

Medina Metropolitan Housing Authority

Financial Statements

For the Year Ended June 30, 2009



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Medina Metropolitan Housing Authority, Medina County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 5, 2010

This Page is Intentionally Left Blank.

MEDINA METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Statement of Net Assets	11-12
Statement of Revenue, Expenses and Change in Net Assets	13
Statement of Cash Flows	14-15
Notes to the Basic Financial Statements	16-26
Supplemental Data:	
FDS Schedule Submitted to REAC	27-31
PHA Statement and Certification of Actual Modernization Costs	32-34
Schedule of Expenditures of Federal Awards	35
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	36-37
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	38-39
Schedule of Findings and Questioned Costs	40
Schedule of Prior Audit Findings	41



6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@aol.com

Independent Auditors' Report

Board of Directors
Medina Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities of Medina Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2009, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Medina Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Medina Metropolitan Housing Authority, Ohio, as of June 30, 2009, 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 October 5, 2009, on my consideration of the Medina 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 States 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 Medina Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS") and the PHA statement and certification of actual costs are presented for purposes additional analysis as required by the Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.

Salvatore Consiglio, CPA, Inc.

October 5, 2009

MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

Medina Metropolitan Housing Authority's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 11).

Financial Highlights

- The Authority's net assets decreased by \$563,665 during fiscal year 2009. Net Assets were \$8,497,689 and \$9,061,354 for 2009 and 2008 respectively.
- Revenues decreased by \$869,244 during fiscal year 2009, and were \$6,628,314 and \$7,497,558 for 2009 and 2008 respectively. The majority of the decrease was due to decrease in interest earned from bank account deposits and extraordinary revenue of \$791,464 reported in fiscal year 2008.
- The total expenses of the Authority programs increased by \$675,131. Total expenses were \$7,191,979 and \$6,516,848 for 2009 and 2008 respectively. The main increase in expenses was an increase in housing assistance payments made during the year, plus increase in general expenses due to reporting a full year of activities for Southwick Place, a project that was added in last fiscal year.

Overview of the Financial Statements

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

USING THIS REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)," "Basic Financial Statements," and "Other Required Supplementary Information". The primary focus of the Authority's financial statement is on the Authority as a whole (Authority-wide).

Authority-Wide Financial Statements

The Authority-wide financial statements (see pages 11-15) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

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

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

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

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, the Authority’s Board of Commissioners, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of “Net Assets Invested in Capital Assets, Net of Related Debt”, or “Restricted Net Assets”.

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as 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.

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.

THE AUTHORITY’S PROGRAMS

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

MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

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

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own rental property for use by eligible families. The Authority subsidizes the families' rent through a monthly Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure contracts that set the families' rent at 30% of household income.

Section 8 New Construction – Union Square Apartments is a privately owned and operated multi-family property funded by HUD through the Section 8 New Construction Program. The Authority receives fee income to serve as the Contract Administrator on behalf of HUD. A separate ACC is executed for this program.

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

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

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

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

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED**

AUTHORITY-WIDE STATEMENTS

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

Table 1 - Condensed Statement of Net Assets Compared to Prior Year		
	2009	2008
Current and Other Assets	\$ 7,591,746	\$ 8,069,097
Capital Assets	1,753,828	1,683,133
Total Assets	\$ 9,345,574	\$ 9,752,230
Current Liabilities	\$ 398,997	\$ 444,704
Long-Term Liabilities	448,888	246,172
Total Liabilities	847,885	690,876
Net Assets:		
Investment in Capital Assets, net of Related Debt	1,753,828	1,683,133
Restricted Net Assets	1,775,799	703,170
Unrestricted Net Assets	4,968,062	6,675,051
Total Net Assets	8,497,689	9,061,354
Total Liabilities and Net Assets	\$ 9,345,574	\$ 9,752,230

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

Major Factors Affecting the Statement of Net Assets

Current and non-current assets decreased \$477,351 from 2008 to 2009 due to a decrease in cash as a result of current activities, the addition of the restricted cash for reserves for the Southwick Place, and the HUD encouraged utilization of Housing Choice Voucher Program reserves.

Total liabilities increased by \$157,009 with fluctuations in a variety of liabilities, both current and noncurrent.

Capital assets net of accumulated depreciation increased \$70,695 due to the purchase of various assets.

Table 2 presents details on the change in Unrestricted Net Assets.

MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

Table 2 - Change in Unrestricted Net Assets

Beginning Net Assets	\$ 6,675,051
Results from Operation	(563,665)
Adjustment:	
Current Year Depreciation Expense	108,934
Current Year Capital Expenditures	179,628
Transfer to Restricted Net Assets	<u>(1,431,886)</u>
Ending Net Assets	<u>\$ 4,968,062</u>

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

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

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

	<u>2009</u>	<u>2008</u>
<u>Revenues</u>		
Tenant Revenues	\$ 1,666,150	\$ 1,449,591
Operating Subsidies Grants	4,316,978	4,501,679
Capital Grants	111,188	109,957
Investment Income	104,553	204,569
Other & Extraordinary Revenues	429,445	1,231,762
Total Revenues	<u>6,628,314</u>	<u>7,497,558</u>
<u>Expenses</u>		
Administrative	1,278,142	2,037,123
Tenant Services	1,119	3,677
Utilities	298,700	265,893
Maintenance	496,621	560,147
General Expenses	1,315,702	113,323
Housing Assistance Payments	3,692,761	3,420,492
Depreciation	108,934	116,193
Total Expenses	<u>7,191,979</u>	<u>6,516,848</u>
Net Increases (Decreases)	<u>\$ (563,665)</u>	<u>\$ 980,710</u>

**MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED**

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

Total revenue decreased \$869,244 in comparison with last year. The largest decrease was due to extra-ordinary revenue of \$791,464 reported in fiscal year 2008, but not in 2009; followed by a decrease in government operating grants, and interest earned from bank deposits. Tenant revenues increased.

Total expenses increased \$675,131. The majority of increases were in general expenses, and housing assistance payments. General expenses increase mainly due to reporting activities for Southwick Place, a project added in last fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the Authority had \$1,753,828 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deductions, and depreciation) of \$70,695 from the end of last year.

Table 4 - Condensed Statement of Changes in Capital Assets

	<u>2009</u>	<u>2008</u>
Land	\$ 219,076	\$ 219,076
Building & Improvements	2,931,716	2,928,721
Equipment	666,523	615,191
Construction in Progress	468,522	343,221
Accumulated Depreciation	<u>(2,532,009)</u>	<u>(2,423,076)</u>
Total	<u><u>\$ 1,753,828</u></u>	<u><u>\$ 1,683,133</u></u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Table 4 above.

MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
UNAUDITED

Table 5 - Change in Capital Assets

Beginning Balance	\$	1,683,133
Current year purchases		179,628
Less Depreciation Expense		(108,934)
Rounding Adjustment		<u>1</u>
 Ending Balance	 \$	 <u><u>1,753,828</u></u>
 Current year purchases are summarized as follows:		
- Increase in construction in progress	\$	125,301
- Capet replacement		6,309
- Security cameras		1,698
- Office equipment		10,037
- Vehicle		23,805
- Various other purchases		<u>12,478</u>
 Total Current Additions	 \$	 <u><u>179,628</u></u>

Debt Outstanding

The Authority issued a promissory note in the amount of \$238,364 dated October 31, 2008 to the Wadsworth Housing Development Corporation by converting a current payable to a long term note payable.

Table 6 - Condensed Statement of Changes in Debt Outstanding

	<u>2009</u>	<u>2008</u>
Beginning Balance	\$ -	\$ 111,587
Current year debt converted from accounts payable	238,364	-
Current year debt retired	<u>-</u>	<u>(111,587)</u>
 Ending Balance	 <u><u>\$ 238,364</u></u>	 <u><u>\$ -</u></u>

**MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
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 and the overall costs associated with the Section 8 Housing Choice Voucher Program
- Inflationary pressure on utility rates, supplies and other costs
- Decreased rates of return on investments which affect investment income

FINANCIAL CONTACT

The individual to be contacted regarding this report is Gillian Laribee-Reid, Director of Legal and Fiscal Affairs of the Medina Metropolitan Housing Authority. Specific requests may be submitted to Ms. Laribee-Reid's attention at 850 Walter Road; Medina, Ohio 44256-1515 or gillian@mmha.org. Her telephone number is 330-725-7531.

MEDINA METROPOLITAN HOUSING AUTHORITY	
Statement of Net Assets	
Proprietary Funds	
June 30, 2009	
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,347,511
Restricted cash and cash equivalents	1,986,323
Receivables, net	503,862
Prepaid expenses and other assets	96,400
Total current assets	3,934,096
Noncurrent assets	
Capital assets:	
Land	219,076
Building and equipment	3,598,239
Construction in Progress	468,522
Less accumulated depreciation	(2,532,009)
Capital assets, net	1,753,828
Other noncurrent assets	3,657,650
Total noncurrent assets	5,411,478
Total assets	\$9,345,574
LIABILITIES	
Current liabilities	
Accounts payable	\$ 51,414
Accrued liabilities	178,098
Intergovernmental payables	45,987
Tenant security deposits	103,163
Deferred revenue	20,335
Total current liabilities	398,997
Noncurrent liabilities	
Loan Liability - noncurrent	238,364
Noncurrent liabilities - other	210,524
Total noncurrent liabilities	448,888
Total liabilities	\$847,885

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

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Net Assets (Continued)
Proprietary Funds
June 30, 2009

NET ASSETS

Invested in capital assets, net of related debt	\$ 1,753,828
Restricted net assets	1,775,799
Unrestricted net assets	4,968,062
Total net assets	<u><u>\$8,497,689</u></u>

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

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

OPERATING REVENUES

Tenant Revenue	\$ 1,666,150
Government operating grants	4,316,978
Other revenue	429,445
Total operating revenues	<u>6,412,573</u>

OPERATING EXPENSES

Administrative	1,278,142
Tenant services	1,119
Utilities	298,700
Maintenance	496,621
General	1,315,702
Housing assistance payment	3,692,761
Depreciation	108,934
Total operating expenses	<u>7,191,979</u>
Operating income (loss)	<u>(779,406)</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue	104,553
Total nonoperating revenues (expenses)	<u>104,553</u>
Income (loss) before contributions and transfers	(674,853)
Capital grants	111,188
Change in net assets	(563,665)
Total net assets - beginning	9,061,354
Total net assets - ending	<u><u>\$8,497,689</u></u>

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

Medina Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$4,371,130
Tenant revenue received	1,667,294
Other revenue received	615,881
General and administrative expenses paid	(3,440,448)
Housing assistance payments	<u>(3,692,761)</u>

Net cash provided (used) by operating activities (478,904)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and investment revenue	<u>104,553</u>
---------------------------------	----------------

Net cash provided (used) by investing activities 104,553

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

Capital grant funds received	111,188
Property and equipment purchased	<u>(179,628)</u>

Net cash provided (used) by capital and related activities (68,440)

Net increase (decrease) in cash (442,791)

Cash and cash equivalents - Beginning of year 3,776,625

Cash and cash equivalents - End of year \$3,333,834

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

Medina Metropolitan Housing Authority
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2009

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income (Loss)	(\$779,406)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	108,934
(Increases) Decreases in:	
- Accounts Receivables, net of allowance	(22,517)
- Prepaid Assets	9,940
- Other noncurrent assets	47,136
Increases (Decreases) in:	
- Accounts Payable	4,861
- Intergovernmental Payable	(39,047)
- Accrued Liabilities Payable	(25,171)
- Deferred Revenue	4,935
- Tenant Security Deposits	8,715
- Noncurrent Liabilities Other	202,716
	202,716
Net cash provided by operating activities	(\$478,904)

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

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

Description of Programs

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

A. Public Housing Program

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

B. Capital Fund Program

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

C. Housing Choice Voucher Program

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons.

D. Section 8 New Construction Program

The Authority administers a Housing Assistance Payments contract on behalf of HUD through which HUD subsidizes the rents of low to moderate-income families when those families rent from a private landlord. That rental assistance is provided similarly to how it is under the Housing Choice Voucher program except the rental assistance is tied to the dwelling units, and the assistance is provided to the families renting those units.

E. Business Activity

The Business Activity Program was set-up to separate the HUD funded programs with non-HUD activities. This program is used to account for the financial activities for the various properties and programs managed by the Authority that are separate from annual contribution contracts with HUD.

**MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Fund Accounting/Financial Reporting Entity

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. It uses the proprietary fund to report on its financial position and the results of its operations for its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

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

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Budgets and Budgetary Accounting

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

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Accounting and Reporting for Non-exchange Transactions

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

In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after June 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying Combined Statement of Revenue and Expenses.

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 statement of net assets date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

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.

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.

The following is a summary of changes in compensated absence for the year ended June 30, 2009:

Description	Balance 06/30/08	Additions	Adjust / Deletion	Balance 06/30/09
Compensated Absence Payable	\$58,029	\$22,777	(\$19,349)	\$61,457
Total	\$58,029	\$22,777	(\$19,349)	\$61,457

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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.

Restricted Cash and Investments

Restricted cash and investments represent money required by the lease agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development

Corporation to be kept in separate restricted bank accounts that can only be used for specific purposes:

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

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

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

Property and Equipment

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

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

Use of Estimates

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

**MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

Income Taxes

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

Operating Revenues and Expenses

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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.

**MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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

At fiscal year end June 30, 2009, the carrying balance was \$3,333,834 and the bank balance was \$3,937,907. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2009, \$3,447,907 was exposed to custodial risk as discussed below, while \$490,000 was covered by the Federal Depository Insurance Corporation.

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

NOTE 3 – RELATED PARTY TRANSACTIONS

The Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC) are both non-profit corporations under the internal revenue service ruling 501(c) (3). Both entities operate autonomously and each is governed by its own separate Board of Directors (independent of the MMHA). WHDC owns Wadsworth Tower, a federally-assisted, elderly housing complex located in Wadsworth, Ohio. The BHDC owns Southwick Place, Jefferson Place, New Manhattan Place, and Home Place. Southwick Place, Jefferson Place, and New Manhattan Place are all affordable housing complexes located in Medina County, Ohio. Home Place is a combination of leased to own and scattered site-rental single family units located in Medina County. Medina Metropolitan Housing Authority has entered into a lease agreement with both not-profit corporations to manage the operation of the apartment complexes for which in return the Authority receives all revenues associated with the operation of the projects and is responsible for all expenses related thereto. The not-for-profit corporations retain ownership to the properties and are responsible for the debt associated with the buildings. The repayment of the debt is made by Medina Metropolitan Housing Authority from the rental revenue collected during the fiscal year. The current year activities of these apartment complexes have been reported in the financial statements of Medina Metropolitan Housing Authority as Business Activities.

Medina Metropolitan Housing Authority has provided a guarantee to First Merit Bank on a \$1,000,000 BHDC line of credit in the form of pledged collateral of a Housing Authority mortgage note.

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 – RELATED PARTY TRANSACTIONS (continued)

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

NOTE 4 – NOTES RECEIVABLE – RELATED ENTITIES

Notes receivable – related entities consists of the following as of June 30, 2009:

Brunswick Housing Development Corporation (BHDC):

Mortgage note receivable from Brunswick Housing Development Corporation with interest at 4% per annum, to be received by the Authority as the income and cash flow of BHDC permits, with the entire remaining outstanding balance payable to the Authority; secured by an open end Mortgage on Southwick Place property. \$2,000,000

Brunswick Housing Development Corporation (BHDC):

Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$5,040 through February 2014; secured by new Manhattan Place property. 1,176,799

Brunswick Housing Development Corporation (BHDC):

Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$1,338 through February 2014; secured by new Jefferson Place. 312,481

Brunswick Housing Development Corporation (BHDC):

Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$223 through February 2014; secured by property AT 515 Bronson, 140A Ivy Hill, 235B Canterbury and 600C Canterbury. 140,000

Brunswick Housing Development Corporation (BHDC):

Note receivable from Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of \$122 through February 2014 with a balloon payment of \$20,080. 28,370

Total Note Receivable \$3,657,650

NOTE 5 – CONSTRUCTION IN PROGRESS

The Construction in Progress account balance, which totaled \$468,522 at June 30, 2009, consists of several projects to modernize apartments, renovate various common use areas, and replace equipment, machinery, and appliances. There is no significant outstanding construction commitments associated with these projects as of June 30, 2009.

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 – INSURANCE COVERAGE

As of June 30, 2009, the Authority had general liability insurance limits of \$2,000,000 (each occurrence) with no annual aggregate; director and officer liability coverage of \$2,000,000 per loss and in the aggregate; vehicle liability coverage of \$2,000,000; and real and personal property coverage of \$250,000,000 per occurrence. Insurance settlements have not exceeded available coverage limits during each of the years ended June 30, 2009, 2008 and 2007.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

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

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

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

Plan members are required to contribute 10.0 percent of their annual covered salary to fund pension obligations and the employer contribution rate was 14.0 percent. The contribution rates are determined actuarially. The Authority's contribution for the years ended June 30, 2009, 2008, and 2007 amounted to \$118,248, \$110,582, and \$94,649. All required contributions have been paid.

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8 – POSTEMPLOYMENT BENEFITS

The Public Employees Retirement System of Ohio (OPERS) provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is also available. The health care coverage provided by the OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2008 local government employers contributed at 14.0 percent of covered payroll. The portion allocated to health care was 6.0 percent. The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2007. 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 (actuarial 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 annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets not to exceed a 12 percent corridor. The investment assumption rate for 2007 was 6.5 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at a project wage inflation rate plus an additional factor ranging from .5% to 4% for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 364,076. The portion of the employer contribution rate (identified above) that was used to fund health care for the year ended June 30, 2009 was 6.0 percent of covered payroll, which amounted to \$59,124.

The actuarial value of the OPERS' net assets available for OPEB at December 31, 2007 was \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.8 billion and \$17.0 billion, respectively.

OPERS Retirement Board Implemented its Health Care Preservation Plan (HCPP). HCPP was adopted on September 9, 2004, and was effective on January 1, 2007. Members and employers contribution rates increases in January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9: CAPITAL ASSETS

	Balance			Balance
	06/30/08	Increase	Decrease	06/30/09
Capital Assets Not Depreciated				
Land	\$219,076	\$0	\$0	\$219,076
Construction in Progress	343,221	125,301	0	468,522
Total Capital Assets Not Depreciated	562,297	125,301	0	687,598
Capital Assets Depreciated				
Building	2,770,971	0	0	2,770,971
Furniture, Mach & Equipment	615,191	51,332	0	666,523
Leasehold Improvement	157,750	2,995	0	160,745
Total Assets Depreciated	3,543,912	54,327	0	3,598,239
Accumulated Depreciation				
Building	(1,937,666)	(35,147)	1	(1,972,812)
Furniture, Mach & Equipment	(448,155)	(60,638)	0	(508,793)
Leasehold Improvement	(37,255)	(13,149)	0	(50,404)
Total Accumulated Depreciation	(2,423,076)	(108,934)	1	(2,532,009)
Total Assets Depreciated, Net	1,120,836	(54,607)	1	1,066,230
Total Capital Assets, Net	\$1,683,133	\$70,694	\$1	\$1,753,828

NOTE 10: TENANT ACCOUNT RECEIVABLES

As of June 30, 2009, tenant account receivable is shown net of an allowance for doubtful accounts of \$21,318.

NOTE 11 – COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of June 30, 2009, the accrual for compensated absences totaled \$61,457 and has been included in the accrued liabilities account balance in the accompanying Statement of Net Assets.

**MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

NOTE 13 – LONG-TERM DEBT

The Authority issued a no interest promissory note in the amount of \$238,364 dated October 31, 2008. There is no repayment schedule. Therefore, no amortization schedule is presented.

NOTE 14 – NONCURRENT LIABILITY OTHER

The non-current liability other of \$210,524 represents escrow money held in escrow for residents participating in the FSS Program

Medina Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2009

	Project Total	State/ Local	Business Activity	Housing Choice Vouchers	FEMA	N/C S/R Section 8 Program	Capital Fund Stimulus Grant	Shelter Plus Care	ELIM	Total
111 Cash - Unrestricted	\$ 163,905	\$ -	\$ 799,945	\$ 204,893	\$ 18,804	\$ 56,801		\$ -	\$ -	\$ 1,244,348
112 Cash - Restricted - Modernization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
113 Cash - Other Restricted	\$ -	\$ -	\$ 1,507,134	\$ 268,665	\$ -	\$ -		\$ -	\$ -	\$ 1,775,799
114 Cash - Tenant Security Deposits	\$ 19,981	\$ -	\$ 83,182	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 103,163
100 Total Cash	\$ 183,886	\$ -	\$ 2,390,261	\$ 473,558	\$ 18,804	\$ 56,801	\$ -	\$ -	\$ -	\$ 3,123,310
122 Accounts Receivable - HUD Other Projects	\$ 55,693	\$ -	\$ -	\$ 393	\$ -	\$ -	\$ 6,463	\$ 17,753	\$ -	\$ 80,302
124 Accounts Receivable - Other Government	\$ -	\$ 6,331	\$ 3,953	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 10,284
125 Accounts Receivable - Miscellaneous	\$ -	\$ -	\$ 403,593	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 403,593
126 Accounts Receivable - Tenants	\$ 1,148	\$ -	\$ 29,853	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 31,001
126.1 Allowance for Doubtful Accounts -Tenants	\$ (147)	\$ -	\$ (21,171)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ (21,318)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 56,694	\$ 6,331	\$ 416,228	\$ 393	\$ -	\$ -	\$ 6,463	\$ 17,753	\$ -	\$ 503,862
132 Investments - Restricted	\$ -	\$ -	\$ -	\$ 210,524	\$ -	\$ -		\$ -	\$ -	\$ 210,524
142 Prepaid Expenses and Other Assets	\$ 3,354	\$ 25	\$ 85,697	\$ 6,151	\$ -	\$ 1,173		\$ -	\$ -	\$ 96,400
144 Inter Program Due From	\$ -	\$ -	\$ 783,274	\$ -	\$ -	\$ -		\$ -	\$ (783,274)	\$ -
150 Total Current Assets	\$ 243,934	\$ 6,356	\$ 3,675,460	\$ 690,626	\$ 18,804	\$ 57,974	\$ 6,463	\$ 17,753	\$ (783,274)	\$ 3,934,096
161 Land	\$ 151,675	\$ -	\$ 67,401	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 219,076
162 Buildings	\$ 2,144,209	\$ -	\$ 626,762	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 2,770,971
163 Furniture, Equipment & Machinery - Dwellings	\$ 129,855	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 129,855
164 Furniture, Equipment & Machinery - Administration	\$ 94,531	\$ -	\$ 403,805	\$ 28,278	\$ -	\$ 10,054		\$ -	\$ -	\$ 536,668
165 Leasehold Improvements	\$ 38,081	\$ -	\$ 122,664	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 160,745
166 Accumulated Depreciation	\$ (1,969,172)	\$ -	\$ (533,541)	\$ (25,660)	\$ -	\$ (3,636)		\$ -	\$ -	\$ (2,532,009)
167 Construction in Progress	\$ 462,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,463	\$ -	\$ -	\$ 468,522
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 1,051,238	\$ -	\$ 687,091	\$ 2,618	\$ -	\$ 6,418	\$ 6,463	\$ -	\$ -	\$ 1,753,828

Medina Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2009

	Project Total	State/ Local	Business Activity	Housing Choice Vouchers	FEMA	N/C S/R Section 8 Program	Capital Fund Stimulus Grant	Shelter Plus Care	ELIM	Total
171 Notes, Loans, & Mortgage Receivable - Non Current	\$ -	\$ -	\$ 3,657,650	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 3,657,650
180 Total Non-Current Assets	\$ 1,051,238	\$ -	\$ 4,344,741	\$ 2,618	\$ -	\$ 6,418	\$ 6,463	\$ -	\$ -	\$ 5,411,478
190 Total Assets	\$ 1,295,172	\$ 6,356	\$ 8,020,201	\$ 693,244	\$ 18,804	\$ 64,392	\$ 12,926	\$ 17,753	\$ (783,274)	\$ 9,345,574
312 Accounts Payable <= 90 Days	\$ 18,885	\$ 6,356	\$ 24,952	\$ 1,083	\$ -	\$ 138		\$ -	\$ -	\$ 51,414
321 Accrued Wage/Payroll Taxes Payable	\$ 5,393	\$ -	\$ 30,926	\$ 7,849	\$ -	\$ 604		\$ -	\$ -	\$ 44,772
322 Accrued Compensated Absences - Current Portion	\$ 9,816	\$ -	\$ 28,379	\$ 22,312	\$ -	\$ 950		\$ -	\$ -	\$ 61,457
325 Accrued Interest Payable	\$ -	\$ -	\$ 71,869	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 71,869
333 Accounts Payable - Other Government	\$ 14,842	\$ -	\$ 31,145	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 45,987
341 Tenant Security Deposits	\$ 19,981	\$ -	\$ 83,182	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 103,163
342 Deferred Revenues	\$ 1,420	\$ -	\$ 4,403	\$ -	\$ 14,512	\$ -		\$ -	\$ -	\$ 20,335
347 Inter Program - Due To	\$ 55,693	\$ -	\$ 701,020	\$ -	\$ 4,292	\$ -	\$ 6,463	\$ 15,806	\$ (783,274)	\$ -
310 Total Current Liabilities	\$ 126,030	\$ 6,356	\$ 975,876	\$ 31,244	\$ 18,804	\$ 1,692	\$ 6,463	\$ 15,806	\$ (783,274)	\$ 398,997
353 Non-current Liabilities - Other	\$ -	\$ -	\$ -	\$ 210,524	\$ -	\$ -		\$ -	\$ -	\$ 210,524
355 Loan Liability - Non-current	\$ -	\$ -	\$ 238,364	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 238,364
350 Total Non-Current Liabilities	\$ -	\$ -	\$ 238,364	\$ 210,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448,888
300 Total Liabilities	\$ 126,030	\$ 6,356	\$ 1,214,240	\$ 241,768	\$ 18,804	\$ 1,692	\$ 6,463	\$ 15,806	\$ (783,274)	\$ 847,885
508.1 Invested In Capital Assets, Net of Related Debt	\$ 1,051,238	\$ -	\$ 687,091	\$ 2,618	\$ -	\$ 6,418	\$ 6,463	\$ -	\$ -	\$ 1,753,828
511.1 Restricted Net Assets	\$ -	\$ -	\$ 1,507,134	\$ 268,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,775,799
512.1 Unrestricted Net Assets	\$ 117,904	\$ -	\$ 4,611,736	\$ 180,193	\$ -	\$ 56,282	\$ -	\$ 1,947	\$ -	\$ 4,968,062
513 Total Equity/Net Assets	\$ 1,169,142	\$ -	\$ 6,805,961	\$ 451,476	\$ -	\$ 62,700	\$ 6,463	\$ 1,947	\$ -	\$ 8,497,689
600 Total Liabilities and Equity/Net Assets	\$ 1,295,172	\$ 6,356	\$ 8,020,201	\$ 693,244	\$ 18,804	\$ 64,392	\$ 12,926	\$ 17,753	\$ (783,274)	\$ 9,345,574

Medina Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2009

	Project Total	State/ Local	Business Activity	Housing Choice Vouchers	FEMA	N/C S/R Section 8 Program	Capital Fund Stimulus Grant	Shelter Plus Care	ELIM	Total
70300 Net Tenant Rental Revenue	\$ 232,206	\$ -	\$ 1,425,507	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,657,713
70400 Tenant Revenue - Other	\$ 7,972	\$ -	\$ 465	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 8,437
70500 Total Tenant Revenue	\$ 240,178	\$ -	\$ 1,425,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,666,150
70600 HUD PHA Operating Grants	\$ 157,149	\$ -	\$ -	\$ 3,197,431	\$ -	\$ 705,734		\$ 155,941	\$ -	\$ 4,216,255
70610 Capital Grants	\$ 104,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,463	\$ -	\$ -	\$ 111,188
70800 Other Government Grants	\$ -	\$ 73,448	\$ 8,625	\$ -	\$ 18,650	\$ -		\$ -	\$ -	\$ 100,723
71100 Investment Income - Unrestricted	\$ 1,690	\$ -	\$ 22,481	\$ 1,790	\$ 3	\$ 500		\$ -	\$ -	\$ 26,464
71200 Mortgage Interest Income	\$ -	\$ -	\$ 75,065	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 75,065
71400 Fraud Recovery	\$ -	\$ -	\$ -	\$ 9,494	\$ -	\$ -		\$ -	\$ -	\$ 9,494
71500 Other Revenue	\$ 3,876	\$ -	\$ 364,887	\$ 51,188	\$ -	\$ -		\$ -	\$ -	\$ 419,951
72000 Investment Income - Restricted	\$ -	\$ -	\$ -	\$ 3,024	\$ -	\$ -		\$ -	\$ -	\$ 3,024
70000 Total Revenue	\$ 507,618	\$ 73,448	\$ 1,897,030	\$ 3,262,927	\$ 18,653	\$ 706,234	\$ 6,463	\$ 155,941	\$ -	\$ 6,628,314
91100 Administrative Salaries	\$ 95,630	\$ -	\$ 289,291	\$ 257,293	\$ -	\$ 17,525		\$ -	\$ -	\$ 659,739
91200 Auditing Fees	\$ 1,649	\$ -	\$ 9,513	\$ 2,339	\$ -	\$ -		\$ -	\$ -	\$ 13,501
91400 Advertising and Marketing	\$ 54	\$ -	\$ 806	\$ 395	\$ -	\$ -		\$ -	\$ -	\$ 1,255
91500 Employee Benefit contributions - Administrative	\$ 37,863	\$ -	\$ 98,851	\$ 85,703	\$ -	\$ 4,830		\$ -	\$ -	\$ 227,247
91600 Office Expenses	\$ 15,755	\$ -	\$ 198,552	\$ 71,353	\$ -	\$ 5,027		\$ -	\$ -	\$ 290,687
91700 Legal Expense	\$ 809	\$ -	\$ 24,407	\$ 1,663	\$ -	\$ 375		\$ -	\$ -	\$ 27,254
91800 Travel	\$ 3,279	\$ -	\$ 20,869	\$ 12,436	\$ -	\$ -		\$ -	\$ -	\$ 36,584
91900 Other	\$ 622	\$ -	\$ 5,701	\$ 3,934	\$ -	\$ 67		\$ 11,551	\$ -	\$ 21,875
91000 Total Operating - Administrative	\$ 155,661	\$ -	\$ 647,990	\$ 435,116	\$ -	\$ 27,824	\$ -	\$ 11,551	\$ -	\$ 1,278,142
92400 Tenant Services - Other	\$ 1,119	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 1,119
92500 Total Tenant Services	\$ 1,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,119
93100 Water	\$ 7,005	\$ -	\$ 42,565	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 49,570
93200 Electricity	\$ 45,399	\$ -	\$ 76,505	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 121,904
93300 Gas	\$ 36,106	\$ -	\$ 52,783	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 88,889
93600 Sewer	\$ 7,128	\$ -	\$ 31,209	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 38,337
93000 Total Utilities	\$ 95,638	\$ -	\$ 203,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,700

Medina Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2009

	Project Total	State/ Local	Business Activity	Housing Choice Vouchers	FEMA	N/C S/R Section 8 Program	Capital Fund Stimulus Grant	Shelter Plus Care	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$ 50,056	\$ -	\$ 147,989	\$ 2,747	\$ -	\$ 1,851		\$ -	\$ -	\$ 202,643
94200 Ordinary Maintenance and Operations - Materials and Other	\$ 29,107	\$ -	\$ 59,493	\$ 2,390	\$ -	\$ -		\$ -	\$ -	\$ 90,990
94300 Ordinary Maintenance and Operations Contracts	\$ 38,346	\$ -	\$ 103,747	\$ 245	\$ -	\$ -		\$ -	\$ -	\$ 142,338
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ 13,796	\$ -	\$ 45,154	\$ 1,012	\$ -	\$ 688		\$ -	\$ -	\$ 60,650
94000 Total Maintenance	\$ 131,305	\$ -	\$ 356,383	\$ 6,394	\$ -	\$ 2,539	\$ -	\$ -	\$ -	\$ 496,621
96110 Property Insurance	\$ 6,885	\$ -	\$ 36,588	\$ 6,054	\$ -	\$ 960		\$ -	\$ -	\$ 50,487
96130 Workmen's Compensation	\$ 1,645	\$ -	\$ 3,739	\$ 8,974	\$ -	\$ -		\$ -	\$ -	\$ 14,358
96100 Total insurance Premiums	\$ 8,530	\$ -	\$ 40,327	\$ 15,028	\$ -	\$ 960	\$ -	\$ -	\$ -	\$ 64,845
96200 Other General Expenses	\$ -	\$ 73,448	\$ 1,044,862	\$ 1,447	\$ 18,653	\$ 48		\$ -	\$ -	\$ 1,138,458
96210 Compensated Absences	\$ 1,678	\$ -	\$ 2,818	\$ (2,018)	\$ -	\$ 950		\$ -	\$ -	\$ 3,428
96300 Payments in Lieu of Taxes	\$ 14,842	\$ -	\$ 67,052	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 81,894
96400 Bad debt - Tenant Rents	\$ 338	\$ -	\$ 26,739	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 27,077
96000 Total Other General Expenses	\$ 16,858	\$ 73,448	\$ 1,141,471	\$ (571)	\$ 18,653	\$ 998	\$ -	\$ -	\$ -	\$ 1,250,857
96900 Total Operating Expenses	\$ 409,111	\$ 73,448	\$ 2,389,233	\$ 455,967	\$ 18,653	\$ 32,321	\$ -	\$ 11,551	\$ -	\$ 3,390,284
97000 Excess of Operating Revenue over Operating Expenses	\$ 98,507	\$ -	\$ (492,203)	\$ 2,806,960	\$ -	\$ 673,913	\$ 6,463	\$ 144,390	\$ -	\$ 3,238,030
97300 Housing Assistance Payments	\$ -	\$ -	\$ -	\$ 2,875,771	\$ -	\$ 674,547		\$ 142,443	\$ -	\$ 3,692,761
97400 Depreciation Expense	\$ 41,724	\$ -	\$ 62,047	\$ 3,152	\$ -	\$ 2,011		\$ -	\$ -	\$ 108,934
90000 Total Expenses	\$ 450,835	\$ 73,448	\$ 2,451,280	\$ 3,334,890	\$ 18,653	\$ 708,879	\$ -	\$ 153,994	\$ -	\$ 7,191,979
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 56,783	\$ -	\$ (554,250)	\$ (71,963)	\$ -	\$ (2,645)	\$ 6,463	\$ 1,947	\$ -	\$ (563,665)
11030 Beginning Equity	\$ 1,112,359	\$ -	\$ 7,360,211	\$ 523,439	\$ -	\$ 65,345	\$ -	\$ -	\$ -	\$ 9,061,354
Ending Equity	\$ 1,169,142	\$ -	\$ 6,805,961	\$ 451,476	\$ -	\$ 62,700	\$ 6,463	\$ 1,947	\$ -	\$ 8,497,689

Medina Metropolitan Housing Authority
FDS Schedule Submitted to REAC
Proprietary Fund Type - Enterprise Fund
June 30, 2009

	Project Total	State/ Local	Business Activity	Housing Choice Vouchers	FEMA	N/C S/R Section 8 Program	Capital Fund Stimulus Grant	Shelter Plus Care	ELIM	Total
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040 Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ 182,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,811
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ 268,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268,665
11190 Unit Months Available	996	-	-	6,360	-	-	-	-	-	7,356
11210 Number of Unit Months Leased	984	-	-	6,341	-	-	-	-	-	7,325
11270 Excess Cash	\$ 114,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,550
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,831	\$ -	\$ -	\$ 3,831
11630 Furniture & Equipment - Dwelling Purchases	\$ 8,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,632	\$ -	\$ -	\$ 10,848
11640 Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11650 Leasehold Improvements Purchases	\$ 96,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,509
11660 Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510 CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13901 Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Medina Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
June 30, 2009

Capital Fund Program Number OH12P02750104

1. The Program Costs are as follows:

Funds Approved	\$94,022
Funds Expended	<u>94,022</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$94,022
Funds Expended	<u>94,022</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 October 2, 2009.
4. The final costs on the certification agree to the Authority's records.

Medina Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
June 30, 2009

Capital Fund Program Number OH12P02750105

1. The Program Costs are as follows:

Funds Approved	\$89,311
Funds Expended	<u>89,311</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$89,311
Funds Expended	<u>89,311</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -0-</u>

2. All costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on October 2, 2009.
4. The final costs on the certification agree to the Authority's records.

Medina Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
June 30, 2009

Capital Fund Program Number OH12P02750106

1. The Program Costs are as follows:

Funds Approved	\$90,827
Funds Expended	<u>90,827</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$90,827
Funds Expended	<u>90,827</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -0-</u>

2. All costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on October 2, 2009.
4. The final costs on the certification agree to the Authority's records.

Medina Metropolitan Housing Authority
Schedule of Expenditures of Federal Award
For the Year Ended June 30, 2009

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Programs:		
Section 8 New Construction	14.182	\$705,734
Shelter Plus Care	14.238	155,941
Low Rent Public Housing	14.850a	157,149
Housing Choice Vouchers	14.871	3,197,431
Public Housing Capital Fund Program	14.872	104,725
Capital Fund Formula ARRA	14.885	<u>6,463</u>
Total U.S. Department of Housing and Urban Development		<u>4,327,443</u>
U.S. Department of Homeland Security Pass-Through Program From:		
United Way Emergency Food and Shelter Program	97.024	<u>18,650</u>
Total U.S. Department of Homeland Security		<u>18,650</u>
Total Expenditure of Federal Award		<u><u>\$4,346,093</u></u>



6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@aol.com

**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
Medina Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of the Medina Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2009, which collectively comprise Medina Metropolitan Housing Authority basic financial statements and have issued my report thereon dated October 5, 2009. 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 Medina 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the authority's financial statements that is more than inconsequential will not be prevented or detected by the authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the authority's internal control.

My 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 that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended for the information of the Board of 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.

October 5, 2009



6548 Royalton Road, Suite 104
North Royalton, Ohio 44133
Phone (440) 877-9870
Fax (440) 877-9237
sconsiglio@aol.com

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

Board of Directors
Medina Metropolitan Housing Authority

Compliance

I have audited the compliance of the Medina Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Medina 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 Medina Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Medina Metropolitan Housing Authority, Ohio's compliance based on my audit.

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

In my opinion, Medina Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Medina 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 Medina 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 control deficiency in an Authority's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Authority's internal control.

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

October 5, 2009

Medina Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 June 30, 2009

1. SUMMARY OF AUDITOR'S RESULTS
--

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiency reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.871 –Housing Choice Voucher Programs; 14.182 – Section 8 New Construction; 14.885 – CFP ARRA
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, 2009.

3. FINDINGS RELATED TO FEDERAL AWARDS
--

There are no Findings or questioned costs for the year ended June 30, 2009.

Medina Metropolitan Housing Authority
Schedule of Prior Audit Findings
June 30, 2009

The audit report for the fiscal year ending June 30, 2008 contained no audit findings.



Mary Taylor, CPA
Auditor of State

MEDINA METROPOLITAN HOUSING AUTHORITY

MEDINA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 15, 2010**