

**AUDITED BASIC FINANCIAL STATEMENTS**  
**OF THE**  
**CONSORTIUM OF NORTHWEST OHIO**  
**HENRY COUNTY**  
**JULY 1, 2012 - JUNE 30, 2013**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Consortium of Northwest Ohio, Henry County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 31, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

November 19, 2013

**This page intentionally left blank.**

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION – PROPRIETARY FUND	13
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUND	14
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	15
NOTES TO THE BASIC FINANCIAL STATEMENTS	16
SUPPLEMENTAL DATA:	
STATEMENT OF NET POSITION -CONSOLIDATING STATEMENT OF NET POSITION	26
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – CONSOLIDATING STATEMENT OF NET POSITION	27
ENTITY WIDE BALANCE SHEET SUMMARY – BOWLING GREEN – FDS SCHEDULE SUBMITTED TO HUD	28
ENTITY WIDE REVENUE AND EXPENSE SUMMARY – BOWLING GREEN – FDS SCHEDULE SUBMITTED TO HUD	29
ENTITY WIDE BALANCE SHEET SUMMARY – HENRY – FDS SCHEDULE SUBMITTED TO HUD	30
ENTITY WIDE REVENUE AND EXPENSE SUMMARY – HENRY – FDS SCHEDULE SUBMITTED TO HUD	31
ENTITY WIDE BALANCE SHEET SUMMARY – WILLIAMS – FDS SCHEDULE SUBMITTED TO HUD	32

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY**

**TABLE OF CONTENTS**  
**(Continued)**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
ENTITY WIDE REVENUE AND EXPENSE SUMMARY – WILLIAMS – FDS SCHEDULE SUBMITTED TO HUD	33
STATEMENT OF CHANGES IN EQUITY BALANCES – BOWLING GREEN – FDS SCHEDULE SUBMITTED TO HUD	34
STATEMENT OF CHANGES IN EQUITY BALANCES – HENRY – FDS SCHEDULE SUBMITTED TO HUD	35
STATEMENT OF CHANGES IN EQUITY BALANCES – WILLIAMS – FDS SCHEDULE SUBMITTED TO HUD	36
SCHEDULE OF FEDERAL AWARDS EXPENDITURES AND NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES	37
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	38
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	40
SCHEDULE OF FINDINGS - <i>OMB CIRCULAR A-133 § .505</i>	42



## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Consortium of Northwest Ohio, Henry County, Ohio (the Consortium), as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Consortium's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Consortium's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

*Wilson, Shannon & Snow, Inc.*

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

Consortium of Northwest Ohio  
Henry County  
Board of Directors  
Independent Auditor's Report

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Consortium of Northwest Ohio, Henry County, Ohio, as of June 30, 2013, and the changes in financial position and cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

Our audit was conducted to opine on the Consortium's basic financial statements taken as a whole.

The Financial Data Schedules are presented for purpose of additional analysis as required by the Department of Housing and Urban Development, and are not a required part of the basic financial statements.

The Schedule of Federal Award Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Consortium of Northwest Ohio  
Henry County  
Board of Directors  
Independent Auditor's Report

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2013, on our consideration of the Consortium's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Consortium's internal control over financial reporting and compliance.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
September 13, 2013

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

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

**FINANCIAL HIGHLIGHTS**

- During fiscal year 2013, the Consortium's net position decreased by \$81,633 (or 23.3%). Since the Consortium engages only in business-type activities, the decrease is all in the category of business-type net position. Net position for fiscal year 2012 was \$349,898 and \$268,265 for fiscal year 2013.
- Revenues decreased by \$132,934 (or 7%) during fiscal year 2013, and were \$1,892,326 and \$1,759,392 for fiscal year 2012 and fiscal year 2013, respectively.
- Expenses of the Consortium decreased by \$59,031 (or 3.1%) for fiscal year 2013. Total expenses were \$1,900,056 and \$1,841,025 for fiscal year 2012 and fiscal year 2013, respectively.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**USING THIS ANNUAL REPORT**

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

**MD&A**

~ Management Discussion and Analysis – pgs 4-12 ~

**Basic Financial Statements**

~ Basic Financial Statements – pgs 13-15 ~  
~ Notes to the Basic Financial Statements – pgs 16-25 ~

**Other Required Supplementary Information**

~ Required Supplementary Information - none~

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**Government-Wide Financial Statements**

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

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Consortium. The statement is presented in the format where assets, minus liabilities, equal "Net Position". 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 Position (the "Unrestricted" portion) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Consortium. Net Position is reported in three broad categories:

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

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

Unrestricted: Consists of assets that do not meet the definition of "Net Investment in Capital Assets", or "Restricted".

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

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

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**THE CONSORTIUM'S FUND**

The Consortium consists exclusively of an Enterprise Fund. The Enterprise fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector. The fund maintained by the Consortium is required by the Department of Housing and Urban Development (HUD).

**Business-Type Activities:**

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

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

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

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

Community Development Block Grants – Community Housing Improvement Program – grant monies are received from the County to administer this program in a manner similar to the Housing Choice Voucher Program.

**This space was intentionally left blank.**

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Position**

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

**STATEMENT OF NET POSITION**

	<u>2013</u>	<u>2012</u>
Current and Other Non-Current Assets	\$289,275	\$348,809
Capital Assets, Net	<u>30,499</u>	<u>39,185</u>
Total Assets	<u>319,774</u>	<u>387,994</u>
Current Liabilities	27,873	12,250
Non-Current Liabilities	<u>23,636</u>	<u>25,846</u>
Total Liabilities	<u>51,509</u>	<u>38,096</u>
Net Position:		
Net Investment in Capital Assets	21,358	26,224
Restricted	101,521	153,848
Unrestricted	<u>145,386</u>	<u>169,826</u>
Total Net Position	\$ <u>268,265</u>	\$ <u>349,898</u>

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

**This space was intentionally left blank.**

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**Major Factors Affecting the Statement of Net Position**

Current and other non-current assets (primarily cash and cash equivalents) were decreased by \$59,534 which is a result from decreases in revenues so that the use of reserve funds to cover the reduction of revenues while maintaining a consistent level of expenditures during fiscal year 2013. Total liabilities increased \$13,413 due to an increase in unearned revenue which relate to administrative fee revenues collected in fiscal year 2013 and can be earned and recognized in fiscal year 2014.

Capital assets had a net decrease of \$8,686 which represents the current year's depreciation. For more detail see "Capital Assets and Debt Administration" on page 11.

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

**CHANGE OF UNRESTRICTED NET POSITION**

Unrestricted Net Position June 30, 2012		\$ 169,826
Results of Operations:	\$(31,306)	
Adjustments:		
Depreciation (1)	<u>8,686</u>	
Adjusted Results from Operations		(22,620)
Proceeds from Sale of Asset		2,000
Retirement of Debt		<u>(3,820)</u>
Unrestricted Net Position June 30, 2013		<u>\$ 145,386</u>

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

**CHANGE OF RESTRICTED NET POSITION**

Restricted Net Position June 30, 2012		\$ 153,848
Results of Operations:		
HAP Reserves Used	\$(54,028)	
Fraud Recovery Payments	1,878	
Other	<u>(177)</u>	
Adjusted Results from Operations		<u>(52,327)</u>
Restricted Net Position June 30, 2013		<u>\$ 101,521</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

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

	<u>2013</u>	<u>2012</u>
Revenues		
HUD PHA Operating Grants	\$1,750,816	\$1,883,247
Interest Income	88	763
Other Revenues	<u>8,488</u>	<u>8,316</u>
Total Revenue	<u>1,759,392</u>	<u>1,892,326</u>
Expenses		
Administrative	258,993	267,032
Material and Labor - Maintenance	10,703	10,729
General	8,607	11,246
Housing Assistance Payments	1,553,592	1,601,741
Depreciation	8,686	8,686
Interest	<u>444</u>	<u>622</u>
Total Expenses	<u>1,841,025</u>	<u>1,900,056</u>
Change in Net Position	(81,633)	(7,730)
Net Position at July 1	<u>349,898</u>	<u>357,628</u>
Net Position June 30	<u>\$ 268,265</u>	<u>\$ 349,898</u>

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

HUD PHA Operating Grants decreased by \$132,431 due to HUD funding changes and changes in grants received from local sources. Housing Assistance Payments also decreased by \$48,149 during fiscal year 2013. There was little fluctuation in units months leased between fiscal year 2013 and fiscal year 2012.

Annual compensation changes along with changes in personnel contributed to the decrease in the Administrative expenses category in fiscal year 2013. Administrative expenses include salaries and related benefits, along with other administrative expenses such as audit fees and office expenses.

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**CAPTIAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2013, the Consortium had \$30,499 invested in capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation).

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

	Business-type Activities	
	<u>2013</u>	<u>2012</u>
Building	\$ 84,511	\$ 84,511
Furniture, Fixtures, and Equipment	35,729	55,381
Building Improvements	51,974	51,974
Accumulated Depreciation	(141,715)	(152,681)
Total	\$ <u>30,499</u>	\$ <u>39,185</u>

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

**CHANGE IN CAPITAL ASSETS**

	Business-type Activities
Beginning Balance	\$ 39,185
Depreciation	<u>(8,686)</u>
Ending Balance	\$ <u>30,499</u>

There were no additions of capital assets for fiscal year 2013. The Consortium disposed of a vehicle during fiscal year 2013. The original cost of the vehicle was \$19,652; the asset was fully depreciated at time of disposal.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(UNAUDITED)**

**Debt Outstanding**

As of June 30, 2013, the Consortium had \$9,141 in debt (mortgage loan) outstanding as compared to \$12,961 at June 30, 2012. The decrease of (\$3,820) represents the current year debt repayment. For further information related to fiscal year 2013 debt activity, see Note 8.

**ECONOMIC FACTORS**

Significant economic factors affecting the Consortium are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the amount of housing assistance.
- Inflationary pressure on utility rates, supplies and other costs

**FINANCIAL CONTACT**

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENTS OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2013**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 184,066
Restricted Cash	319
Accounts Receivable, Net	1,633
Accrued Interest Receivable	20
Prepaid Items	1,716
	<u>187,754</u>

Total Current Assets 187,754

Non-Current Assets:

Restricted Cash 101,521

Capital Assets:

Depreciable Capital Assets	172,214
Accumulated Depreciation	(141,715)
Total Capital Assets	<u>30,499</u>

Total Non-Current Assets 132,020

**Total Assets**

319,774

**Liabilities**

Current Liabilities:

Accounts Payable	3,639
Accrued Wages and Payroll Taxes	2,649
Intergovernmental Payable	319
Unearned Revenue	16,453
Accrued Compensated Absences	914
Current Portion of Mortgage Note	3,899
	<u>27,873</u>

Total Current Liabilities 27,873

Non-Current Liabilities:

Accrued Compensated Absences	18,394
Mortgage Note	5,242
	<u>23,636</u>

Total Non-Current Liabilities 23,636

**Total Liabilities**

51,509

**Net Position**

Net Investment in Capital Assets	21,358
Restricted	101,521
Unrestricted	145,386
	<u>268,265</u>

**Total Net Position** \$ 268,265

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>Operating Revenues</b>		
HUD PHA Operating Grants	\$	1,750,816
Other Revenues		<u>6,488</u>
<b>Total Operating Revenues</b>		<u>1,757,304</u>
<b>Operating Expenses</b>		
Housing Assistance Payments	\$	1,553,592
Salaries		147,169
Employee Benefits		61,362
Other Administrative Expenses		50,462
Material and Labor - Maintenance		10,703
Depreciation		8,686
General		<u>8,607</u>
<b>Total Operating Expenses</b>		<u>1,840,581</u>
Operating Loss		<u>(83,277)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Revenue		88
Gain on Sale of Asset		2,000
Interest Expense		<u>(444)</u>
<b>Total Nonoperating Revenues (Expenses)</b>		<u>1,644</u>
Change in Net Position		(81,633)
Net Position at July 1, 2012		<u>349,898</u>
<b>Net Position at June 30, 2013</b>	<b>\$</b>	<b><u><u>268,265</u></u></b>

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Cash flows from operating activities:**

Cash received from HUD/grant agencies	\$ 1,769,744
Cash received from other sources	6,488
Cash payments to employees for services	(206,772)
Cash payments for good or services - HUD	(1,553,592)
Cash payments for goods or services	(69,048)
	(53,180)

Net cash used by operating activities (53,180)

**Cash flows from investing activities:**

Interest Revenue	71
------------------	----

**Cash flows from capital and related financing activities:**

Proceeds from sale of asset	2,000
Principal paid on mortgage note	(3,820)
Interest paid on mortgage note	(444)
	(2,264)

Net cash used by capital and related financing activities (2,264)

Net change in cash and cash equivalents (55,373)

Cash and cash equivalents at July 1, 2012 341,279

**Cash and cash equivalents at June 30, 2013** \$ 285,906

**Reconciliation of operating loss to net cash used by operating activities:**

Operating loss	\$ (83,277)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	8,686
Changes in assets and liabilities:	
Accounts receivable	4,196
Prepaid items	(18)
Accounts payable	(522)
Intergovernmental payable	319
Accrued wages and payroll taxes	69
Unearned revenue	16,453
Other liabilities	914
	914

**Net cash used by operating activities** \$ (53,180)

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

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

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

Fund Accounting

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

*Proprietary Fund Type:*

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

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

The Consortium accounts for and reports all operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Basis of Consolidation

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

Accounting and Reporting for Nonexchange Transactions

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

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

Capital Assets

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

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

Cash and Cash Equivalents

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

Compensated Absences

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Consortium or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount reported as restricted net position at fiscal year end represents the amounts restricted by HUD for future Housing Assistance Payments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Consortium first applies restricted resources. The Consortium did not have net position restricted by enabling legislature at June 30, 2013.

Estimates

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

Prepaid Items

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

Accounts Receivable

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Consortium had current restricted assets of \$319 for interest earned on Housing Assistance Payment cash balance which will be repaid to HUD based on a new provision of the Housing Choice Voucher Program. The Consortium had non-current restricted assets for Housing Assistance Payment equity balances of \$101,521.

Accrued Interest Receivable

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as a receivable or revenue or unearned revenue of the current fiscal period.

Operating Revenues and Expenses

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

**2. CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2013, the Authority implemented Government Accounting Standard Board (GASB) *Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements," Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," Statement No. 65, "Items Previously Reported as Assets and Liabilities," and Statement No. 66, "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62."*

*GASB Statement No. 62* incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the Authority's financial statements.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**2. CHANGE IN ACCOUNTING PRINCIPLES – CONTINUED**

*GASB Statement No. 63* provides for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related note disclosures. The changes were incorporated in the Authority’s fiscal year 2013 financial statements, however, there was no effect on beginning net position.

*GASB Statement No. 65* properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The implementation of this statement did not result in any change in the Authority’s financial statements.

*GASB Statement No. 66* resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the Authority’s financial statements.

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

Cash and cash equivalents included in the Consortium's cash position at June 30, 2013 are as follows:

	<u>Checking</u>	<u>Savings</u>	<u>Total</u>
Demand Deposits:			
Bank balance	\$189,165	\$83,903	\$273,068
Items-in-transit	<u>(8,840)</u>	<u>-</u>	<u>(8,840)</u>
Carrying balance	<u>\$180,325</u>	<u>\$83,903</u>	<u>\$264,228</u>

In addition, the Consortium had certificates of deposit totaling \$21,628 at June 30, 2013 and maintains \$50 in petty cash funds. Of the fiscal year-end cash balance, including certificates of deposit, \$294,696 was covered by federal deposit insurance.

Based on the Consortium having only demand deposits at June 30, 2013, the Consortium is not subject to interest rate, credit, concentration, or custodial credit risks.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**4. CAPITAL ASSETS**

The following is a summary of capital assets at June 30, 2013:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>Business Type Activities - Cost</u>				
Buildings	\$ 84,511	\$ -	\$ -	\$ 84,511
Building improvements	51,974	-	-	51,974
Furniture, fixtures, and equipment	<u>55,381</u>	<u>-</u>	<u>(19,652)</u>	<u>35,729</u>
Total at cost	<u>191,866</u>	<u>-</u>	<u>(19,652)</u>	<u>172,214</u>
<u>Less: accumulated depreciation</u>				
Buildings	(54,666)	(4,266)	-	(58,932)
Building improvements	(43,135)	(4,420)	-	(47,555)
Furniture, fixture, and equipment	<u>(54,880)</u>	<u>-</u>	<u>19,652</u>	<u>(35,228)</u>
Total accumulated depreciation	<u>(152,681)</u>	<u>(8,686)</u>	<u>19,652</u>	<u>(141,715)</u>
Capital assets, net	\$ <u>39,185</u>	\$ <u>(8,686)</u>	\$ <u>-</u>	\$ <u>30,499</u>

**5. RISK MANAGEMENT**

The Consortium is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2013, the Consortium purchased commercial insurance for vehicle, health, general liability, building contents, and real property insurance.

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

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

**6. DEFINED BENEFIT PENSION PLANS**

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

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**6. DEFINED BENEFIT PENSION PLANS – CONTINUED**

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

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

**Funding Policy** – The Consortium and covered employees contribute at actuarially determined rates for fiscal year 2013, 14% and 10%, respectively, of covered employee payroll to OPERS. The Consortium’s contributions to OPERS for the years ended June 30, 2013, 2012, and 2011 were \$20,476, \$21,265, and \$21,027, respectively. Required contributions are equal to 100% of the dollar amount billed. The employee’s contribution to OPERS for June 30, 2013, 2012, and 2011 were \$14,626, \$15,190, and \$15,019, respectively. Required contributions are equal to 100% of the charges.

**Other Post Retirement Benefits** – In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Retirement Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

OPERS’ Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members of the Traditional Plan was 4.0% during calendar year 2012 (latest information available). The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**6. DEFINED BENEFIT PENSION PLANS – CONTINUED**

lowered to 1% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contributions made to fund post-employment benefits for fiscal year 2013 were approximately \$5,850.

The Health Care Preservation Fund (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008, which allowed additional funds to be allocated to the health care plan. Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions towards the health care fund after the end of the transition period.

**7. COMPENSATED ABSENCES**

Employees earn annual vacation and sick leave per anniversary year, based on years of service. Annual vacation leave is to be used in the year of service earned; one year of vacation hours earned and unused may be carried over to the next fiscal year. Sick leave may be accumulated and is paid out based on Board policy upon termination or retirement. As of June 30, 2013, the accrual for compensated absences totaled \$19,308 and has been included in the accompanying Statement of Net Position.

**8. LONG-TERM DEBT**

The following is a summary of changes in long-term debt and compensated absence for the fiscal year ended June 30, 2013:

<u>Description</u>	<u>Balance</u> <u>07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/13</u>	<u>Due Within</u> <u>One Year</u>
Mortgage Note Payable	\$12,961	\$ -	\$(3,820)	\$ 9,141	\$3,899
Compensated Absence Payable	<u>18,394</u>	<u>6,222</u>	<u>(5,308)</u>	<u>19,308</u>	<u>914</u>
<b>Total</b>	<b><u>\$31,355</u></b>	<b><u>\$6,222</u></b>	<b><u>\$(9,128)</u></b>	<b><u>\$28,449</u></b>	<b><u>\$4,813</u></b>

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**8. LONG-TERM DEBT – CONTINUED**

The aggregate amounts of long-term debt maturities for the remaining fiscal years following fiscal year 2013 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 3,899	\$ 365	\$ 4,264
2015	4,184	80	4,264
2016	<u>1,058</u>	<u>6</u>	<u>1,064</u>
Total	\$ <u>9,141</u>	\$ <u>451</u>	\$ <u>9,592</u>

**9. CONTINGENT LIABILITIES**

**A. Grants**

Amounts grantor agencies pay to the Consortium are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse effect on the overall financial position of the Consortium at June 30, 2013.

**B. Litigation**

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF NET POSITION  
CONSOLIDATING STATEMENT OF NET POSITION  
JUNE 30, 2013**

<u>Account Description</u>	<u>Bowling Green Housing Authority</u>	<u>Henry Metropolitan Housing Authority</u>	<u>Williams Metropolitan Housing Authority</u>	<u>Eliminations</u>	<u>Consolidated - Consortium Total</u>
<b>Current Assets</b>					
Cash - Unrestricted	\$ 13,502	\$ 107,435	\$ 63,129	\$ -	\$ 184,066
Cash - Restricted	90	163	66	-	319
Accounts Receivable:					
Miscellaneous	-	1,633	-	-	1,633
Fraud Recovery	-	5,765	4,177	-	9,942
Allowance for Doubtful Accounts	-	(5,765)	(4,177)	-	(9,942)
Total Receivables, Net of Allowance for Doubtful Accounts	-	1,633	-	-	1,633
Accrued Interest Receivable	-	20	-	-	20
Prepaid Items	-	1,716	-	-	1,716
<b>Total Current Assets</b>	<b>13,592</b>	<b>110,967</b>	<b>63,195</b>	<b>-</b>	<b>187,754</b>
<b>Non-Current Assets</b>					
Cash - Other Restricted	19,442	52,705	29,374	-	101,521
<b>Capital Assets</b>					
Buildings	-	84,511	-	-	84,511
Furniture and Equipment - Administration	-	22,971	12,758	-	35,729
Leasehold Improvements	-	51,974	-	-	51,974
Accumulated Depreciation	-	(129,457)	(12,258)	-	(141,715)
Total Capital Assets net of accumulated depreciation	-	29,999	500	-	30,499
<b>Total Noncurrent Assets</b>	<b>19,442</b>	<b>82,704</b>	<b>29,874</b>	<b>-</b>	<b>132,020</b>
<b>Total Assets</b>	<b>33,034</b>	<b>193,671</b>	<b>93,069</b>	<b>-</b>	<b>319,774</b>
<b>Current Liabilities</b>					
Accounts Payable	59	3,524	56	-	3,639
Accrued Wage/Payroll Taxes Payable	-	2,649	-	-	2,649
Accrued Compensated Absences- Current	-	914	-	-	914
Accounts Payable- HUD PHA Programs	90	163	66	-	319
Unearned Revenue	5,846	6,822	3,785	-	16,453
Current Portion of Long-Term Debt- Capital Projects/Mortgage	-	3,899	-	-	3,899
<b>Total Current Liabilities</b>	<b>5,995</b>	<b>17,971</b>	<b>3,907</b>	<b>-</b>	<b>27,873</b>
<b>Non-Current Liabilities</b>					
Long-Term Debt, Net of Current - Mortgage Note	-	5,242	-	-	5,242
Accrued Compensated Absences-Non-Current	-	18,394	-	-	18,394
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>23,636</b>	<b>-</b>	<b>-</b>	<b>23,636</b>
<b>Total Liabilities</b>	<b>5,995</b>	<b>41,607</b>	<b>3,907</b>	<b>-</b>	<b>51,509</b>
<b>Net Position</b>					
Net Investment in Capital Assets	-	20,858	500	-	21,358
Restricted	19,442	52,705	29,374	-	101,521
Unrestricted	7,597	78,501	59,288	-	145,386
<b>Total Net Position</b>	<b>\$ 27,039</b>	<b>\$ 152,064</b>	<b>\$ 89,162</b>	<b>\$ -</b>	<b>\$ 268,265</b>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
CONSOLIDATING STATEMENT OF NET POSITION  
JUNE 30, 2013**

Account Description	Bowling Green Housing Authority	Henry Metropolitan Housing Authority	Williams Metropolitan Housing Authority	Eliminations	Consolidated - Consortium Total
Revenue					
HUD PHA Operating Grants	\$ 435,065	\$ 785,248	\$ 530,503	\$ -	\$ 1,750,816
Other Revenues					
Fraud Recovery	977	2,558	221	-	3,756
Other Revenue	-	138,218	1,322	(136,808)	2,732
Total Other Revenues	<u>977</u>	<u>140,776</u>	<u>1,543</u>	<u>(136,808)</u>	<u>6,488</u>
Total Operating Revenues	<u>436,042</u>	<u>926,024</u>	<u>532,046</u>	<u>(136,808)</u>	<u>1,757,304</u>
Expenses					
Housing Assistance Payments	399,197	689,242	465,153	-	1,553,592
Salaries					
Administrative Salaries	-	146,255	-	-	146,255
Compensated Absences	-	914	-	-	914
Total Salaries	<u>-</u>	<u>147,169</u>	<u>-</u>	<u>-</u>	<u>147,169</u>
Employee Benefit Contribution - Administrative	-	61,362	-	-	61,362
Administrative Expenses					
Auditing Fees	-	6,887	-	-	6,887
Management Fee	61,997	-	74,811	(136,808)	-
Advertising and Marketing	-	462	-	-	462
Office Expenses	440	22,869	168	-	23,477
Travel	-	1,384	-	-	1,384
Other	-	18,252	-	-	18,252
Total Administrative Expenses	<u>62,437</u>	<u>49,854</u>	<u>74,979</u>	<u>(136,808)</u>	<u>50,462</u>
Ordinary Maintenance and Operations - Materials and Other	-	10,703	-	-	10,703
Depreciation	-	8,686	-	-	8,686
General					
Insurance Premiums	-	8,607	-	-	8,607
Total General	<u>-</u>	<u>8,607</u>	<u>-</u>	<u>-</u>	<u>8,607</u>
Total Operating Expenses	<u>461,634</u>	<u>975,623</u>	<u>540,132</u>	<u>(136,808)</u>	<u>1,840,581</u>
Operating Loss	<u>(25,592)</u>	<u>(49,599)</u>	<u>(8,086)</u>	<u>-</u>	<u>(83,277)</u>
Nonoperating Revenues (Expenses)					
Interest Revenue	8	195	62	-	265
Gain on Sale of Asset	-	2,000	-	-	2,000
Interest Expense	-	(444)	-	-	(444)
Total Nonoperating Revenues (Expenses)	<u>8</u>	<u>1,751</u>	<u>62</u>	<u>-</u>	<u>1,821</u>
Change in Net Position	(25,584)	(47,848)	(8,024)	-	(81,456)
Beginning Net Position	52,674	199,998	97,226	-	349,898
Prior Period Adjustment	(51)	(86)	(40)	-	(177)
Total Ending Net Position	<u>\$ 27,039</u>	<u>\$ 152,064</u>	<u>\$ 89,162</u>	<u>\$ -</u>	<u>\$ 268,265</u>

NOTE FOR BASIC FINANCIAL STATEMENT REPORTING: The prior period adjustment related to change in HUD provisions related to interest earned on HAP Equity, will be reported as a component of Interest Revenue as this was the line item in which the revenue was originally reported. Based on HUD provisions, the amounts are reported as Accounts Payable-HUD.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
ENTITY WIDE BALANCE SHEET SUMMARY  
FDS SCHEDULE SUBMITTED TO HUD  
JUNE 30, 2013**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>Bowling Green 14.871 Section 8 Housing Choice Vouchers</b>
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 13,502
113	Cash - Other Restricted	19,442
115	Cash - Restricted for Payment of Current Liabilities	90
100	Total Cash	<u>33,034</u>
150	Total Current Assets	<u>33,034</u>
190	Total Assets	<u><u>\$ 33,034</u></u>
	Current Liabilities	
312	Accounts Payable	\$ 59
331	Accounts Payable - HUD PHA Programs	90
342	Deferred Revenues	5,846
310	Total Current Liabilities	<u>5,995</u>
300	Total Liabilities	<u>5,995</u>
	Net Assets	
511.1	Restricted Net Assets	19,442
512.1	Unrestricted Net Assets	7,597
	Total Net Assets	<u>27,039</u>
600	Total Liabilities and Net Assets	<u><u>\$ 33,034</u></u>

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FDS Line Item No.	Account Description	Bowling Green		Total
		Section 8 Housing Choice Vouchers	14.239 Home Investment Partnerships Program	
Revenue				
70600-010	Housing Assistance Payment Revenues	\$ 372,774		\$ 372,774
70600-020	Administrative Fees Revenues	61,431		61,431
70600	HUD PHA Operating Grants	434,205	\$ 860	435,065
71100	Investment Income - Unrestricted	8	-	8
71400-010	Housing Assistance Payments	489	-	489
71400-020	Administrative Fees	488	-	488
71400	Fraud Recovery	977	-	977
70000	Total Revenue	435,190	860	436,050
Expenses				
91300	Management Fee	61,919	78	61,997
91600	Office Expenses	440	-	440
91000	Total Operating - Administrative	62,359	78	62,437
96900	Total Operating Expenses	62,359	78	62,437
97000	Excess Operating Revenue Over Operating Expenses	372,831	782	373,613
Other Expenses				
97300	Housing Assistance Payments	398,415	782	399,197
	Total Other Expenses	398,415	782	399,197
90000	Total Expenses	460,774	860	461,634
10000	Excess of Revenues over Expenses	(25,584)	-	(25,584)
11030	Beginning Net Assets	52,674	-	52,674
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(51)	-	(51)
11170	Administrative Fee Equity	7,597	-	7,597
11180	Housing Assistance Payment Equity	19,442	-	19,442
	Total Ending Net Assets	\$ 27,039	\$ -	\$ 27,039

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
ENTITY WIDE BALANCE SHEET SUMMARY  
FDS SCHEDULE SUBMITTED TO HUD  
JUNE 30, 2013**

		<u>Henry</u>		
FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	Business Activities	Total
	Current Assets			
	Cash			
111	Cash - Unrestricted	\$ 46,837	\$ 60,598	\$ 107,435
113	Cash - Other Restricted	52,705	-	52,705
115	Cash - Restricted for Payment of Current Liabilities	163	-	163
100	Total Cash	<u>99,705</u>	<u>60,598</u>	<u>160,303</u>
	Accounts Receivable			
125	Miscellaneous	1,518	115	1,633
128	Fraud Recovery	5,765	-	5,765
128.1	Allowance for Doubtful Accounts	(5,765)	-	(5,765)
129	Accrued Interest Receivable	-	20	20
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>1,518</u>	<u>135</u>	<u>1,653</u>
	Other Assets			
142	Prepaid Expenses and Other Assets	1,716	-	1,716
150	Total Current Assets	<u>102,939</u>	<u>60,733</u>	<u>163,672</u>
	Noncurrent Assets			
	Capital Assets			
162	Buildings	84,511	-	84,511
164	Furniture and Equipment - Administration	22,971	-	22,971
165	Leasehold Improvements	51,974	-	51,974
166	Accumulated Depreciation	(129,457)	-	(129,457)
160	Total Capital Assets net of accumulated depreciation	<u>29,999</u>	<u>-</u>	<u>29,999</u>
180	Total Noncurrent Assets	<u>29,999</u>	<u>-</u>	<u>29,999</u>
190	Total Assets	<u>\$ 132,938</u>	<u>\$ 60,733</u>	<u>\$ 193,671</u>
	Current Liabilities			
312	Accounts Payable	\$ 3,524	\$ -	\$ 3,524
321	Accrued Wages and Payroll Taxes	2,649	-	2,649
322	Accrued Compensated Absences - Current	914	-	914
331	Accounts Payable- HUD PHA Programs	163	-	163
342	Deferred Revenues	6,822	-	6,822
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage	3,899	-	3,899
310	Total Current Liabilities	<u>17,971</u>	<u>-</u>	<u>17,971</u>
	Non-Current Liabilities			
	Long-Term Debt, Net of Current - Capital			
351	Projects/Mortgage	5,242	-	5,242
354	Accrued Compensation Absences-Non-Current	18,394	-	18,394
350	Total Non-Current Liabilities	<u>23,636</u>	<u>-</u>	<u>23,636</u>
300	Total Liabilities	<u>41,607</u>	<u>-</u>	<u>41,607</u>
	Net Assets			
508.1	Invested in Capital Assets-Net of Related Debt	20,858	-	20,858
511.1	Restricted Net Assets	52,705	-	52,705
512.1	Unrestricted Net Assets	17,768	60,733	78,501
	Total Net Assets	<u>91,331</u>	<u>60,733</u>	<u>152,064</u>
600	Total Liabilities and Net Assets	<u>\$ 132,938</u>	<u>\$ 60,733</u>	<u>\$ 193,671</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

		<u>Henry</u>		
<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.871 Section 8 Housing Choice Vouchers</b>	<b>Business Activities</b>	<b>Total</b>
Revenue				
70600-010	Housing Assistance Payment Revenues	\$ 668,882		\$ 668,882
70600-020	Administrative Fees Revenues	116,366		116,366
70600	HUD PHA Operating Grants	785,248	\$ -	785,248
71100	Investment Income - Unrestricted	26	169	195
71400-010	Housing Assistance Payments	1,279	-	1,279
71400-020	Administrative Fees	1,279	-	1,279
71400	Fraud Recovery	2,558	-	2,558
71500	Other Revenue		138,218	138,218
71600	Gain or Loss on Sale of Capital Assets	2,000	-	2,000
70000	Total Revenue	789,832	138,387	928,219
Expenses				
91100	Administrative Salaries	48,950	97,305	146,255
91200	Auditing Fees	2,296	4,591	6,887
91400	Advertising and Marketing	154	308	462
91500	Employee Benefit Contribution - Administrative	20,485	40,877	61,362
91600	Office Expenses	11,521	11,348	22,869
91800	Travel	621	763	1,384
91900	Other	9,132	9,120	18,252
91000	Total Operating - Administrative	93,159	164,312	257,471
94200	Ordinary Maintenance and Operations - Materials and Other	3,901	6,802	10,703
94000	Total Maintenance and Operations	3,901	6,802	10,703
96120	Liability Insurance	2,619	4,793	7,412
96130	Workmen's Compensation	537	658	1,195
96100	Total Insurance Premiums	3,156	5,451	8,607
96210	Compensated Absences	914	-	914
96710	Interest of Mortgage (or Bonds) Payable	444	-	444
96900	Total Operating Expenses	101,574	176,565	278,139
97000	Excess Operating Revenue Over Operating Expenses	688,258	(38,178)	650,080
Other Expenses				
97300	Housing Assistance Payments	689,242	-	689,242
97400	Depreciation Expense	8,686	-	8,686
	Total Other Expenses	697,928	-	697,928
90000	Total Expenses	799,502	176,565	976,067
10000	Excess of Revenues over Expenses	(9,670)	(38,178)	(47,848)
11030	Beginning Net Assets	101,087	98,911	199,998
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(86)	-	(86)
11170	Administrative Fee Equity	38,626	-	38,626
11180	Housing Assistance Payment Equity	52,705	-	52,705
	Total Ending Net Assets	\$ 91,331	\$ 60,733	\$ 152,064

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
ENTITY WIDE BALANCE SHEET SUMMARY  
FDS SCHEDULE SUBMITTED TO HUD  
JUNE 30, 2013**

FDS Line Item No.	Account Description	Williams  14.871 Section 8 Housing Choice Vouchers
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 63,129
113	Cash - Other Restricted	29,374
113	Cash - Restricted for Payment of Current Liabilities	66
100	Total Cash	<u>92,569</u>
	Accounts Receivable	
128	Fraud Recovery	4,177
128.1	Allowance for Doubtful Accounts	<u>(4,177)</u>
120	Total Receivables, net of allowance for doubtful accounts	<u>-</u>
150	Total Current Assets	<u>92,569</u>
	Noncurrent Assets	
	Capital Assets	
164	Furniture and Equipment - Administration	12,758
166	Accumulated Depreciation	<u>(12,258)</u>
160	Total Capital Assets net of accumulated depreciation	<u>500</u>
180	Total Noncurrent Assets	<u>500</u>
190	Total Assets	<u>\$ 93,069</u>
	Current Liabilities	
312	Accounts Payable	\$ 56
331	Accounts Payable- HUD PHA Programs	66
342	Deferred Revenues	<u>3,785</u>
310	Total Current Liabilities	<u>3,907</u>
300	Total Liabilities	<u>3,907</u>
	Net Assets	
508.1	Invested in Capital Assets-Net of Related Debt	500
511.1	Restricted Net Assets	29,374
512.1	Unrestricted Net Assets	<u>59,288</u>
	Total Net Assets	<u>89,162</u>
600	Total Liabilities and Net Assets	<u>\$ 93,069</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
ENTITY WIDE REVENUE AND EXPENSE SUMMARY  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FDS Line Item No.	Account Description	Williams			Total
		14.871 Section 8 Housing Choice Vouchers	14.228 Community Development Block Grants - Community Housing Improvement Program	14.239 Home Investment Partnerships Program	
Revenue					
70600-010	Housing Assistance Payment Revenues	\$ 393,984			\$ 393,984
70600-020	Administrative Fees Revenues	68,239			68,239
70600	HUD PHA Operating Grants	462,223	\$ 6,207	\$ 62,073	530,503
71100	Investment Income - Unrestricted	62	-	-	62
71400-010	Housing Assistance Payments	111	-	-	111
71400-020	Administrative Fees	110	-	-	110
71400	Fraud Recovery	221	-	-	221
71500	Other Revenue	1,322	-	-	1,322
70000	Total Revenue	463,828	6,207	62,073	532,108
Expenses					
91300	Management Fee	68,604	6,207	-	74,811
91600	Office Expenses	168	-	-	168
91000	Total Operating - Administrative	68,772	6,207	-	74,979
96900	Total Operating Expenses	68,772	6,207	-	74,979
97000	Excess Operating Revenue Over Operating Expenses	395,056	-	62,073	457,129
Other Expenses					
97300	Housing Assistance Payments	402,012	-	62,073	464,085
97350	HAP Portability-in	1,068	-	-	1,068
	Total Other Expenses	403,080	-	62,073	465,153
900	Total Expenses	471,852	6,207	62,073	540,132
1000	Excess of Revenues over Expenses	(8,024)	-	-	(8,024)
11030	Beginning Net Assets	97,226	-	-	97,226
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(40)	-	-	(40)
11170	Administrative Fee Equity	59,788			59,930
11180	Housing Assistance Payment Equity	29,374			29,374
	Total Ending Net Assets	\$ 89,162	\$ -	\$ -	\$ 89,162

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF CHANGES IN EQUITY BALANCES  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>Bowling Green - 14,871 Housing Choice Vouchers</b>	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 8,029
11170-010	Administrative Fee Revenue	61,431	
11170-040	Investment Income	8	
11170-045	Fraud Recovery Revenue	<u>488</u>	
11170-060	Total Administrative Fee Revenues		61,927
11170-080	Total Operating Expenses	<u>62,359</u>	
11170-110	Total Expenses		<u>62,359</u>
11170-002	Net Administrative Fee		<u>(432)</u>
11170-003	Administrative Fee Equity - Ending Balance		7,597
11170	Administrative Fee Equity		<u><u>\$ 7,597</u></u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 44,645
11180-010	Housing Assistance Payment Revenues	372,774	
11180-015	Fraud Recovery Revenue	<u>489</u>	
11180-030	Total Housing Assistance Payments Revenues		373,263
11180-080	Housing Assistance Payments	398,415	
11180-090	Other Expenses	<u>51</u>	
11180-091	Comments for Other Expenses - Per HUD Accounting Brief #19, Consortium has reclassified interest earned on HAP funds during January through June 2012 from net restricted assets to accounts payable-HUD.		
11180-100	Total Housing Assistance Payments Expenses		<u>398,466</u>
11180-002	Net Housing Assistance Payments		<u>(25,203)</u>
11180-003	Housing Assistance Payments Equity - Ending Balance		19,442
11180	Housing Assistance Payments Equity		<u><u>\$ 19,442</u></u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF CHANGES IN EQUITY BALANCES  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>Henry - 14.871 Housing Choice Vouchers</b>	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 29,215
11170-010	Administrative Fee Revenue	116,366	
11170-040	Investment Income	26	
11170-045	Fraud Recovery Revenue	1,279	
11170-050	Other Revenue	<u>2,000</u>	
11170-051	Comments for Other Revenue - Proceeds from sale of assets.		
11170-060	Total Administrative Fee Revenues		119,671
11170-080	Total Operating Expenses	101,574	
11170-090	Depreciation	<u>8,686</u>	
11170-110	Total Expenses		<u>110,260</u>
11170-002	Net Administrative Fee		<u>9,411</u>
11170-003	Administrative Fee Equity - Ending Balance		<u>38,626</u>
11170	Administrative Fee Equity		<u><u>\$ 38,626</u></u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 71,872
11180-010	Housing Assistance Payment Revenues	668,882	
11180-015	Fraud Recovery Revenue	<u>1,279</u>	
11180-030	Total Housing Assistance Payments Revenues		670,161
11180-080	Housing Assistance Payments	689,242	
11180-100	Other Expenses	<u>86</u>	
11180-091	Comments for Other Expenses - Per HUD Accounting Brief #19, Consortium has reclassified interest earned on HAP funds during January through June 2012 from net restricted assets to accounts payable-HUD.		
11180-100	Total Housing Assistance Payments Expenses		<u>689,328</u>
11180-002	Net Housing Assistance Payments		<u>(19,167)</u>
11180-003	Housing Assistance Payments Equity - Ending Balance		<u>52,705</u>
11180	Housing Assistance Payments Equity		<u><u>\$ 52,705</u></u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF CHANGES IN EQUITY BALANCES  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>Williams - 14.871 Housing Choice Vouchers</b>	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 59,895
11170-010	Administrative Fee Revenue	68,239	
11170-040	Investment Income	62	
11170-045	Fraud Recovery Revenue	110	
11170-050	Other Revenue	1,322	
11170-051	Comments for Other Revenue - Portability In Admin and HAP.		
11170-060	Total Administrative Fee Revenues		69,733
11170-080	Total Operating Expenses	68,772	
11170-095	Housing Assistance Portability In	1,068	
11170-110	Total Expenses		69,840
11170-002	Net Administrative Fee		(107)
11170-003	Administrative Fee Equity - Ending Balance		59,788
11170	Administrative Fee Equity		<u>\$ 59,788</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 37,331
11180-010	Housing Assistance Payment Revenues	393,984	
11180-015	Fraud Recovery Revenue	111	
11180-030	Total Housing Assistance Payments Revenues		394,095
11180-080	Housing Assistance Payments	402,012	
11180-090	Other Expenses	40	
11180-091	Comments for Other Expenses - Per HUD Accounting Brief #19, Consortium has reclassified interest earned on HAP funds during January through June 2012 from net restricted assets to accounts payable-HUD.		
11180-100	Total Housing Assistance Payments Expenses		402,052
11180-002	Net Housing Assistance Payments		(7,957)
11180-003	Housing Assistance Payments Equity - Ending Balance		29,374
11180	Housing Assistance Payments Equity		<u>\$ 29,374</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor / Pass Through Grantor Program Title</u>	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through Fulton County:</i>			
Community Development Block Grants -	B-C-10-1AX-1,		
Community Housing Improvement Program (CHIP)	B-C-10-1AX-2	14.228	\$ 860
<i>Passed through Paulding County:</i>			
Community Development Block Grants -	B-C-11-1CF-1,		
Community Housing Improvement Program (CHIP)	B-C-11-1CF-2	14.228	1,273
<i>Passed through Williams County:</i>			
Community Development Block Grants -	B-C-11-1DA-1,		
Community Housing Improvement Program (CHIP)	B-C-11-1DA-2	14.228	1,205
<i>Passed through the City of Napoleon:</i>			
Community Development Block Grants -			
Community Housing Improvement Program (CHIP)	N/A	14.228	1,071
<i>Passed through the City of Defiance:</i>			
Community Development Block Grants -			
Community Housing Improvement Program (CHIP)	N/A	14.228	1,393
<i>Passed through the City of Bryan:</i>			
Community Development Block Grants -			
Community Housing Improvement Program (CHIP)	N/A	14.228	1,265
Total Community Development Block Grants -			
Community Housing Improvement Program (CHIP)			<u>7,067</u>
<i>Passed through Paulding County:</i>			
Home Investment Partnerships Program	B-C-11-1CF-1, B-C-11-1CF-2	14.239	12,733
<i>Passed through Williams County:</i>			
Home Investment Partnerships Program	B-C-11-1DA-1, B-C-11-1DA-2	14.239	12,050
<i>Passed through the City of Napoleon:</i>			
Home Investment Partnerships Program	N/A	14.239	10,712
<i>Passed through the City of Defiance:</i>			
Home Investment Partnerships Program	N/A	14.239	13,931
<i>Passed through the City of Bryan:</i>			
Home Investment Partnerships Program	N/A	14.239	12,647
Total Home Investment Partnerships Program			<u>62,073</u>
Section 8 Housing Choice Vouchers (Direct)	N/A	14.871	<u>1,681,676</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,750,816</u>
<b>Total Federal Awards Expenditures</b>			<u>\$ 1,750,816</u>

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

The accompanying Schedule of Federal Awards Expenditures is a summary of the activity of the Consortium's federal awards programs. The Schedule has been prepared on the accrual basis of accounting.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Consortium of Northwest Ohio, Henry County, (the Consortium) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated September 13, 2013.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Consortium's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Consortium's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

*Wilson, Shannon & Snow, Inc.*

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

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Consortium's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Consortium's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
September 13, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

To the Board of Directors:

***Report on Compliance for Its Major Federal Program***

We have audited the Consortium of Northwest Ohio's (the Consortium) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Consortium of Northwest Ohio's major federal program for the fiscal year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the Authority's major federal program.

***Management's Responsibility***

The Consortium's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the Consortium's compliance for each of the Consortium's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Consortium's major program. However, our audit does not provide a legal determination of the Consortium's compliance.

*Wilson, Shannon & Snow, Inc.*

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

***Opinion on the Major Federal Program***

In our opinion, the Consortium of Northwest Ohio, Henry County, complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2013.

***Report on Internal Control Over Compliance***

The Consortium's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Consortium's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Consortium's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
September 13, 2013

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



# Dave Yost • Auditor of State

**CONSORTIUM OF NORTHWEST OHIO**

**NORTHWEST 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  
DECEMBER 3, 2013**