. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under and Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Component Unit – The component unit represent the program operated by the Housing Program Limited Corporation, a not for profit corporation under the Internal Revenue Service ruling section 501 (c) (3). This out of school program is an educational and recreational program for school aged resident. The program is provided on site at the Authority family developments. The program offers a safe, friendly and clean setting that promotes educational programs targeting a healthy lifestyle and reducing risky behaviors. The program also reinforces academics by helping students with homework and providing educational computer software in the Authority's computer labs.

AUTHORITY-WIDE STATEMENT

Statement of Net Assets

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

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

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

<u>Columbiana Metropolitan Housing Authority</u>		
	<u>2011</u>	<u>2010</u>
Current Assets	\$ 2,086,031	\$ 1,578,085
Capital Assets	<u>10,918,367</u>	<u>10,942,706</u>
 Total Assets	 <u>\$ 13,004,398</u>	 <u>\$ 12,520,791</u>
 Current Liabilities	 \$ 416,632	 \$ 306,089
Long-Term Liabilities	<u>632,587</u>	<u>759,115</u>
 Total Liabilities	 <u>1,049,219</u>	 <u>1,065,204</u>
 Net Assets:		
Investment in Capital Assets, net of Related	10,272,022	10,163,825
Restricted Net Assets	599,188	481,687
Unrestricted Net Assets	<u>1,083,969</u>	<u>810,075</u>
 Total Net Assets	 <u>11,955,179</u>	 <u>11,455,587</u>
 Total Liabilities and Net Assets	 <u>\$ 13,004,398</u>	 <u>\$ 12,520,791</u>

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

Major Factors Affecting the Statement of Net Assets

During 2011 total assets increased by \$483,607 and total liabilities decreased by \$15,985. The change in total assets was mainly due to an increase in capital assets purchased for building renovations at multiple sites.

The decrease in total liabilities was mainly due to debt principle payment made during the year of \$132,536.

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

Net Assets increased by \$499,592. This increase is mainly due to the change in Invested in capital assets, net of related debt due to capital assets purchased during the year.

Statement of Revenue, Expenses and Change in Net Assets

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

Columbiana Metropolitan Housing Authority

	<u>2011</u>	<u>2010</u>
<u>Revenues</u>		
Tenant Revenues - Rents & Other	\$ 756,688	\$ 702,047
Operating Subsidies	4,743,697	4,639,359
Capital Grants	615,927	905,822
Investment Income	29,224	9,095
Other Revenues	137,579	75,754
Total Revenues	<u>6,283,115</u>	<u>6,332,077</u>
<u>Expenses</u>		
Administrative	975,185	1,046,825
Tenant Services	128,767	119,636
Utilities	455,579	442,015
Maintenance	807,010	788,404
Protective Services	224,251	157,324
General and Interest Expenses	336,757	238,428
Housing Assistance Payments	2,261,731	2,199,239
Depreciation	594,243	586,230
Total Expenses	<u>5,783,523</u>	<u>5,578,101</u>
Net Increases (Decreases)	<u>\$ 499,592</u>	<u>\$ 753,976</u>

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

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

Tenant revenue increased by \$54,641 during the year. This is reflective of an increase in units leased up during the year and also to new families moving out of the units that contribute toward the rent payment.

Operating Subsidies increased for the year by \$104,338. The increase in revenue was mainly due to an increase in grant revenue received for HAP payments. The Capital Grant revenue decrease by \$289,895 due to ARRA funding running out.

Total expenses increased for the year by \$205,422. This increase is due to a increase in protective services, general expenses and additional housing assistance payments made for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$10,918,367 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of \$24,339 from the end of last year.

Table 3 - Condensed Statement of Changes in Capital Assets

Columbiana Metropolitan Housing Authority

	<u>2011</u>	<u>2010</u>
Land and Land Rights	\$ 1,063,604	\$ 1,063,604
Buildings	23,071,150	22,580,468
Equipment	955,143	896,562
Leasehold Improvements	2,984,053	2,425,201
Construction in Progress	1,665,422	2,136,113
Accumulated Depreciation	<u>(18,821,005)</u>	<u>(18,159,242)</u>
Total	<u>\$ 10,918,367</u>	<u>\$ 10,942,706</u>

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

Table 4 - Changes in Capital Assets

		<u>CMHA</u>
Beginning Balance - June 30, 2010	\$	10,942,706
Current year Additions		569,904
Current year Depreciation Expense		<u>(594,243)</u>
Ending Balance - June 30, 2011	\$	<u><u>10,918,367</u></u>
Current year Additions are summarized as follows:		
- Vehicles		21,535
- Capital Improvements		<u>548,369</u>
Total 2011 Additions	\$	<u><u>569,904</u></u>

Debt Outstanding

As of year-end, the Authority had \$646,345 in debt (bonds, notes, etc.) outstanding compared to \$778,881 for prior year. The change of \$132,536 was due to principal payments made during the year:

Table 5 - Condensed Statement of Changes in Debt Outstanding

	<u>Columbiana Metropolitan Housing Authority</u>	
	<u>2011</u>	<u>2010</u>
Beginning Balance	\$ 778,881	\$ 883,329
Current Year Principal Payments	<u>(132,536)</u>	<u>(104,448)</u>
Ending Balance	<u><u>\$ 646,345</u></u>	<u><u>\$ 778,881</u></u>

**COLUMBIANA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

UNAUDITED

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
- Inflationary pressure on utility rates, supplies and other costs

IN CONCLUSION

Columbiana Metropolitan Housing Authority takes great pride in its financial management and is pleased to report on the sound financial condition of the Authority.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Claudia Pilarcik, Deputy Director of the Columbiana Metropolitan Housing Authority. Specific requests may be submitted to Claudia Pilarcik, Deputy Director, Columbiana Metropolitan Housing Authority, 325 Moore Street, East Liverpool, OH 43920.

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets
Proprietary Funds
June 30, 2011

ASSETS

Current assets

Cash and cash equivalents	\$1,148,350
Restricted Cash	648,633
Receivables, net	190,062
Inventories, net	32,689
Prepaid expenses and other assets	66,297
Total current assets	<u>2,086,031</u>

Noncurrent assets

Capital assets:	
Land	1,063,604
Building and equipment	27,010,346
Construction in Progress	1,665,422
Less accumulated depreciation	<u>(18,821,005)</u>
Total capital assets, net	<u>10,918,367</u>
Total assets	<u><u>\$13,004,398</u></u>

LIABILITIES

Current liabilities

Accounts payable	\$31,331
Accrued liabilities	65,123
Intergovernmental payables	56,621
Tenant security deposits	49,445
Deferred revenue	1,528
Bonds, notes, and loans payable	111,682
Other current liabilities	<u>100,902</u>
Total current liabilities	<u>416,632</u>

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

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets (Continued)
Proprietary Funds
June 30, 2011

Noncurrent liabilities	
Bonds, notes, and loans payable	534,663
Accrued compensated absences non-current	97,924
Total noncurrent liabilities	<u>632,587</u>
Total liabilities	<u><u>\$1,049,219</u></u>
 NET ASSETS	
Invested in capital assets, net of related debt	\$10,272,022
Restricted net assets	599,188
Unrestricted net assets	1,083,969
Total net assets	<u><u>\$11,955,179</u></u>

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

COLUMBIANA METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

OPERATING REVENUES

Tenant Revenue	\$756,688
Government operating grants	4,743,697
Other revenue	135,892
Total operating revenues	<u>5,636,277</u>

OPERATING EXPENSES

Administrative	975,185
Tenant services	128,767
Utilities	455,579
Maintenance	807,010
Protective services	224,251
General	300,520
Housing assistance payment	2,261,731
Depreciation	594,243
Total operating expenses	<u>5,747,286</u>
Operating income (loss)	<u>(111,009)</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue	29,224
Gain on Sale of Capital Assets	1,687
Interest expense	(36,237)
Total nonoperating revenues (expenses)	<u>(5,326)</u>
Income (loss) before contributions and transfers	(116,335)

Capital grants	615,927
Change in net assets	499,592
Total net assets - beginning	11,455,587
Total net assets - ending	<u><u>\$11,955,179</u></u>

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

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

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$4,746,252
Tenant revenue received	761,220
Other revenue received	135,892
General and administrative expenses paid	(2,927,612)
Housing assistance payments	(2,261,731)

Net cash provided (used) by operating activities	454,021
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned received	29,224
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Net cash provided (used) by investing activities	29,224
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CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

Capital grant funds received	615,927
Proceeds from Sale of Capital Assets	1,687
Property and equipment purchased	(569,904)
Interest Payment	(36,237)
Principal Payment	(132,536)

Net cash provided (used) by capital or related activities	(121,063)
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Net increase (decrease) in cash	362,182
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Cash and cash equivalents - Beginning of year	1,434,801
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Cash and cash equivalents - End of year	\$1,796,983
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The accompanying notes to the basic financial statements are an integral part of these statements.

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$111,009)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	594,243
- (Increases) Decreases in Accounts Receivable	(175,258)
- (Increases) Decreases in Inventory	(597)
- (Increases) Decreases in Prepaid Assets	30,091
- Increases (Decreases) in Accounts Payable	(9,385)
- Increases (Decreases) in Accounts Payable - Intergovernmental	6,434
- Increases (Decreases) in Accrued Expenses Payable	15,391
- Increases (Decreases) in Deferred Revenue	(41,563)
- Increases (Decreases) in Tenant Security Deposits	(346)
- Increases (Decreases) in Other Liabilities	100,902
- Increases (Decreases) in Compensated Leave Payable	45,118
	45,118
Net cash provided by operating activities	\$454,021

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

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

NOTE 1: REPORTING ENTITY

Introduction

The Columbiana Metropolitan Housing Authority was established for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

The financial statements of the Columbiana Metropolitan Housing Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

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

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that

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

NOTE 1: REPORTING ENTITY (Continued)

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.

The accompanying financial statements present the Authority's primary government and the Housing Program Limited Corporation, component unit, which the Authority exercises, significant control.

Component Units

The component unit reported in the Authority financial statements as shown below:

Blended Presented Component Unit

Housing Program Limited Corporation

Brief Description and Relationship

A not for profit corporation under the IRS ruling 501 (c) (3). The corporation was created by Columbiana Metropolitan Housing Authority to operate it's after school program and to be eligible to apply for other funding that the non-profit organization may be eligible for. The board members consist of the Executive Director, Finance Director and another staff of the Authority.

Description of programs

The following are the various programs which are included in the single enterprise fund:

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

NOTE 1: REPORTING ENTITY (Continued)

A. Public Housing Program

The public housing program is designed to provide low-cost housing within the County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

B. Capital Fund Program

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

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

The Shelter Plus Care program is designed to link rental assistance to supportive services for hard to serve homeless persons with disabilities. The Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under and Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

E. State and Local Fund

The Authority administered a contract with Columbiana County Department of Job and Family Services, City of Salem, City of East Liverpool and Columbiana Mental Health to provide rental assistance services to their clients. CMHA administers contracts with independent landlords that own the property. This funding enables the Authority to structure a lease that sets the participants' rent at 30% of the household's income.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Fund Accounting

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three 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.

Inventory

The Authority's inventory is comprised of maintenance materials and supplies. Inventory is valued at cost and the Authority uses the first-in, first-out (FIFO) flow assumption in determining cost.

The consumption method is used to record inventory. Under this method, the acquisition of materials and supplies is recorded initially in inventory accounts and charged as expenditures when used.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2011 totaled \$29,224.

Capital assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$500 or more per unit; and property betterment and additions costing \$2,500 and more. Depreciation is calculated using the straight-line method over the estimated useful lives of three years to forty years. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized.

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Income Taxes

No provision for income taxes is recorded as the Authority is a non-profit, tax exempt entity under the Internal Revenue Code.

Operating Revenues and Expenses

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day to day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of services are included in the calculation of the compensated absence accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation 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.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Description	Balance 06/30/10	Additions	Adjust / Deletion	Balance 06/30/11	Current Liability
Compensated Absence	\$85,462	\$114,712	(\$69,594)	\$130,580	\$32,656
Total	\$85,462	\$114,712	(\$69,594)	\$130,580	\$32,656

Budgets and Budgetary Accounting

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

NOTE 3: DEPOSIT

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

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

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.

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

NOTE 3: DEPOSIT (Continued)

Protection of Authority deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by 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, 2011, the carrying amount of the Authority's deposits totaled \$1,796,983 and its bank balance was \$1,886,451. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2011, \$1,536,446 was exposed to custodial risk as discussed below, while \$350,005 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 4: TENANT ACCOUNT RECEIVABLES

As of June 30, 2011, tenant account receivable is \$3,835; shown net of an allowance for doubtful accounts of \$4,561.

NOTE 5: DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

Ohio Public Employees Retirement System administers three separate pension plans.

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

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

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

2. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.
3. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans. The 2010 member contribution rates were 10.0% and the employer contribution rate was 14.0%

The Authority's required contributions to OPERS for the years ended June 30, 2011, 2010 and 2009 were \$139,234, \$137,282, and \$141,451, respectively; 100 percent has been contributed for 2011, 2010 and 2009.

NOTE 6: POST-EMPLOYMENT BENEFITS

A. Plan Description

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

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

NOTE 6: POST-EMPLOYMENT BENEFITS (Continued)

defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

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

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

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

NOTE 6: POST-EMPLOYMENT BENEFITS (Continued)

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contribution allocated to the health care plan was 5.50 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the years ended June 30, 2011, 2010 and 2009, which were used to fund post-employment benefits, were \$54,699, \$53,932 and \$60,622, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 7: CAPITAL ASSETS

The following is the change in capital assets for the year:

	Balance 06/30/10	Additions	Reclass / Deletion	Balance 06/30/11
Capital Assets Not Depreciated:				
Land	\$1,063,604	\$0	\$0	\$1,063,604
Construction in Progress	2,136,113	548,369	(1,019,060)	1,665,422
Total Capital Assets Not Being Depreciated	3,199,717	548,369	(1,019,060)	2,729,026
Capital Assets Being Depreciated:				
Buildings	22,580,468	0	490,682	23,071,150
Leasehold Improvements	2,425,201	0	558,852	2,984,053
Furnit, Mach and Equip	896,562	21,535	37,046	955,143
Total Capital Assets Being Depreciated	25,902,231	21,535	1,086,580	27,010,346

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

NOTE 7: CAPITAL ASSETS (Continued)

	Balance 06/30/10	Additions	Reclass / Deletion	Balance 06/30/11
Accumulated Depreciation:				
Buildings	(15,222,700)	(497,827)	(67,519)	(15,788,046)
Leasehold Improvements	(2,131,755)	(58,573)	0	(2,190,328)
Furnt., Mach and Equipment	(804,788)	(37,843)	0	(842,631)
Total Accum Depreciation	(18,159,243)	(594,243)	(67,519)	(18,821,005)
Total Capital Assets Being Depreciated, Net	7,742,988	(572,708)	1,019,061	8,189,341
Total Capital Assets, Net	\$10,942,705	(\$24,339)	\$1	\$10,918,367

NOTE 8: LONG-TERM DEBT

Lease/Purchase Agreement – Citicorp North America, Inc.

Columbiana Metropolitan Housing Authority entered into an energy performance contract with Honeywell International Inc. on February 11, 2004 for \$1,294,815. North America, Inc. (CitiCapital) provides the financing source for the project. The term of the loan is 144 semi-annual payments at 4.35% fixed interest rate. The outstanding loan balance as of June 30, 2011 is \$646,345.

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

DESCRIPTION	BALANCE 06/30/10	ROUNDING ADJUSTMENT	RETIRED	BALANCE 06/30/11	DUE ONE YEAR
Citicorp North America, Inc.	\$778,881	\$ 0	\$132,536	\$646,345	\$111,682
TOTAL	\$778,881	\$ 0	\$132,536	\$646,345	\$111,682

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

NOTE 8: LONG-TERM DEBT (Continued)

Debt maturities for the next five years are estimated as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
June 30, 2012	\$111,682	\$27,964
2013	116,593	23,053
2014	121,720	17,926
2015	127,072	12,574
2016	169,278	6,986
	<hr/>	<hr/>
Total	\$646,345	\$88,503
	<hr/>	<hr/>

NOTE 9: ECONOMIC DEPENDENCY

Both the PHA Low Rent Housing Program and the Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

NOTE 10: RISK MANAGEMENT

Significant losses are covered by commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage except for deductibles.

NOTE 11: CONTINGENCIES

Litigations and Claims

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

NOTE 12: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD

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

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$703,390	\$111,794	\$123,472	\$0	\$0	\$0	\$0	\$0	\$209,694	\$1,148,350	\$0	\$1,148,350
113 Cash - Other Restricted	\$0	\$599,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$599,188	\$0	\$599,188
114 Cash - Tenant Security Deposits	\$49,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,445	\$0	\$49,445
100 Total Cash	\$752,835	\$710,982	\$123,472	\$0	\$0	\$0	\$0	\$0	\$209,694	\$1,796,983	\$0	\$1,796,983
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$14,181	\$0	\$0	\$14,181	\$0	\$14,181
125 Accounts Receivable - Miscellaneous	\$151,776	\$0	\$0	\$662	\$0	\$0	\$19,608	\$0	\$0	\$172,046	\$0	\$172,046
126 Accounts Receivable - Tenants	\$8,396	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,396	\$0	\$8,396
126.1 Allowance for Doubtful Accounts -Tenants	(\$4,561)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,561)	\$0	(\$4,561)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$155,611	\$0	\$0	\$662	\$0	\$0	\$33,789	\$0	\$0	\$190,062	\$0	\$190,062
142 Prepaid Expenses and Other Assets	\$63,610	\$1,769	\$0	\$0	\$0	\$0	\$165	\$0	\$753	\$66,297	\$0	\$66,297
143 Inventories	\$33,697	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,697	\$0	\$33,697
143.1 Allowance for Obsolete Inventories	(\$1,008)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,008)	\$0	(\$1,008)
144 Inter Program Due From	\$171,588	\$29,897	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$201,485	(\$201,485)	\$0
150 Total Current Assets	\$1,176,333	\$742,648	\$123,472	\$662	\$0	\$0	\$33,954	\$0	\$210,447	\$2,287,516	(\$201,485)	\$2,086,031
161 Land	\$1,063,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,063,604	\$0	\$1,063,604
162 Buildings	\$23,071,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,071,150	\$0	\$23,071,150
163 Furniture, Equipment & Machinery - Dwellings	\$271,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$271,132	\$0	\$271,132
164 Furniture, Equipment & Machinery - Administration	\$541,490	\$137,101	\$5,420	\$0	\$0	\$0	\$0	\$0	\$0	\$684,011	\$0	\$684,011

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
165 Leasehold Improvements	\$2,984,053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,984,053	\$0	\$2,984,053
166 Accumulated Depreciation	(\$18,679,204)	(\$136,381)	(\$5,420)	\$0	\$0	\$0	\$0	\$0	\$0	(\$18,821,005)	\$0	(\$18,821,005)
167 Construction in Progress	\$1,665,422	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,665,422	\$0	\$1,665,422
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,917,647	\$720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,918,367	\$0	\$10,918,367
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$10,917,647	\$720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,918,367	\$0	\$10,918,367
190 Total Assets	\$12,093,980	\$743,368	\$123,472	\$662	\$0	\$0	\$33,954	\$0	\$210,447	\$13,205,883	(\$201,485)	\$13,004,398
312 Accounts Payable <= 90 Days	\$12,240	\$5,958	\$12,326	\$0	\$0	\$0	\$143	\$0	\$664	\$31,331	\$0	\$31,331
321 Accrued Wage/Payroll Taxes Payable	\$26,611	\$93	\$0	\$0	\$0	\$0	\$0	\$0	\$131	\$26,835	\$0	\$26,835
322 Accrued Compensated Absences - Current Portion	\$13,047	\$4,723	\$0	\$0	\$0	\$0	\$0	\$0	\$14,886	\$32,656	\$0	\$32,656
325 Accrued Interest Payable	\$5,632	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,632	\$0	\$5,632
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$56,621	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,621	\$0	\$56,621
341 Tenant Security Deposits	\$49,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,445	\$0	\$49,445
342 Deferred Revenues	\$1,528	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,528	\$0	\$1,528
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$111,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,682	\$0	\$111,682
345 Other Current Liabilities	\$100,902	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,902	\$0	\$100,902
347 Inter Program - Due To	\$143,928	\$17,290	\$951	\$662	\$0	\$0	\$29,235	\$0	\$9,419	\$201,485	(\$201,485)	\$0

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
310 Total Current Liabilities	\$521,636	\$28,064	\$13,277	\$662	\$0	\$0	\$29,378	\$0	\$25,100	\$618,117	(\$201,485)	\$416,632
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$534,663	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$534,663	\$0	\$534,663
354 Accrued Compensated Absences - Non Current	\$39,101	\$14,167	\$0	\$0	\$0	\$0	\$0	\$0	\$44,656	\$97,924	\$0	\$97,924
350 Total Non-Current Liabilities	\$573,764	\$14,167	\$0	\$0	\$0	\$0	\$0	\$0	\$44,656	\$632,587	\$0	\$632,587
300 Total Liabilities	\$1,095,400	\$42,231	\$13,277	\$662	\$0	\$0	\$29,378	\$0	\$69,756	\$1,250,704	(\$201,485)	\$1,049,219
508.1 Invested In Capital Assets, Net of Related Debt	\$10,271,302	\$720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,272,022	\$0	\$10,272,022
511.1 Restricted Net Assets	\$0	\$599,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$599,188	\$0	\$599,188
512.1 Unrestricted Net Assets	\$727,278	\$101,229	\$110,195	\$0	\$0	\$0	\$4,576	\$0	\$140,691	\$1,083,969	\$0	\$1,083,969
513 Total Equity/Net Assets	\$10,998,580	\$701,137	\$110,195	\$0	\$0	\$0	\$4,576	\$0	\$140,691	\$11,955,179	\$0	\$11,955,179
												\$0
600 Total Liabilities and Equity/Net Assets	\$12,093,980	\$743,368	\$123,472	\$662	\$0	\$0	\$33,954	\$0	\$210,447	\$13,205,883	(\$201,485)	\$13,004,398
70300 Net Tenant Rental Revenue	\$739,216	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$739,216	\$0	\$739,216
70400 Tenant Revenue - Other	\$17,472	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,472	\$0	\$17,472
70500 Total Tenant Revenue	\$756,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$756,688	\$0	\$756,688
70600 HUD PHA Operating Grants	\$1,915,191	\$2,140,886	\$0	\$0	\$285,335	\$72,271	\$229,045	\$27,888	\$0	\$4,670,616	\$0	\$4,670,616
70610 Capital Grants	\$543,518	\$0	\$0	\$0	\$0	\$0	\$0	\$72,409	\$0	\$615,927	\$0	\$615,927
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$438,711	\$438,711	(\$410,668)	\$28,043

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,973	\$82,973	(\$82,973)	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$73,081	\$0	\$0	\$0	\$0	\$0	\$73,081	\$0	\$73,081
71100 Investment Income - Unrestricted	\$20,460	\$0	\$73	\$0	\$0	\$0	\$0	\$0	\$74	\$20,607	\$0	\$20,607
71400 Fraud Recovery	\$0	\$8,220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,220	\$0	\$8,220
71500 Other Revenue	\$89,484	\$0	\$5,982	\$0	\$0	\$0	\$63	\$0	\$4,100	\$99,629	\$0	\$99,629
71600 Gain or Loss on Sale of Capital Assets	\$1,310	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$377	\$1,687	\$0	\$1,687
72000 Investment Income - Restricted	\$0	\$8,617	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,617	\$0	\$8,617
70000 Total Revenue	\$3,326,651	\$2,157,723	\$6,055	\$73,081	\$285,335	\$72,271	\$229,108	\$100,297	\$526,235	\$6,776,756	(\$493,641)	\$6,283,115
91100 Administrative Salaries	\$127,279	\$91,454	\$0	\$0	\$0	\$43,703	\$17,809	\$0	\$237,457	\$517,702	\$0	\$517,702
91200 Auditing Fees	\$7,040	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,040	\$0	\$12,040
91300 Management Fee	\$327,684	\$49,095	\$0	\$0	\$0	\$6,001	\$0	\$27,888	\$0	\$410,668	(\$410,668)	\$0
91310 Book-keeping Fee	\$42,061	\$40,912	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,973	(\$82,973)	\$0
91400 Advertising and Marketing	\$4,076	\$2,860	\$0	\$0	\$0	\$0	\$336	\$0	\$0	\$7,272	\$0	\$7,272
91500 Employee Benefit contributions - Administrative	\$80,948	\$37,589	\$0	\$0	\$0	\$22,567	\$6,176	\$0	\$121,149	\$268,429	\$0	\$268,429
91600 Office Expenses	\$30,508	\$15,334	\$0	\$0	\$0	\$0	\$5,980	\$0	\$13,316	\$65,138	\$0	\$65,138
91700 Legal Expense	\$1,385	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$450	\$1,835	\$0	\$1,835
91800 Travel	\$13,316	\$2,785	\$0	\$0	\$0	\$0	\$416	\$0	\$10,710	\$27,227	\$0	\$27,227
91900 Other	\$18,428	\$13,966	\$0	\$6,644	\$21,122	\$0	\$15,382	\$0	\$0	\$75,542	\$0	\$75,542
91000 Total Operating - Administrative	\$652,725	\$258,995	\$0	\$6,644	\$21,122	\$72,271	\$46,099	\$27,888	\$383,082	\$1,468,826	(\$493,641)	\$975,185

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
92100 Tenant Services - Salaries	\$92,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43	\$93,011	\$0	\$93,011
92300 Employee Benefit Contributions - Tenant Services	\$25,370	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,370	\$0	\$25,370
92400 Tenant Services - Other	\$10,386	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,386	\$0	\$10,386
92500 Total Tenant Services	\$128,724	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43	\$128,767	\$0	\$128,767
93100 Water	\$133,485	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$142	\$133,627	\$0	\$133,627
93200 Electricity	\$161,624	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,834	\$163,458	\$0	\$163,458
93300 Gas	\$67,216	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,341	\$68,557	\$0	\$68,557
93600 Sewer	\$89,827	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110	\$89,937	\$0	\$89,937
93000 Total Utilities	\$452,152	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,427	\$455,579	\$0	\$455,579
94100 Ordinary Maintenance and Operations - Labor	\$320,449	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,854	\$337,303	\$0	\$337,303
94200 Ordinary Maintenance and Operations - Materials and Other	\$121,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,326	\$143,626	\$0	\$143,626
94300 Ordinary Maintenance and Operations Contracts	\$171,305	\$10,487	\$0	\$0	\$0	\$0	\$0	\$0	\$23,446	\$205,238	\$0	\$205,238
94500 Employee Benefit Contributions - Ordinary Maintenance	\$119,163	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,680	\$120,843	\$0	\$120,843
94000 Total Maintenance	\$732,217	\$10,487	\$0	\$0	\$0	\$0	\$0	\$0	\$64,306	\$807,010	\$0	\$807,010
95200 Protective Services - Other Contract Costs	\$224,251	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$224,251	\$0	\$224,251

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
95000 Total Protective Services	\$224,251	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$224,251	\$0	\$224,251
96110 Property Insurance	\$125,939	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,939	\$0	\$125,939
96120 Liability Insurance	\$2,580	\$3,609	\$0	\$0	\$0	\$0	\$539	\$0	\$11,065	\$17,793	\$0	\$17,793
96100 Total insurance Premiums	\$128,519	\$3,609	\$0	\$0	\$0	\$0	\$539	\$0	\$11,065	\$143,732	\$0	\$143,732
96200 Other General Expenses	\$2,539	\$0	\$4,340	\$0	\$0	\$0	\$0	\$0	\$0	\$6,879	\$0	\$6,879
96210 Compensated Absences	\$56,666	\$14,267	\$0	\$0	\$0	\$0	\$0	\$0	\$43,779	\$114,712	\$0	\$114,712
96300 Payments in Lieu of Taxes	\$30,637	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,637	\$0	\$30,637
96400 Bad debt - Tenant Rents	\$4,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,560	\$0	\$4,560
96000 Total Other General Expenses	\$94,402	\$14,267	\$4,340	\$0	\$0	\$0	\$0	\$0	\$43,779	\$156,788	\$0	\$156,788
96710 Interest of Mortgage (or Bonds) Payable	\$36,237	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,237	\$0	\$36,237
96700 Total Interest Expense and Amortization Cost	\$36,237	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,237	\$0	\$36,237
96900 Total Operating Expenses	\$2,449,227	\$287,358	\$4,340	\$6,644	\$21,122	\$72,271	\$46,638	\$27,888	\$505,702	\$3,421,190	(\$493,641)	\$2,927,549
97000 Excess of Operating Revenue over Operating Expenses	\$877,424	\$1,870,365	\$1,715	\$66,437	\$264,213	\$0	\$182,470	\$72,409	\$20,533	\$3,355,566	\$0	\$3,355,566

Columbiana Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2011

	Project Total	Housing Choice Vouchers	Component Units	State/ Local	Shelter Plus Care	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities	Formula Capital Fund Stimulus Grant	COCC	Subtotal	ELIM	Total
97300 Housing Assistance Payments	\$0	\$1,747,624	\$0	\$66,437	\$264,213	\$0	\$183,457	\$0	\$0	\$2,261,731	\$0	\$2,261,731
97400 Depreciation Expense	\$593,380	\$863	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$594,243	\$0	\$594,243
90000 Total Expenses	\$3,042,607	\$2,035,845	\$4,340	\$73,081	\$285,335	\$72,271	\$230,095	\$27,888	\$505,702	\$6,277,164	(\$493,641)	\$5,783,523
10010 Operating Transfer In	\$141,134	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$141,134	(\$141,134)	\$0
10020 Operating transfer Out	(\$141,134)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$141,134)	\$141,134	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$284,044	\$121,878	\$1,715	\$0	\$0	\$0	(\$987)	\$72,409	\$20,533	\$499,592	\$0	\$499,592
11030 Beginning Equity	\$10,642,127	\$579,259	\$108,480	\$0	\$0	\$0	\$5,563	\$0	\$120,158	\$11,455,587	\$0	\$11,455,587
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$72,409	\$0	\$0	\$0	\$0	\$0	\$0	(\$72,409)	\$0	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$111,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,682	\$0	\$111,682
11170 Administrative Fee Equity	\$0	\$101,949	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$101,949	\$0	\$101,949
11180 Housing Assistance Payments Equity	\$0	\$599,188	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$599,188	\$0	\$599,188
11190 Unit Months Available	5,748	5,844	0	0	0	0	900	0	0	12,492	0	12,492
11210 Number of Unit Months Leased	5,608	5,455	0	0	0	0	855	0	0	11,918	0	11,918
11270 Excess Cash	\$332,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$332,190	\$0	\$332,190
11650 Leasehold Improvements Purchases	\$615,927	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$615,927	\$0	\$615,927

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

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Supportive Housing for Persons with Disabilities	14.181	\$229,045
Shelter Plus Care	14.238	285,335
Low Rent Public Housing	14.850	1,704,473
Resident Opportunity and Supportive Services	14.870	72,271
Housing Choice Vouchers	14.871	2,140,886
Public Housing Capital Fund Program (Cluster):		
- Public Housing Capital Fund Program	14.872	754,236
- Public Housing Capital Fund Stimulus	14.885	100,297
Total Public Housing Capital Fund Program (Cluster)		<u>854,533</u>
Total Expenditure of Federal Award		<u>\$5,286,543</u>

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

Capital Fund Program Number OH12P026501-08

1. The Program Costs are as follows:

Funds Approved	\$735,767
Funds Expended	<u>735,767</u>
Excess (Deficiency) of Funds Approved	<u>\$-0-</u>
Funds Advanced	\$735,767
Funds Expended	<u>735,767</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The final financial status report was signed and filed on April 12, 2011.
4. The final costs on the certification agree to the Authority's records.

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

Capital Fund Program Number OH12S026501-09

1. The Program Costs are as follows:

Funds Approved	\$931,335
Funds Expended	<u>931,335</u>
Excess (Deficiency) of Funds Approved	<u><u>\$-0-</u></u>
Funds Advanced	\$931,335
Funds Expended	<u>931,335</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The final financial status report was signed and filed on March 21, 2011.
4. The final costs on the certification agree to the Authority's records.



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

Board of Directors
Columbiana Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of the Columbiana Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2011, which collectively comprise the Columbiana Metropolitan Housing Authority basic financial statements and have issued my report thereon dated November 11, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Columbiana Metropolitan Housing Authority, Ohio's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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

Salvatore Consiglio, CPA, Inc.
November 11, 2011



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

Board of Directors
Columbiana Metropolitan Housing
Authority

Compliance

I have audited the compliance of the Columbiana Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Columbiana Metropolitan Housing Authority, Ohio major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Columbiana Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Columbiana Metropolitan Housing Authority, Ohio's compliance based on my audit.

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

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

Internal Control Over Compliance

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

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

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

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

Salvatore Consiglio, CPA, Inc.
November 11, 2011

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

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiencies reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.871 - Housing Choice Voucher Program;
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

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

3. FINDINGS RELATED TO FEDERAL AWARDS

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

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

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

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Dave Yost • Auditor of State

COLUMBIANA METROPOLITAN HOUSING AUTHORITY

COLUMBIANA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 8, 2012**