

**AUDITED BASIC FINANCIAL STATEMENTS**

**OF THE**

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY**

**JULY 1, 2011 - JUNE 30, 2012**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Consortium of Northwest Ohio, Henry County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

February 6, 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 AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS – PROPRIETARY FUND	13
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – PROPRIETARY FUND	14
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	15
NOTES TO THE BASIC FINANCIAL STATEMENTS	17
SUPPLEMENTAL DATA:	
STATEMENT OF NET ASSETS -CONSOLIDATING STATEMENT OF NET ASSETS	26
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – CONSOLIDATING STATEMENT OF NET ASSETS	27
STATEMENT OF NET ASSETS – BOWLING GREEN – FDS SCHEDULE SUBMITTED TO HUD	28
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – BOWLING GREEN - FDS SCHEDULE SUBMITTED TO HUD	29
STATEMENT OF NET ASSETS – HENRY – FDS SCHEDULE SUBMITTED TO HUD	30
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – HENRY - FDS SCHEDULE SUBMITTED TO HUD	31
STATEMENT OF NET ASSETS – 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>
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – 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 AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	38
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY <i>OMB CIRCULAR A-133</i>	40
SCHEDULE OF FINDINGS - <i>OMB CIRCULAR A-133 § .505</i>	42



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

## INDEPENDENT AUDITORS' REPORT

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

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

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

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

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**

Ten West Locust Street

Newark, Ohio 43055

(740) 345-6611

1-800-523-6611

FAX (740) 345-5635

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

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

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
December 12, 2012

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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 2012, the Consortium's net assets decreased by \$7,730 (or 2.16%). Since the Consortium engages only in business-type activities, the increase is all in the category of business-type net assets. Net assets for fiscal year 2011 were \$357,628 and \$349,898 for fiscal year 2012.
- Revenues decreased by \$19,406 (or 1.02%) during fiscal year 2012, and was \$1,911,732 and \$1,892,326 for fiscal year 2011 and fiscal year 2012, respectively.
- Expenses of the Consortium increased by \$17,387 (or less than 1%) for fiscal year 2012. Total expenses were \$1,882,669 and \$1,900,056 for fiscal year 2011 and fiscal year 2012, respectively.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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 2012, the Consortium's net assets decreased by \$7,730 (or 2.16%). Since the Consortium engages only in business-type activities, the increase is all in the category of business-type net assets. Net assets for fiscal year 2011 were \$357,628 and \$349,898 for fiscal year 2012.
- Revenues decreased by \$19,406 (or 1.02%) during fiscal year 2012, and was \$1,911,732 and \$1,892,326 for fiscal year 2011 and fiscal year 2012, respectively.
- Expenses of the Consortium increased by \$17,387 (or less than 1%) for fiscal year 2012. Total expenses were \$1,882,669 and \$1,900,056 for fiscal year 2011 and fiscal year 2012, respectively.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

**USING THIS ANNUAL REPORT**

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

**MD&A**

~ Management Discussion and Analysis – pgs 3-11 ~

**Basic Financial Statements**

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

**Other Required Supplementary Information**

~ Required Supplementary Information - none~

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

**Government-Wide Financial Statements**

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

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

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

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

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

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

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

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

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(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, 2012  
(UNAUDITED)**

**GOVERNMENT-WIDE STATEMENT**

**Statement of Net Assets**

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

**STATEMENT OF NET ASSETS**

	<u>2012</u>	<u>2011</u>
Current and Other Non-Current Assets	\$348,809	\$ 366,118
Capital Assets, Net	<u>39,185</u>	<u>47,871</u>
Total Assets	<u>387,994</u>	<u>413,989</u>
Current Liabilities	12,250	28,455
Non-Current Liabilities	<u>25,846</u>	<u>27,906</u>
Total Liabilities	<u>38,096</u>	<u>56,361</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	26,224	31,267
Restricted	153,848	155,931
Unrestricted	<u>169,826</u>	<u>170,430</u>
Total Net Assets	\$ <u>349,898</u>	\$ <u>357,628</u>

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

**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, 2012  
(UNAUDITED)**

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

Current and other non-current assets (primarily cash and cash equivalents) were decreased by \$17,309 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 2012. Total liabilities decreased \$18,265 due to the Authority decreases in deferred revenues which relate to administrative fee revenues unspent at fiscal year 2012 and can be used in fiscal year 2013.

The capital assets had a net decrease of \$8,686. This is the net of current year's depreciation. For more detail see "Capital Assets and Debt Administration" on page 10.

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

**CHANGE OF UNRESTRICTED NET ASSETS**

Unrestricted Net Assets June 30, 2011		\$ 170,430
Results of Operations	\$(5,647)	
Adjustments:		
Depreciation (1)	<u>8,686</u>	
Adjusted Results from Operations		3,039
Retirement of Debt		<u>(3,643)</u>
Unrestricted Net Assets June 30, 2012		<u>\$ 169,826</u>

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

**CHANGE OF RESTRICTED NET ASSETS**

Restricted Net Assets June 30, 2011		\$ 155,931
Results of Operations		
HAP Reserves Carried Forward	\$(5,624)	
Fraud Recovery Payments	3,142	
Interest on HAP	<u>399</u>	
Adjusted Results from Operations		<u>(2,083)</u>
Restricted Net Assets June 30, 2012		<u>\$ 153,848</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND ASSETS**

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

	<u>2012</u>	<u>2011</u>
Revenues		
HUD PHA Operating Grants	\$1,883,247	\$1,903,560
Interest Income	763	1,078
Other Revenues	<u>8,316</u>	<u>7,094</u>
Total Revenue	<u>1,892,326</u>	<u>1,911,732</u>
Expenses		
Administrative	267,032	263,300
Material and Labor - Maintenance	10,729	11,402
General	11,246	12,453
Housing Assistance Payments	1,601,741	1,584,611
Depreciation	8,686	10,165
Interest	<u>622</u>	<u>738</u>
Total Expenses	<u>1,900,056</u>	<u>1,882,669</u>
Change in Net Assets	(7,730)	29,063
Net Assets at July 1	<u>357,628</u>	<u>328,565</u>
Net Assets June 30	<u>\$ 349,898</u>	<u>\$ 357,628</u>

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

HUD PHA Operating Grants decreased by \$20,313 due to HUD funding changes and changes in grants received from local sources. Housing Assistance Payments increased by \$17,130 during fiscal year 2012. There was little fluctuation in units months leased between fiscal year 2012 and fiscal year 2011.

Annual compensation changes contributed to the increase in the Administrative expenses category in fiscal year 2012. 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, 2012  
(UNAUDITED)**

**CAPTIAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2012, the Consortium had \$39,185 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>2012</u>	<u>2011</u>
Building	\$ 84,511	\$ 84,511
Furniture, Fixtures, and Equipment	55,381	55,381
Building Improvements	51,974	51,974
Accumulated Depreciation	<u>(152,681)</u>	<u>(143,995)</u>
Total	\$ <u>39,185</u>	\$ <u>47,871</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	\$ 47,871
Depreciation	<u>(8,686)</u>
Ending Balance	\$ <u>39,185</u>

There were no additions or disposals of capital assets for fiscal year 2012.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)**

**Debt Outstanding**

As of June 30, 2012, the Consortium had \$12,961 in debt (mortgage loan) outstanding as compared to \$16,604 at June 30, 2011. The decrease of (\$3,643) represents the current year debt repayment. For further information related to fiscal year 2012 debt activity, see Note 7.

**ECONOMIC FACTORS**

Significant economic factors affecting the Consortium are as follows:

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

**FINANCIAL CONTACT**

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

**This page intentionally left blank.**

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENTS OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2012**

**Assets**

Current Assets:

Cash and Cash Equivalents	\$ 187,431
Accounts Receivable, net	5,829
Accrued Interest Receivable	3
Prepays Items	<u>1,698</u>
Total Current Assets	<u>194,961</u>

Non-Current Assets:

Restricted Cash	153,848
-----------------	---------

Capital Assets:

Depreciable Capital Assets	191,866
Accumulated Depreciation	<u>(152,681)</u>
Total Capital Assets	<u>39,185</u>

Total Non-Current Assets	<u>193,033</u>
--------------------------	----------------

**Total Assets**

387,994

**Liabilities**

Current Liabilities:

Accounts Payable	4,161
Accrued Wages and Payroll Taxes	2,580
Accrued Compensated Absences	1,701
Current Portion of Mortgage Note	<u>3,808</u>
Total Current Liabilities	<u>12,250</u>

Non-Current Liabilities:

Accrued Compensated Absences	16,693
Mortgage Note	<u>9,153</u>
Total Non-Current Liabilities	<u>25,846</u>

**Total Liabilities**

38,096

**Net Assets**

Invested in Capital Assets, Net of Related Debt	26,224
Restricted	153,848
Unrestricted	<u>169,826</u>

**Total Net Assets**

\$ 349,898

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<b>Operating Revenues</b>		
HUD PHA Operating Grants	\$	1,883,247
Other Revenues		<u>8,316</u>
<b>Total Operating Revenues</b>		<u>1,891,563</u>
<b>Operating Expenses</b>		
Housing Assistance Payments	\$	1,601,741
Salaries		151,896
Employee Benefits		61,508
Other Administrative Expenses		53,628
Material and Labor - Maintenance		10,729
Depreciation		8,686
General		<u>11,246</u>
<b>Total Operating Expenses</b>		<u>1,899,434</u>
Operating Loss		<u>(7,871)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Interest Income		763
Interest Expense		<u>(622)</u>
<b>Total Nonoperating Revenues (Expenses)</b>		<u>141</u>
Change in Net Assets		(7,730)
Net Assets at July 1, 2011		<u>357,628</u>
<b>Net Assets at June 30, 2012</b>	<b>\$</b>	<b><u><u>349,898</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, 2012**

**Cash flows from operating activities:**

Cash received from HUD/grant agencies	\$ 1,883,247
Cash received from other sources	8,316
Cash payments to employees for services	(211,703)
Cash payments for good or services - HUD	(1,601,741)
Cash payments for goods or services	(95,829)
	(17,710)

Net cash used by operating activities (17,710)

**Cash flows from investing activities:**

Interest Income	783
-----------------	-----

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

Principal paid on mortgage note	(3,643)
Interest paid on mortgage note	(622)
	(4,265)

Net cash used by capital and related financing activities (4,265)

Net change in cash and cash equivalents (21,192)

Cash and cash equivalents at July 1, 2011 362,471

**Cash and cash equivalents at June 30, 2012** **\$ 341,279**

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

Operating loss	\$ (7,871)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	8,686
Changes in assets and liabilities:	
Accounts receivable	(4,162)
Prepays items	259
Accounts payable	(58)
Accrued wages and payroll taxes	(12)
Other liabilities	(14,552)
	(17,710)

**Net cash used by operating activities** **\$ (17,710)**

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

**This page intentionally left blank.**

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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, 2012**

**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 assets. The statement of revenues, expenses and changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets. The statement of cash flows provides information about how the Consortium finances and meets cash flow needs.

The Consortium accounts for 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, 2012**

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

Measurement Focus/Basis of Accounting

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

Basis of Consolidation

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

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 Assets.

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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.

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. The Consortium established a policy that vacation leave will not be accumulated and must be used in the year of service earned.

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Consortium or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount reported as restricted net assets at fiscal year end represents the amounts restricted by HUD for future Housing Assistance Payments. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Consortium first applies restricted net assets. The Consortium did not have net assets restricted by enabling legislature at June 30, 2012.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

Estimates

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

Prepaid Items

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Housing Assistance Payment equity balances of \$153,848.

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.

Accounts Receivable

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

Accrued Interest Receivable

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**2. CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

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, 2012 are as follows:

	<u>Checking</u>	<u>Savings</u>	<u>Total</u>
Demand Deposits:			
Bank balance	\$247,642	\$81,283	\$328,925
Items-in-transit	<u>(9,290)</u>	-	<u>(9,290)</u>
Carrying balance	<u>\$238,352</u>	<u>\$81,283</u>	<u>\$319,635</u>

In addition, the Consortium had certificates of deposit totaling \$21,594 at June 30, 2012 and maintains \$50 in petty cash funds. Of the fiscal year-end cash balance, including certificates of deposit, \$350,519 was covered by federal deposit insurance.

Based on the Consortium having only demand deposits at June 30, 2012, the Consortium is not subject to interest rate, credit, concentration, or custodial credit risks.

**3. CAPITAL ASSETS**

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

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2012</u>
<u>Governmental 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>-</u>	<u>55,381</u>
Total at cost	<u>191,866</u>	<u>-</u>	<u>-</u>	<u>191,866</u>
<u>Less: accumulated depreciation</u>				
Buildings	(50,400)	(4,266)	-	(54,666)
Building improvements	(38,715)	(4,420)	-	(43,135)
Furniture, fixture, and equipment	<u>(54,880)</u>	<u>-</u>	<u>-</u>	<u>(54,880)</u>
Total accumulated depreciation	<u>(143,995)</u>	<u>(8,686)</u>	<u>-</u>	<u>(152,681)</u>
Capital assets, net	<u>\$ 47,871</u>	<u>\$ (8,686)</u>	<u>\$ -</u>	<u>\$ 39,185</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**4. 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 2012, 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.

**5. DEFINED BENEFIT PENSION PLANS**

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

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

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

*Funding Policy* – The Consortium and covered employees contribute at actuarially determined rates for fiscal year 2012, 14% and 10%, respectively, of covered employee payroll to OPERS. The Consortium's contributions to OPERS for the years ended June 30, 2012, 2011, and 2010 were \$21,265, \$21,027, and \$20,540, respectively. Required contributions are equal to 100% of the

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**5. DEFINED BENEFIT PENSION PLANS - CONTINUED**

dollar amount billed. The employee's contribution to OPERS for June 30, 2012, 2011, and 2010 were \$15,190, \$15,019, and \$14,564, 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 Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members of the Traditional Plan was 4.0% during calendar year 2011 (latest information available). The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contributions made to fund post-employment benefits for fiscal year 2012 were approximately \$6,008.

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.

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**6. COMPENSATED ABSENCES**

Employees earn annual vacation and sick leave per anniversary year, based on years of service. Annual vacation leave may not be carried forward and must be used in the year of service earned. Sick leave may be accumulated and is paid out based on Board policy upon termination or retirement. As of June 30, 2012, the accrual for compensated absences totaled \$18,394 and has been included in the accompanying Statement of Net Assets.

**7. LONG-TERM DEBT**

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

<u>Description</u>	<u>Balance 06/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/12</u>	<u>Due Within One Year</u>
Mortgage Note Payable	\$16,604	\$ -	\$(3,643)	\$12,961	\$3,808
Compensated Absence Payable	<u>16,993</u>	<u>5,795</u>	<u>(4,394)</u>	<u>18,394</u>	<u>1,701</u>
<b>Total</b>	<b><u>\$33,597</u></b>	<b><u>\$5,795</u></b>	<b><u>\$(8,037)</u></b>	<b><u>\$31,355</u></b>	<b><u>\$5,509</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.

The aggregate amounts of long-term debt maturities for the remaining fiscal years following fiscal year 2012 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,808	\$ 456	\$ 4,264
2014	3,966	298	4,264
2015	4,129	135	4,264
2016	<u>1,058</u>	<u>6</u>	<u>1,064</u>
Total	<u>\$12,961</u>	<u>\$895</u>	<u>\$13,856</u>

**8. CONTINGENT LIABILITIES**

**A. Grants**

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

**B. Litigation**

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

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF NET ASSETS  
CONSOLIDATING STATEMENT OF NET ASSETS  
JUNE 30, 2012**

<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	\$ 4,609	\$ 123,983	\$ 58,839	\$ -	\$ 187,431
Prepaid Expenses and Other Assets	-	1,698	-	-	1,698
Accounts Receivable:					
HUD Other Project	880	1,308	287	-	2,475
Other Government	2,663	-	511	-	3,174
Miscellaneous	-	545	-	(365)	180
Fraud Recovery	-	6,313	4,579	-	10,892
Allowance for Doubtful Accounts	-	(6,313)	(4,579)	-	(10,892)
Total Receivables, Net of Allowance for Doubtful Accounts	<u>3,543</u>	<u>1,853</u>	<u>798</u>	<u>(365)</u>	<u>5,829</u>
Accrued Interest Receivable	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total Current Assets	<u>8,152</u>	<u>127,537</u>	<u>59,637</u>	<u>(365)</u>	<u>194,961</u>
<b>Noncurrent Assets</b>					
Cash - Other Restricted	44,645	71,872	37,331	-	153,848
<b>Capital Assets</b>					
Buildings	-	84,511	-	-	84,511
Furniture and Equipment - Administration	-	42,623	12,758	-	55,381
Leasehold Improvements	-	51,974	-	-	51,974
Accumulated Depreciation	-	(140,423)	(12,258)	-	(152,681)
Total Capital Assets net of accumulated depreciation	<u>-</u>	<u>38,685</u>	<u>500</u>	<u>-</u>	<u>39,185</u>
Total Noncurrent Assets	<u>44,645</u>	<u>110,557</u>	<u>37,831</u>	<u>-</u>	<u>193,033</u>
Total Assets	<u>52,797</u>	<u>238,094</u>	<u>97,468</u>	<u>(365)</u>	<u>387,994</u>
<b>Current Liabilities</b>					
Accounts Payable	123	4,161	242	(365)	4,161
Accrued Wages and Payroll Taxes	-	2,580	-	-	2,580
Accrued Compensated Absences - Current	-	1,701	-	-	1,701
Current Portion of Long-Term Debt - Mortgage Note	-	3,808	-	-	3,808
Total Current Liabilities	<u>123</u>	<u>12,250</u>	<u>242</u>	<u>(365)</u>	<u>12,250</u>
<b>Non-Current Liabilities</b>					
Long-Term Debt, Net of Current - Mortgage Note	-	9,153	-	-	9,153
Accrued Compensation Absences-Non-Current	-	16,693	-	-	16,693
Total Non-Current Liabilities	<u>-</u>	<u>25,846</u>	<u>-</u>	<u>-</u>	<u>25,846</u>
Total Liabilities	<u>123</u>	<u>38,096</u>	<u>242</u>	<u>(365)</u>	<u>38,096</u>
<b>Net Assets</b>					
Invested in Capital Assets-Net of Related Debt	-	25,724	500	-	26,224
Restricted Net Assets	44,645	71,872	37,331	-	153,848
Unrestricted Net Assets	8,029	102,402	59,395	-	169,826
Total Net Assets	<u>52,674</u>	<u>199,998</u>	<u>97,226</u>	<u>-</u>	<u>349,898</u>
Total Liabilities and Net Assets	<u>\$ 52,797</u>	<u>\$ 238,094</u>	<u>\$ 97,468</u>	<u>\$ (365)</u>	<u>\$ 387,994</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
CONSOLIDATING STATEMENT OF NET ASSETS  
JUNE 30, 2012**

Account Description	Bowling Green Housing Authority	Henry Metropolitan Housing Authority	Williams Metropolitan Housing Authority	Eliminations	Consolidated - Consortium Total
Revenue					
HUD PHA Operating Grants	\$ 524,831	\$ 843,735	\$ 514,681	\$ -	\$ 1,883,247
Other Revenues					
Fraud Recovery	1,317	4,584	385	-	6,286
Other Revenue	-	155,952	-	(153,922)	2,030
Total Other Revenues	<u>1,317</u>	<u>160,536</u>	<u>385</u>	<u>(153,922)</u>	<u>8,316</u>
Total Operating Revenues	<u>526,148</u>	<u>1,004,271</u>	<u>515,066</u>	<u>(153,922)</u>	<u>1,891,563</u>
Expenses					
Housing Assistance Payments	459,357	706,130	436,254	-	1,601,741
Salaries					
Administrative Salaries	-	150,195	-	-	150,195
Compensated Absences	-	1,701	-	-	1,701
Total Salaries	<u>-</u>	<u>151,896</u>	<u>-</u>	<u>-</u>	<u>151,896</u>
Employee Benefit Contribution - Administrative	-	61,508	-	-	61,508
Administrative Expenses					
Auditing Fees	-	6,891	-	-	6,891
Management Fee	75,235	-	78,687	(153,922)	-
Advertising and Marketing	-	420	-	-	420
Office Expenses	282	24,572	133	-	24,987
Travel	-	3,078	-	-	3,078
Other	-	18,252	-	-	18,252
Total Administrative Expenses	<u>75,517</u>	<u>53,213</u>	<u>78,820</u>	<u>(153,922)</u>	<u>53,628</u>
Ordinary Maintenance and Operations - Materials and Other	-	10,729	-	-	10,729
Depreciation	-	8,686	-	-	8,686
General					
Insurance Premiums	-	11,246	-	-	11,246
Total General	<u>-</u>	<u>11,246</u>	<u>-</u>	<u>-</u>	<u>11,246</u>
Total Operating Expenses	<u>534,874</u>	<u>1,003,408</u>	<u>515,074</u>	<u>(153,922)</u>	<u>1,899,434</u>
Operating Income/(Loss)	<u>(8,726)</u>	<u>863</u>	<u>(8)</u>	<u>-</u>	<u>(7,871)</u>
Nonoperating Revenues (Expenses)					
Interest Income					
Investment Income - Unrestricted	19	247	98	-	364
Investment Income - Restricted	139	182	78	-	399
Total Interest Income	<u>158</u>	<u>429</u>	<u>176</u>	<u>-</u>	<u>763</u>
Interest Expense	-	(622)	-	-	(622)
Total Nonoperating Revenues (Expenses)	<u>158</u>	<u>(193)</u>	<u>176</u>	<u>-</u>	<u>141</u>
Change in Net Assets	(8,568)	670	168	-	(7,730)
Beginning Net Assets	<u>61,242</u>	<u>199,328</u>	<u>97,058</u>	<u>-</u>	<u>357,628</u>
Total Ending Net Assets	<u>\$ 52,674</u>	<u>\$ 199,998</u>	<u>\$ 97,226</u>	<u>\$ -</u>	<u>\$ 349,898</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF NET ASSETS  
FDS SCHEDULE SUBMITTED TO HUD  
JUNE 30, 2012**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b><u>Bowling Green</u>  14.871 Section 8 Housing Choice Vouchers</b>
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 4,609
113	Cash - Other Restricted	44,645
100	Total Cash	<u>49,254</u>
	Accounts Receivable	
122	HUD Other Project	880
124	Other Government	2,663
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>3,543</u>
150	Total Current Assets	<u>52,797</u>
190	Total Assets	<u><u>\$ 52,797</u></u>
	Current Liabilities	
312	Accounts Payable	\$ 123
310	Total Current Liabilities	<u>123</u>
300	Total Liabilities	<u>123</u>
	Net Assets	
511.1	Restricted Net Assets	44,645
512.1	Unrestricted Net Assets	8,029
	Total Net Assets	<u>52,674</u>
600	Total Liabilities and Net Assets	<u><u>\$ 52,797</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  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Bowling Green**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.871 Section 8 Housing Choice Vouchers</b>	<b>14.239 Home Investment Partnerships Program</b>	<b>Total</b>
Revenue				
70600-010	Housing Assistance Payment Revenues	\$ 433,641		\$ 433,641
70600-020	Administrative Fees Revenues	72,915		72,915
70600	HUD PHA Operating Grants	506,556	\$ 18,275	524,831
71100	Investment Income - Unrestricted	19	-	19
71400-010	Housing Assistance Payments	658	-	658
71400-020	Administrative Fees	659	-	659
71400	Fraud Recovery	1,317	-	1,317
72000	Investment Income - Restricted	139	-	139
70000	Total Revenue	508,031	18,275	526,306
Expenses				
91300	Management Fee	73,574	1,661	75,235
91600	Office Expenses	282	-	282
91000	Total Operating - Administrative	73,856	1,661	75,517
96900	Total Operating Expenses	73,856	1,661	75,517
97000	Excess Operating Revenue Over Operating Expenses	434,175	16,614	450,789
Other Expenses				
97300	Housing Assistance Payments	442,743	16,614	459,357
	Total Other Expenses	442,743	16,614	459,357
90000	Total Expenses	516,599	18,275	534,874
10000	Excess of Revenues over Expenses	(8,568)	-	(8,568)
11030	Beginning Net Assets	61,242	-	61,242
11170	Administrative Fee Equity	8,029	-	8,029
11180	Housing Assistance Payment Equity	44,645	-	44,645
	Total Ending Net Assets	\$ 52,674	\$ -	\$ 52,674

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF NET ASSETS  
FDS SCHEDULE SUBMITTED TO HUD  
JUNE 30, 2012**

		<u>Henry</u>		
FDS Line Item No.	<u>Account Description</u>	<u>14.871 Section 8 Housing Choice Vouchers</u>	<u>Business Activities</u>	<u>Total</u>
	Current Assets			
	Cash			
111	Cash - Unrestricted	\$ 25,075	\$ 98,908	\$ 123,983
113	Cash - Other Restricted	71,872	-	71,872
100	Total Cash	<u>96,947</u>	<u>98,908</u>	<u>195,855</u>
	Accounts Receivable			
122	HUD Other Project	1,308	-	1,308
125	Miscellaneous	545	-	545
128	Fraud Recovery	6,313	-	6,313
128.1	Allowance for Doubtful Accounts	(6,313)	-	(6,313)
129	Accrued Interest Receivable	-	3	3
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>1,853</u>	<u>3</u>	<u>1,856</u>
	Other Assets			
142	Prepaid Expenses and Other Assets	1,698	-	1,698
150	Total Current Assets	<u>100,498</u>	<u>98,911</u>	<u>199,409</u>
	Noncurrent Assets			
	Capital Assets			
162	Buildings	84,511	-	84,511
164	Furniture and Equipment - Administration	42,623	-	42,623
165	Leasehold Improvements	51,974	-	51,974
166	Accumulated Depreciation	(140,423)	-	(140,423)
160	Total Capital Assets net of accumulated depreciation	<u>38,685</u>	<u>-</u>	<u>38,685</u>
180	Total Noncurrent Assets	<u>38,685</u>	<u>-</u>	<u>38,685</u>
190	Total Assets	<u>\$ 139,183</u>	<u>\$ 98,911</u>	<u>\$ 238,094</u>
	Current Liabilities			
312	Accounts Payable	\$ 4,161	\$ -	\$ 4,161
321	Accrued Wages and Payroll Taxes	2,580	-	2,580
322	Accrued Compensated Absences - Current	1,701	-	1,701
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage	3,808	-	3,808
310	Total Current Liabilities	<u>12,250</u>	<u>-</u>	<u>12,250</u>
	Non-Current Liabilities			
	Long-Term Debt, Net of Current - Capital			
351	Projects/Mortgage	9,153	-	9,153
354	Accrued Compensation Absences-Non-Current	16,693	-	16,693
350	Total Non-Current Liabilities	<u>25,846</u>	<u>-</u>	<u>25,846</u>
300	Total Liabilities	<u>38,096</u>	<u>-</u>	<u>38,096</u>
	Net Assets			
508.1	Invested in Capital Assets-Net of Related Debt	25,724	-	25,724
511.1	Restricted Net Assets	71,872	-	71,872
512.1	Unrestricted Net Assets	3,491	98,911	102,402
	Total Net Assets	<u>101,087</u>	<u>98,911</u>	<u>199,998</u>
600	Total Liabilities and Net Assets	<u>\$ 139,183</u>	<u>\$ 98,911</u>	<u>\$ 238,094</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FDS Line Item No.	Account Description	Henry		
		14.871 Section 8 Housing Choice Vouchers	Business Activities	Total
Revenue				
70600-010	Housing Assistance Payment Revenues	\$ 709,675		\$ 709,675
70600-020	Administrative Fees Revenues	134,060		134,060
70600	HUD PHA Operating Grants	843,735	\$ -	843,735
71100	Investment Income - Unrestricted	19	228	247
71400-010	Housing Assistance Payments	2,292	-	2,292
71400-020	Administrative Fees	2,292	-	2,292
71400	Fraud Recovery	4,584	-	4,584
71500	Other Revenue	-	155,952	155,952
72000	Investment Income - Restricted	182	-	182
70000	Total Revenue	848,520	156,180	1,004,700
Expenses				
91100	Administrative Salaries	55,972	94,223	150,195
91200	Auditing Fees	3,445	3,446	6,891
91400	Advertising and Marketing	228	192	420
91500	Employee Benefit Contribution - Administrative	20,644	40,864	61,508
91600	Office Expenses	14,356	10,216	24,572
91800	Travel	1,091	1,987	3,078
91900	Other	9,132	9,120	18,252
91000	Total Operating - Administrative	104,868	160,048	264,916
94200	Ordinary Maintenance and Operations - Materials and Other	4,284	6,445	10,729
94000	Total Maintenance and Operations	4,284	6,445	10,729
96120	Liability Insurance	6,708	1,578	8,286
96130	Workmen's Compensation	2,960	-	2,960
96100	Total Insurance Premiums	9,668	1,578	11,246
96210	Compensated Absences	1,701	-	1,701
96710	Interest of Mortgage (or Bonds) Payable	622	-	622
96900	Total Operating Expenses	121,143	168,071	289,214
97000	Excess Operating Revenue Over Operating Expenses	727,377	(11,891)	715,486
Other Expenses				
97300	Housing Assistance Payments	706,130	-	706,130
97400	Depreciation Expense	8,686	-	8,686
	Total Other Expenses	714,816	-	714,816
90000	Total Expenses	835,959	168,071	1,004,030
10000	Excess of Revenues over Expenses	12,561	(11,891)	670
11030	Beginning Net Assets	88,526	110,802	199,328
11170	Administrative Fee Equity	29,215	-	29,215
11180	Housing Assistance Payment Equity	71,872	-	71,872
	Total Ending Net Assets	\$ 101,087	\$ 98,911	\$ 199,998

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF NET ASSETS  
FDS SCHEDULE SUBMITTED TO HUD  
JUNE 30, 2012**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>Williams</b>
	<b>Current Assets</b>	
	<b>Cash</b>	
111	Cash - Unrestricted	\$ 58,839
113	Cash - Other Restricted	37,331
100	Total Cash	<u>96,170</u>
	<b>Accounts Receivable</b>	
122	HUD Other Project	287
124	Other Government	511
128	Fraud Recovery	4,579
128.1	Allowance for Doubtful Accounts	<u>(4,579)</u>
120	Total Receivables, net of allowance for doubtful accounts	<u>798</u>
150	Total Current Assets	<u>96,968</u>
	<b>Noncurrent Assets</b>	
	<b>Capital Assets</b>	
164	Furniture and Equipment - Administration	12,758
166	Accumulated Depreciation	<u>(12,258)</u>
160	Total Capital Assets net of accumulated depreciation	<u>500</u>
180	Total Noncurrent Assets	<u>500</u>
190	Total Assets	<u><u>\$ 97,468</u></u>
	<b>Current Liabilities</b>	
312	Accounts Payable	<u>\$ 242</u>
310	Total Current Liabilities	<u>242</u>
300	Total Liabilities	<u>242</u>
	<b>Net Assets</b>	
508.1	Invested in Capital Assets-Net of Related Debt	500
511.1	Restricted Net Assets	37,331
512.1	Unrestricted Net Assets	59,395
	Total Net Assets	<u>97,226</u>
600	Total Liabilities and Net Assets	<u><u>\$ 97,468</u></u>

**CONSORTIUM OF NORTHWEST OHIO**  
**HENRY COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FDS SCHEDULE SUBMITTED TO HUD**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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	\$ 428,107			\$ 428,107
70600-020	Administrative Fees Revenues	77,686			77,686
70600	HUD PHA Operating Grants	505,793	\$ 808	\$ 8,080	514,681
71100	Investment Income - Unrestricted	98	-	-	98
71400-010	Housing Assistance Payments	192	-	-	192
71400-020	Administrative Fees	193	-	-	193
71400	Fraud Recovery	385	-	-	385
72000	Investment Income - Restricted	78	-	-	78
70000	Total Revenue	506,354	808	8,080	515,242
	Expenses				
91300	Management Fee	77,879	808	-	78,687
91600	Office Expenses	133	-	-	133
91000	Total Operating - Administrative	78,012	808	-	78,820
96900	Total Operating Expenses	78,012	808	-	78,820
97000	Excess Operating Revenue Over Operating Expenses	428,342	-	8,080	436,422
	Other Expenses				
97300	Housing Assistance Payments	428,174	-	8,080	436,254
	Total Other Expenses	428,174	-	8,080	436,254
900	Total Expenses	506,186	808	8,080	515,074
1000	Excess of Revenues over Expenses	168	-	-	168
1103	Beginning Net Assets	97,058	-	-	97,058
11170	Administrative Fee Equity	59,895			59,930
11180	Housing Assistance Payment Equity	37,331			37,128
	Total Ending Net Assets	\$ 97,226	\$ -	\$ -	\$ 97,226

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
STATEMENT OF CHANGES IN EQUITY BALANCES  
FDS SCHEDULE SUBMITTED TO HUD  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<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		\$ 8,292
11170-010	Administrative Fee Revenue	72,915	
11170-040	Investment Income	19	
11170-045	Fraud Recovery Revenue	659	
11170-060	Total Administrative Fee Revenues		73,593
11170-080	Total Operating Expenses	73,856	
11170-110	Total Expenses		73,856
11170-002	Net Administrative Fee		(263)
11170-003	Administrative Fee Equity - Ending Balance		8,029
11170	Administrative Fee Equity		<u>\$ 8,029</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 52,950
11180-010	Housing Assistance Payment Revenues	433,641	
11180-015	Fraud Recovery Revenue	658	
11180-025	Investment Income	139	
11180-030	Total Housing Assistance Payments Revenues		434,438
11180-080	Housing Assistance Payments	442,743	
11180-100	Total Housing Assistance Payments Expenses		442,743
11180-002	Net Housing Assistance Payments		(8,305)
11180-003	Housing Assistance Payments Equity - Ending Balance		44,645
11180	Housing Assistance Payments Equity		<u>\$ 44,645</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, 2012**

<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		\$ 22,673
11170-010	Administrative Fee Revenue	134,060	
11170-040	Investment Income	19	
11170-045	Fraud Recovery Revenue	2,292	
11170-060	Total Administrative Fee Revenues		136,371
11170-080	Total Operating Expenses	121,143	
11170-090	Depreciation	8,686	
11170-110	Total Expenses		129,829
11170-002	Net Administrative Fee		6,542
11170-003	Administrative Fee Equity - Ending Balance		29,215
11170	Administrative Fee Equity		<u>\$ 29,215</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 65,853
11180-010	Housing Assistance Payment Revenues	709,675	
11180-015	Fraud Recovery Revenue	2,292	
11180-025	Investment Income	182	
11180-030	Total Housing Assistance Payments Revenues		712,149
11180-080	Housing Assistance Payments	706,130	
11180-100	Total Housing Assistance Payments Expenses		706,130
11180-002	Net Housing Assistance Payments		6,019
11180-003	Housing Assistance Payments Equity - Ending Balance		71,872
11180	Housing Assistance Payments Equity		<u>\$ 71,872</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, 2012**

<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		\$ 59,930
11170-010	Administrative Fee Revenue	77,686	
11170-040	Investment Income	98	
11170-045	Fraud Recovery Revenue	193	
11170-060	Total Administrative Fee Revenues		77,977
11170-080	Total Operating Expenses	78,012	
11170-110	Total Expenses		78,012
11170-002	Net Administrative Fee		(35)
11170-003	Administrative Fee Equity - Ending Balance		59,895
11170	Administrative Fee Equity		<u>\$ 59,895</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 37,128
11180-010	Housing Assistance Payment Revenues	428,107	
11180-015	Fraud Recovery Revenue	192	
11180-025	Investment Income	78	
11180-030	Total Housing Assistance Payments Revenues		428,377
11180-080	Housing Assistance Payments	428,174	
11180-100	Total Housing Assistance Payments Expenses		428,174
11180-002	Net Housing Assistance Payments		203
11180-003	Housing Assistance Payments Equity - Ending Balance		37,331
11180	Housing Assistance Payments Equity		<u>\$ 37,331</u>

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor / Pass Through Grantor Program Title</u>	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Passed through Paulding County:</i>			
Community Development Block Grants - Community Housing Improvement Program (CHIP)	N/A	14.228	\$ 201
<i>Passed through Williams County:</i>			
Community Development Block Grants - Community Housing Improvement Program (CHIP)	N/A	14.228	295
<i>Passed through the City of Napoleon:</i>			
Community Development Block Grants - Community Housing Improvement Program (CHIP)	N/A	14.228	56
<i>Passed through the City of Defiance:</i>			
Community Development Block Grants - Community Housing Improvement Program (CHIP)	N/A	14.228	107
<i>Passed through the City of Bryan:</i>			
Community Development Block Grants - Community Housing Improvement Program (CHIP)	N/A	14.228	149
Total Community Development Block Grants - County Housing Improvement Program (CHIP)			<u>808</u>
<i>Passed through Fulton County:</i>			
Home Investment Partnerships Program	N/A	14.239	18,275
<i>Passed through Paulding County:</i>			
Home Investment Partnerships Program	N/A	14.239	2,007
<i>Passed through Williams County:</i>			
Home Investment Partnerships Program	N/A	14.239	2,950
<i>Passed through the City of Napoleon:</i>			
Home Investment Partnerships Program	N/A	14.239	562
<i>Passed through the City of Defiance:</i>			
Home Investment Partnerships Program	N/A	14.239	1,069
<i>Passed through the City of Bryan:</i>			
Home Investment Partnerships Program	N/A	14.239	1,492
Total Home Investment Partnerships Program			<u>26,355</u>
Section 8 Housing Choice Vouchers (Direct)	N/A	14.871	<u>1,856,084</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,883,247</u>
<b>Total Federal Awards Expenditures</b>			<u>\$ 1,883,247</u>

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

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



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

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

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

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Consortium's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Consortium's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Consortium's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

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

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

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

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
December 12, 2012



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

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

**Compliance**

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

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

In our opinion, the Consortium of Northwest Ohio, Henry County, complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2012.

*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

**Internal Control over Compliance**

The Consortium's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Consortium's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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 compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities, and other members of the Consortium. It is not intended for anyone other than these specified parties.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
December 12, 2012

**CONSORTIUM OF NORTHWEST OHIO  
HENRY COUNTY**

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

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<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>	Unqualified
<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.

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**CONSORTIUM OF NORTHWEST OHIO**

**HENRY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 19, 2013**