

Youngstown Metropolitan Housing Authority

Financial Statements

For the Year Ended June 30, 2012



Dave Yost • Auditor of State

Board of Commissioners
Youngstown Metropolitan Housing Authority
131 West Boardman Street
Youngstown, Ohio 44503

We have reviewed the *Independent Auditors' Report* of the Youngstown Metropolitan Housing Authority, Mahoning County, prepared by Salvatore Consiglio, CPA, 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 Youngstown Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

March 19, 2013

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2012

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Independent Auditors' Report

Board of Commissioners
Youngstown Metropolitan Housing
Authority

I have audited the accompanying financial statements of the business-type activities of Youngstown Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2012, which collectively comprise the Authority basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Youngstown Metropolitan Housing Authority, Ohio's, management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Youngstown Metropolitan Housing Authority, Ohio, as of June 30, 2012, and the respective changes in financial position and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated January 10, 2013, on my consideration of Youngstown Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of my audit.

Accounting principles generally accepted in the United States of America requires that the Management's Discussion and Analysis on page 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Youngstown Metropolitan Housing Authority basic financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The combining financial data schedule ("FDS") and the PHA statement and certification of actual costs are presented for purposes additional as required by the Department of Housing and Urban Development and is not a required part of the Basic Financial Statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by me and other auditors. In my opinion, the information is fairly stated in all material respect in relation to the basic financial statements taken as a whole.

**Salvatore
Consiglio**

Digitally signed by Salvatore
Consiglio
DN: cn=Salvatore Consiglio,
o=Salvatore Consiglio, CPA, Inc., ou,
email=sconsiglio@salcpa.com, c=US
Date: 2013.03.14 08:27:16 -04'00'

Salvatore Consiglio, CPA, Inc.
January 10, 2013

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

As management of the Youngstown Metropolitan Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- Assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$65,279,011 (net assets), an increase of 4.3 percent.
- The Authority's cash and investment balance at June 30, 2012 was \$8,582,366 representing a decrease of \$722,595, or a 7.7 percent, from June 30, 2011.
- The Authority had total revenue of \$29,782,551 and total expenditures of \$27,073,871 for the year ended June 30, 2012, increasing net assets by \$2,708,680 for the year.
- The Authority's capital outlays for the year were \$7,080,962.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. These statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

REQUIRED FINANCIAL STATEMENTS

MD&A

Management Discussion and Analysis

Basic Financial Statements

Statement of Net Assets

Statement of Revenues, Expenses, and Changes in Net Assets

Statement of Cash Flows

Notes to the Financial Statements

The financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

The *statement of activities* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows to future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *combined statement of cash flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The Authority has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

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

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

Housing Choice Voucher Program (Section 8) - HUD provides the Authority with vouchers to assist eligible families rent privately owned homes. A portion of the participant's rent is paid by YMHA to the landlord. The participant is responsible for paying the remainder portion. Applicants are chosen via a lottery.

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development.

The financial statements can be found on pages **10** through **14** of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely a proprietary fund.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 15 through 28 of this report.

SUPPLEMENTARY INFORMATION

Financial Analysis of the Authority

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

**Table 1 - Condensed Statement of Net Assets Compared to Prior Year
(Values Rounded to Nearest Thousand)**

	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 9,167	\$ 10,320
Capital Assets	<u>58,911</u>	<u>55,939</u>
Total Assets	<u>\$ 68,078</u>	<u>\$ 66,259</u>
Current Liabilities	\$ 1,387	\$ 2,081
Long-Term Liabilities	<u>1,412</u>	<u>1,608</u>
Total Liabilities	<u>2,799</u>	<u>3,689</u>
Net Assets:		
Investment in Capital Assets, net of Related Debt	57,731	54,521
Restricted Net Assets	1,209	1,538
Unrestricted Net Assets	<u>6,339</u>	<u>6,511</u>
Total Net Assets	<u>65,279</u>	<u>62,570</u>
Total Liabilities and Net Assets	<u>\$ 68,078</u>	<u>\$ 66,259</u>

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

During 2012, total assets increased by \$1,819,150 due to an increase in the Capital Assets. This increase was due to the purchase of Fixed Assets and the effect of Depreciation Expense for the year.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$65,279,011 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net assets (90 percent) reflects its investments in capital assets (e.g., buildings, machinery, and equipment). The Authority uses these capital assets to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net assets of the Authority are available for future use to provide program services.

Statement of Revenues, Expenses, and Changes in Net Assets

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

**Table 2 - Statement of Revenue, Expenses & Changes in Net Assets
(Values Rounded to Nearest Thousand)**

	<u>2012</u>	<u>2011</u>
<u>Revenues</u>		
Tenant Revenues - Rents & Other	\$ 2,357	\$ 2,425
Operating Subsidies & Grants	20,505	21,236
Capital Grants	6,440	9,963
Investment Income	34	38
Other Revenues	446	227
Total Revenues	<u>29,782</u>	<u>33,889</u>
<u>Expenses</u>		
Administrative	4,800	4,907
Tenant Services	12	212
Utilities	2,076	2,444
Maintenance	4,310	3,260
Protective Services	416	473
General & Interest Expenses	726	707
Housing Assistance Payments	10,625	10,439
Depreciation	4,108	4,616
Other	-	364
Total Expenses	<u>27,073</u>	<u>27,422</u>
Net Increases (Decreases)	<u>\$ 2,709</u>	<u>\$ 6,467</u>

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

The net assets of the Authority increased by \$2,708,680 during the current fiscal year. The Authority receives its primary source of income from governmental revenues through HUD's Line-of-Credit Control System (eLOCCS). Allowable program expenses, with the exception of non-cash transactions (such as depreciation expense and changes in compensated absences) are drawn down from funds granted to the Authority. Governmental revenues, rental income, and charges for services were sufficient to cover all expenses incurred during fiscal year 2012.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012, the Authority's investment in capital assets for its business-type activities was \$58,911,099 (net of accumulated depreciation) as reflected in the following schedule.

**Table 3 - Condensed Statement of Changes in Capital Assets
(Values Rounded to Nearest Thousand)**

	<u>2012</u>	<u>2011</u>
Land and Land Rights	\$ 3,337	\$ 3,339
Building & Improvements	152,144	145,492
Equipment	1,183	1,843
Construction in Progress	1,926	835
Accumulated Depreciation	<u>(99,679)</u>	<u>(95,571)</u>
 Total	 <u>\$ 58,911</u>	 <u>\$ 55,938</u>

Capital Assets and Debt Administration

Major capital asset transactions during the current fiscal year include the following:

- Exterior Renovations at Victory Estates \$194,253.
- Interior Renovations Norton Manor \$302,649.
- Development of Village at Arlington \$204,737.
- Brier Hill Renovations \$3,987,734.
- Lowellville Roof \$102,194.

Additional information on the Authority's capital assets can be found in Note 4 on pages 20 and 21 of this report.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

LONG-TERM DEBT

As of June 30, 2012, the Authority had \$1,180,144 of debt, a decrease of \$237,380, or 16.7 percent, over the prior year. The Authority has one note payable that was used to increase the energy efficiency of the Authority's buildings and bears interest at 5.16% and has an outstanding balance at year-end of \$1,180,144.

**Table 4 - Condensed Statement of Changes in Debt Outstanding
(Values Rounded to Nearest Thousand)**

	<u>2012</u>	<u>2011</u>
Current Portion of Debt	\$ 263	\$ 237
Long Term Portion of Debt	<u>917</u>	<u>1,181</u>
Total	<u>\$ 1,180</u>	<u>\$ 1,418</u>

Additional information on the Authority's long-term debt can be found in Note 7 on pages 24 and 25 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the 2013 fiscal year:

- Westlake Terrace has been demolished and will be replaced with Low Income Housing Tax Credit Units in a development to be named The Village at Arlington.
- In the past HUD has not fully funded the operating subsidy but has been funding around 90% of the eligible subsidy.
- The Authority's operating expenditures do not show any significant increases other than expected inflationary increases.

Future Events that will Financially Impact the Authority

Approximately 90 percent of the Authority's revenues come from governmental grants. Going forward, the Authority will need to develop alternative sources of income to avoid the risks inherent in being dependent on one primary source of revenue. HUD has encouraged public housing authorities to become more entrepreneurial in their operations to protect against decreasing funding and/or other unforeseen circumstances. Without taking such actions, the Authority could face uncertainty in the future.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2012
(Unaudited)**

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Youngstown Metropolitan Housing Authority, 131 West Boardman Street, Youngstown, Ohio 44503, or call (330) 744-2161.

Respectfully submitted,

Carmelita Douglas
Executive Director

Youngstown Metropolitan Housing Authority
Statement of Net Assets
Proprietary Funds
June 30, 2012

ASSETS

Current assets	
Cash and cash equivalents	\$5,084,188
Restricted cash and cash equivalents	1,473,487
Investments	2,024,691
Receivables, net	302,693
Inventories, net	38,991
Prepaid expenses and other assets	64,364
Total current assets	<u>8,988,414</u>
Noncurrent assets	
Capital assets:	
Land	3,336,699
Building and equipment	153,327,345
Construction in Progress	1,926,311
Less accumulated depreciation	<u>(99,679,256)</u>
Capital assets, net	<u>58,911,099</u>
Other noncurrent assets	178,804
Total noncurrent assets	<u>59,089,903</u>
Total assets	<u><u>\$68,078,317</u></u>

LIABILITIES

Current liabilities	
Accounts payable	\$484,949
Accrued liabilities	479,343
Intergovernmental payables	10,769
Tenant security deposits	149,495
Bonds, notes, and loans payable	262,630
Total current liabilities	<u>1,387,186</u>

The accompanying notes to the Financial Statements are an integral part of these statements.

Youngstown Metropolitan Housing Authority
Statement of Net Assets (Continued)
Proprietary Funds
June 30, 2012

Noncurrent liabilities	
Bonds, notes, and loans payable	917,514
Noncurrent liability other	114,975
Accrued compensated absences non-current	379,631
Total noncurrent liabilities	<u>1,412,120</u>
Total liabilities	<u><u>\$2,799,306</u></u>
<i>NET ASSETS</i>	
Invested in capital assets, net of related debt	\$57,730,955
Restricted net assets	1,209,017
Unrestricted net assets	<u>6,339,039</u>
Total net assets	<u><u>\$65,279,011</u></u>

The accompanying notes to the Financial Statements are an integral part of these statements.

Youngstown Metropolitan Housing Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

OPERATING REVENUES

Tenant Revenue	\$2,356,553
Government operating grants	20,505,402
Other revenue	446,295
Total operating revenues	<u>23,308,250</u>

OPERATING EXPENSES

Administrative	4,800,467
Tenant Services	12,099
Utilities	2,076,033
Maintenance	4,309,536
Protective Services	416,375
General	658,949
Housing assistance payment	10,624,809
Depreciation	4,108,452
Total operating expenses	<u>27,006,720</u>

Operating income (loss) **(3,698,470)**

NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue	34,038
Interest expense	(67,151)
Total nonoperating revenues (expenses)	<u>(33,113)</u>

Income (loss) before contributions and transfers **(3,731,583)**

CAPITAL REVENUE

Capital grants	6,440,263
Total capital revenue	<u>6,440,263</u>

Change in net assets	2,708,680
Total net assets - beginning (Restated)	<u>62,570,331</u>

Total net assets - ending **\$65,279,011**

The accompanying notes to the Financial Statements are an integral part of these statements.

Youngstown Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Operating grants received	\$20,889,797
Tenant revenue received	2,393,571
Other revenue received	452,240
General and administrative expenses paid	(12,922,202)
Housing assistance payments	<u>(10,624,809)</u>

Net cash provided (used) by operating activities **188,597**

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned	34,038
Investment Increase	<u>(12,360)</u>

Net cash provided (used) by investing activities **21,678**

CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES

Capital grant funds received	6,440,263
Property and equipment purchased	(7,080,962)
Principal Payment	(237,380)
Interest Payment on Debt	<u>(67,151)</u>

Net cash provided (used) by capital and related activities **(945,230)**

Net increase (decrease) in cash (734,955)

Cash and cash equivalents - Beginning of year 7,292,630

Cash and cash equivalents - End of year **\$6,557,675**

The accompanying notes to the Financial Statements are an integral part of these statements.

**Youngstown Metropolitan Housing Authority
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2012**

***RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES***

Net Operating Income (Loss)	(\$3,698,470)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	4,108,452
- (Increases) Decreases in Accounts Receivable	428,413
- (Increases) Decreases in Prepaid Assets	2,356
- Increases (Decreases) in Accounts Payable	(704,976)
- Increases (Decreases) in Noncurrent Liability Other	(10,644)
- Increases (Decreases) in Intergovernmental Payable	(3,840)
- Increases (Decreases) in Compensated Absence Payable	77,609
- Increases (Decreases) in Accrued Expenses Payable	(15,783)
- Increases (Decreases) in Tenant Security Deposits	6,535
- Increases (Decreases) in Deferred Revenue	(1,055)
	\$188,597
Net cash provided by operating activities	\$188,597

The accompanying notes to the Financial Statements are an integral part of these statements.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity and Programs

The Youngstown Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. The Authority 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 rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The Authority participates in the Section 8 Moderate Rehab, Substantial Rehab, New Construction and Housing Choice Voucher programs provided by HUD. In these section 8 programs, rental assistance is provided to families based on the families' ability to pay in accordance with HUD regulations. Under the Housing Choice Voucher program, the rental assistance is tied to the tenant family. The rental assistance, in general, is provided to help the family pay rent where ever they choose to live. Under the Mod Rehab, Substantial Rehab, and New Construction Programs, the rental assistance is tied to the dwelling unit selected by HUD. A tenant family becomes eligible for rental assistance when they rent the unit selected by HUD. The Authority also participates in the Public Housing program. Under this program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

Summary of Significant Accounting Policies

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

Reporting Entity

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

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

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that 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 Authority over which the Authority is financially accountable.

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

Proprietary Fund Types

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

Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

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

Interprogram Balances

Receivables and payables resulting from short-term interprogram loans are classified as "Inter-program Due from/to" in respective program financial statements. These amounts are eliminated in the Authority's statement of net assets in the basic financial statements.

Investments

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. The Authority has only cash deposits, and no investments at June 30, 2012. Interest income earned in fiscal year 2012 totaled \$34,038.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over an 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 Authority capitalizes all assets with a cost of \$1,000 or more. See Note 4 for useful lives for depreciation purposes.

Cash and Cash Equivalents

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

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of 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; and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability. Information regarding compensated absences is detailed in Note 8.

Budgetary Accounting

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is adopted by the Board of the Housing Authority.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits

At fiscal year end, the carrying amount of the Authority's deposits was \$8,582,366 and the bank balance was \$8,810,920. Based on criteria described in GASB Statement No.40, *Deposits and Investments Risk Disclosures*, as of June 30, 2012, \$750,000 of the Authority's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority or by pooled collateral. Included in the carrying value of the Authority's deposits is \$500 in petty cash.

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

approved by the Authority's Board. All deposits are collateralized with eligible securities in amounts equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve bank in the name of the Authority.

Investments

The Authority has a formal investment policy; the Authority had investments of a market value of \$2,024,691 at June 30, 2012.

Interest Rate Risk

The Authority's investment policy limits investments to 5 years but does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Authority staggers maturity dates of investments to avoid losses from rising interest rates.

Credit Risk

Any deposits of the Authority exceeding the \$250,000 FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as provided by the Ohio Revised Code.

Concentration of Credit Risk

The Authority does not limit the amount of funds that may be on deposit with any one financial institution; however, as was mentioned in the preceding, all deposits exceeding the \$250,000 FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as permitted by the Ohio Revised Code.

Cash and cash equivalents included in the Authority's cash position at June 30, 2012, are as follows:

	Cash and Equivalents	Investments
Cash - Unrestricted	\$5,084,188	2,024,691
Cash - Restricted	1,473,487	0
Total Per GASB Statement No. 3	\$6,557,675	\$2,024,691

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 3: INSURANCE COVERAGE

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees.

To protect against risks to which the Authority is exposed, the Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI). OHAPCI is an insurance risk pool comprised of three Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

	<u>Deductible</u>	<u>Coverage Limits</u>
Property (per occurrence)	\$ 2,500	\$ 250,000,000
General Liability	\$ 0	\$ 5,000,000
Automobile Physical Damage/Liability	\$500/\$500	ACV/\$5,000,000
Public Officials	\$ 0	\$ 5,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority provides employee group health care benefits via a partially self-funded plan administered by Enterprise Group Planning, Inc. Excess loss coverage for the plan is provided by QBE Insurance Corporation. There was no significant reduction in coverage and settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 4: CAPITAL ASSETS

The following is a summary of the Authority's capital assets:

Capital Assets Not Depreciated	
Land	\$3,336,699
Construction in Progress	1,926,311
Total Capital Assets not Depreciated	<u>5,263,010</u>
Capital Assets Being Depreciated	
Building and Building Improvements	151,153,081
Furniture, Equipment, and Machinery	2,174,264
Total Capital Assets Being Depreciated	<u>153,327,345</u>
Less: Accumulated Depreciation	<u>(99,679,256)</u>
Subtotal Capital Assets Being Depreciated	<u>53,648,089</u>
Total Capital Assets, Net	<u><u>\$58,911,099</u></u>

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 4: CAPITAL ASSETS (Continued)

The Authority capitalizes all assets with a cost of \$1,000 or more. The Authority uses the straight line method of depreciation. The following is a list of useful lives for depreciation purposes:

Buildings	15 to 40 years
Equipment	7 years
Computer Equipment	3 years
Vehicles	5 years
Maintenance Equipment	7 years

The following is a summary of changes in capital assets:

	Balance 06/30/11	Additions	Deletions	Balance 06/30/12
<u>Capital Assets not Depreciated</u>				
Land	\$3,339,041	\$0	(\$2,342)	\$3,336,699
Construction in Progress	835,242	1,926,311	(835,242)	1,926,311
Total Capital Assets not Depreciated	4,174,283	1,926,311	(837,584)	5,263,010
<u>Capital Assets Being Depreciated</u>				
Building and Building Improvements	145,492,217	5,660,864	0	151,153,081
Furniture, Equipment, and Machinery	1,842,893	331,371	0	2,174,264
Total Capital Assets being Depreciated	147,335,110	5,992,235	0	153,327,345
<u>Accumulated Depreciation</u>				
Building and Building Improvements	(94,170,203)	(3,993,199)	0	(98,163,402)
Furniture, Equipment, and Machinery	(1,400,605)	(115,249)	0	(1,515,854)
Total Accumulated Depreciation	(95,570,808)	(4,108,448)	0	(99,679,256)
Depreciable Assets, Net	51,764,302	1,883,787	0	53,648,089
Total Capital Assets, Net	\$55,938,585	\$3,810,098	(\$837,584)	\$58,911,099

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 5: DEFINED BENEFIT PENSION PLAN

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans as described below:

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

OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Direct Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issue a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2011-2012, member and employer rates were consistent across all three plans. The 2011-2012 member contribution rates were 10.0% for members and 14.0% for employers of covered payroll.

The Authority's required contributions to OPERS for the years ended June 30, 2012, 2011 and 2010 were \$480,242, \$349,242 and \$498,668, respectively; 100 percent has been contributed for all three years.

NOTE 6: POST-EMPLOYMENT BENEFITS

A. Plan Description

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

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)

NOTE 6: POST-EMPLOYMENT BENEFITS (continued)

Combined Plan - a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

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

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, the Authority contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 6: POST-EMPLOYMENT BENEFITS (continued)

OPERS' Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contribution allocated to the health care plan was 5.50 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions for the years ended June 30, 2012, 2011 and 2010, which were used to fund post-employment benefits, were \$188,667, \$137,202 and \$195,905, respectively.

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

NOTE 7: LONG-TERM DEBT

A summary of the Authority's debt is as follows:

	<u>06/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/12</u>	<u>Due within One Year</u>
Long-Term Debt					
<i>Primary Government</i>					
PNC Bank, 12/01/04, 5.16%					
Original loan amount \$2,722,385	\$1,417,524	\$0	(\$237,380)	\$1,180,144	\$262,630
Total Long-Term Debt Obligation	<u>\$1,417,524</u>	<u>\$0</u>	<u>(\$237,380)</u>	<u>\$1,180,144</u>	<u>\$262,630</u>

Long-term debt for the Low Rent Public Housing program consists of a 12-year 2005 note payable to PNC Bank. The proceeds of \$2,722,385 were used to improve the energy efficiency of the Authority's properties. The note is secured by the equipment purchased and bears a rate of 5.16 percent.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 7: LONG-TERM DEBT (continued)

The note and settlement agreement matures as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-2013	\$262,630	\$41,891	\$304,521
2013-2014	276,514	28,007	304,521
2014-2015	291,130	13,391	304,521
2015-2016	304,473	48	304,521
2016-2017	45,397	-	45,397
Total	<u>\$1,180,144</u>	<u>\$83,337</u>	<u>\$1,263,481</u>

NOTE 8: COMPENSATED ABSENCES

Full time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation days exceeding those earned in the current year may not be carried over into the next calendar year. Generally, upon termination after one year of service, employees are entitled to be paid all accrued vacation. The following schedule details earned annual leave based on length of service:

<u>Management</u>		<u>Maintenance and Administration</u>	
1-5 years	2 weeks	1-5 years	2 weeks
6-10 years	3 weeks	6-10 years	3 weeks
11-15 years	4 weeks	11-15 years	4 weeks
16-20 years	5 weeks	16-20 years	5 weeks
21 years and over	6 weeks	21 years and over	6 weeks

Sick leave accrued to full time, permanent employees to specified maximums. Sick leave may be cumulative without limit. However, management employees with 7 years or more of service, upon termination of employment, may receive 100 percent of their accumulated sick leave, up to a maximum of 120 days. Maintenance and administrative employees with 7 or more years of service, upon termination of employment, may receive 50 percent of their accumulated sick leave, up to a maximum of 60 days.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 8: COMPENSATED ABSENCES (Continued)

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service requirement is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future. The estimated liability for compensated absences at June 30, 2012, based on the vesting method is detailed as follows:

	Current Accrued Compensated Absences	Long-Term Accrued Compensated Absences	Total Accrued Compensated Absences
Public Housing	\$129,760	\$190,057	\$319,817
Housing Choice Voucher	39,265	32,412	71,677
Central Office	109,520	157,162	266,682

The following is a summary of changes in compensated absence liability:

	Balance 06/30/11	Net Change	Balance 06/30/12
Compensated Absence Liability	\$574,261	\$83,915	\$658,176

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 9: INTERPROGRAM RECEIVABLES AND PAYABLES

The following balances at June 30, 2012 represent individual fund interprogram receivables and payables:

	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
Total AMPS	\$189,987	\$0
Resident Opportunity	0	6587
Local Grants	23219	5146
Section 8 N/C S/R	0	32906
Central Office	26630	215296
Section 8 Voucher	31660	0
Housing Counseling		
Grant	0	11254
ARRA Competitive Grant	0	307
	<u>0</u>	<u>0</u>
Total	<u>\$271,496</u>	<u>\$271,496</u>

These inter-program receivables and payables have been eliminated in the statement of net assets.

NOTE 10: CONTINGENCIES

Litigations and Claims

In the normal course of operations the Authority may be subject to litigation and claims. At June 30, 2012 the Authority was involved in such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

**YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 11: CONSTRUCTION COMMITMENTS

The Authority had the following material capital or construction commitment at June 30, 2012:

	Contract Amount	Balance Outstanding June 30, 2012
Brier Hill Renovations	\$8,898,525	\$579,605
Lowellville Bathroom Renovations	\$255,333	\$127,801
Village of Arlington Construction	\$5,557,847	\$2,592,847

NOTE 12: NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

NOTE 13: PRIOR PERIOD ADJUSTMENT

The beginning net assets needed to be restated by \$270 to properly restate the balances.

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14 871 Housing Choice Vouchers	14 182 N/C S/R Section 8 Programs	State/Loc	14 169 Hous Couns Assist Prg	14 884 Compt CFP Stimulus Grant	14 885 Formula Capital Fund Stimulus Grant	14 870 ROSS	17 274 Youth Build Prg	14 856 Section 8 Mod Rehab	COCC	ELIM	Total
111 Cash - Unrestricted	3,782,414	235,601	681,490	0	0	0	0	0	0	131,355	253,328	0	5,084,188
113 Cash - Other Restricted	34,967	1,289,025	0	0	0	0	0	0	0	0	0	0	1,323,992
114 Cash - Tenant Security Deposits	143,702	0	5,793	0	0	0	0	0	0	0	0	0	149,495
100 Total Cash	3,961,083	1,524,626	687,283	0	0	0	0	0	0	131,355	253,328	0	6,557,675
122 Accounts Receivable - HUD Other Projects	6,123	0	0	0	11,521	123,124	0	7,753	0	0	0	0	148,521
124 Accounts Receivable - Other Government	0	0	0	3,942	0	0	0	0	0	0	0	0	3,942
125 Accounts Receivable - Miscellaneous	0	0	0	0	0	0	0	0	0	0	8,983	0	8,983
126 Accounts Receivable - Tenants	194,793	0	585	0	0	0	0	0	0	0	0	0	195,378
126.1 Allowance for Doubtful Accounts - Tenants	(54,131)	0	0	0	0	0	0	0	0	0	0	0	(54,131)
120 Total Receivables, Net of Allowances for Doubtful Accounts	146,785	0	585	3,942	11,521	123,124	0	7,753	0	0	8,983	0	302,693
131 Investments - Unrestricted	1,899,641	0	0	0	0	0	0	0	0	0	125,050	0	2,024,691
142 Prepaid Expenses and Other Assets	54,994	1,416	611	0	0	0	0	0	0	0	7,343	0	64,364
143 Inventories	36,991	0	2,000	0	0	0	0	0	0	0	0	0	38,991
144 Inter Program Due From	189,987	31,660	0	23,219	0	0	0	0	0	0	26,630	(271,496)	0
150 Total Current Assets	6,289,481	1,557,702	690,479	27,161	11,521	123,124	0	7,753	0	131,355	421,334	(271,496)	8,988,414
161 Land	3,226,199	0	88,000	22,500	0	0	0	0	0	0	0	0	3,336,699
162 Buildings	140,343,924	0	2,225,676	0	0	8,570,481	0	0	0	0	13,000	0	151,153,081

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
163 Furniture, Equipment & Machinery - Dwellings	621,044	0	0	370,683	0	0	0	0	0	0	0	0	991,727
164 Furniture, Equipment & Machinery - Administration	194,973	185,880	21,342	17,192	0	0	0	0	0	0	763,150	0	1,182,537
166 Accumulated Depreciation	(96,701,773)	(138,697)	(1,346,185)	(11,728)	0	(906,377)	0	0	0	0	(574,496)	0	(99,679,256)
167 Construction in Progress	1,780,449	0	0	0	0	120,862	0	0	0	0	25,000	0	1,926,311
160 Total Capital Assets, Net of Accumulated Depreciation	49,464,816	47,183	988,833	398,647	0	7,784,966	0	0	0	0	226,654	0	58,911,099
171 Notes, Loans and Mortgages Receivable - Non-Current	177,354	0	0	0	0	0	0	0	0	0	0	0	177,354
174 Other Assets	0	0	0	0	0	0	0	0	0	0	1,450	0	1,450
180 Total Non-Current Assets	49,642,170	47,183	988,833	398,647	0	7,784,966	0	0	0	0	228,104	0	59,089,903
190 Total Assets	55,931,651	1,604,885	1,679,312	425,808	11,521	7,908,090	0	7,753	0	131,355	649,438	(271,496)	68,078,317
312 Accounts Payable <= 90 Days	313,700	8,123	2,317	1,027	0	122,817	0	0	0	0	36,965	0	484,949
321 Accrued Wage/Payroll Taxes Payable	81,009	33,357	2,791	2,516	267	0	0	1,166	0	0	79,692	0	200,798
322 Accrued Compensated Absences - Current Portion	129,760	39,265	0	0	0	0	0	0	0	0	109,520	0	278,545
331 Accounts Payable - HUD PHA Programs	595	0	0	0	0	0	0	0	0	0	0	0	595
332 Account Payable - PHA Projects	0	0	0	0	0	0	0	0	0	10,174	0	0	10,174
341 Tenant Security Deposits	143,702	0	5,793	0	0	0	0	0	0	0	0	0	149,495

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	262,630	0	0	0	0	0	0	0	0	0	0	0	262,630
347 Inter Program - Due To	0	0	32,906	5,146	11,254	307	0	6,587	0	0	215,296	(271,496)	0
310 Total Current Liabilities	931,396	80,745	43,807	8,689	11,521	123,124	0	7,753	0	10,174	441,473	(271,496)	1,387,186
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	917,514	0	0	0	0	0	0	0	0	0	0	0	917,514
353 Non-current Liabilities - Other	34,967	80,008	0	0	0	0	0	0	0	0	0	0	114,975
354 Accrued Compensated Absences - Non Current	190,057	32,412	0	0	0	0	0	0	0	0	157,162	0	379,631
350 Total Non-Current Liabilities	1,142,538	112,420	0	0	0	0	0	0	0	0	157,162	0	1,412,120
300 Total Liabilities	2,073,934	193,165	43,807	8,689	11,521	123,124	0	7,753	0	10,174	598,635	(271,496)	2,799,306
508.1 Invested In Capital Assets, Net of Related Debt	48,284,672	47,183	988,833	398,647	0	7,784,966	0	0	0	0	226,654	0	57,730,955
511.1 Restricted Net Assets	0	1,209,017	0	0	0	0	0	0	0	0	0	0	1,209,017
512.1 Unrestricted Net Assets	5,573,045	155,520	646,672	18,472	0	0	0	0	0	121,181	(175,851)	0	6,339,039
513 Total Equity/Net Assets	53,857,717	1,411,720	1,635,505	417,119	0	7,784,966	0	0	0	121,181	50,803	0	65,279,011
600 Total Liabilities and Equity/Net Assets	55,931,651	1,604,885	1,679,312	425,808	11,521	7,908,090	0	7,753	0	131,355	649,438	(271,496)	68,078,317
70300 Net Tenant Rental Revenue	\$2,007,202	\$0	\$129,962	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,137,164

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
70400 Tenant Revenue - Other	\$219,096	\$0	\$293	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$219,389
70500 Total Tenant Revenue	\$2,226,298	\$0	\$130,255	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,356,553
70600 HUD PHA Operating Grants	\$8,034,513	\$11,332,253	\$116,861	\$0	\$24,491	\$382,583	\$0	\$78,758	\$63,841	\$215,013	\$0	\$0	\$20,248,313
70610 Capital Grants	\$2,392,482	\$0	\$0	\$0	\$0	\$4,047,781	\$0	\$0	\$0	\$0	\$0	\$0	\$6,440,263
70710 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$597,550	(\$597,550)	\$0
70720 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$146,580	(\$146,580)	\$0
70730 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,974	(\$103,974)	\$0
70740 Front Line Service Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,270	(\$115,270)	\$0
70750 Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$308,472	(\$308,472)	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$257,089	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$257,089
71100 Investment Income - Unrestricted	\$25,642	\$117	\$3,143	\$0	\$0	\$0	\$0	\$0	\$0	\$47	\$4,119	\$0	\$33,068
71400 Fraud Recovery	\$0	\$522	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$522
71500 Other Revenue	\$80,609	\$33,698	\$894	\$54,846	\$0	\$0	\$0	\$0	\$0	\$0	\$302,586	(\$26,860)	\$445,773
72000 Investment Income - Restricted	\$0	\$970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$970
70000 Total Revenue	\$12,759,544	\$11,367,560	\$251,153	\$311,935	\$24,491	\$4,430,364	\$0	\$78,758	\$63,841	\$215,060	\$1,578,551	(\$1,298,706)	\$29,782,551
91100 Administrative Salaries	\$584,275	\$558,347	\$26,513	\$41,790	\$15,919	\$0	\$0	\$47,279	\$37,583	\$9,656	\$1,012,019	\$0	\$2,333,381
91200 Auditing Fees	\$17,988	\$5,106	\$473	\$0	\$0	\$0	\$0	\$0	\$0	\$99	\$0	\$0	\$23,666
91300 Management Fee	\$597,550	\$297,098	\$5,988	\$0	\$0	\$0	\$0	\$0	\$0	\$5,386	\$0	(\$906,022)	\$0
91310 Book-keeping Fee	\$100,231	\$0	\$3,743	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$103,974)	\$0
91400 Advertising and Marketing	\$830	\$685	\$1,275	\$269	\$0	\$0	\$0	\$0	\$0	\$12	\$8,373	\$0	\$11,444
91500 Employee Benefit contributions - Administrative	\$301,451	\$271,717	\$12,955	\$25,451	\$8,572	\$0	\$0	\$25,458	\$20,236	\$4,699	\$512,648	\$0	\$1,183,187

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
91600 Office Expenses	\$13,606	\$9,083	\$187	\$807	\$0	\$0	\$0	\$605	\$0	\$157	\$13,442	\$0	\$37,887
91700 Legal Expense	\$48,406	\$44	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$207,687	\$0	\$256,138
91800 Travel	\$5,414	\$2,768	\$1,118	\$1,411	\$0	\$0	\$0	\$773	\$0	\$48	\$34,638	\$0	\$46,170
91900 Other	\$397,834	\$76,385	\$12,524	\$13,367	\$0	\$0	\$0	\$4,643	\$117	\$1,321	\$402,403	\$0	\$908,594
91000 Total Operating - Administrative	\$2,067,585	\$1,221,233	\$64,776	\$83,095	\$24,491	\$0	\$0	\$78,758	\$57,936	\$21,379	\$2,191,210	(\$1,009,996)	\$4,800,467
92000 Asset Management Fee	\$146,580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$146,580)	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,525	\$0	\$0	\$0	\$5,525
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$3,314	\$0	\$0	\$0	\$0	\$0	\$0	\$3,314
92400 Tenant Services - Other	\$2,868	\$0	\$266	\$126	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,260
92500 Total Tenant Services	\$2,868	\$0	\$266	\$126	\$0	\$3,314	\$0	\$0	\$5,525	\$0	\$0	\$0	\$12,099
93100 Water	\$236,463	\$295	\$8,926	\$326	\$0	\$0	\$0	\$0	\$0	\$7	\$1,251	\$0	\$247,268
93200 Electricity	\$797,603	\$4,520	\$34,264	\$2,012	\$0	\$0	\$0	\$0	\$259	\$78	\$19,144	\$0	\$857,880
93300 Gas	\$522,649	\$1,125	\$3,377	\$2,695	\$0	\$0	\$0	\$0	\$0	\$19	\$4,761	\$0	\$534,626
93600 Sewer	\$422,271	\$407	\$11,771	\$80	\$0	\$0	\$0	\$0	\$0	\$5	\$1,725	\$0	\$436,259
93000 Total Utilities	\$1,978,986	\$6,347	\$58,338	\$5,113	\$0	\$0	\$0	\$0	\$259	\$109	\$26,881	\$0	\$2,076,033
94100 Ordinary Maintenance and Operations - Labor	\$1,068,795	\$0	\$29,906	\$2,158	\$0	\$0	\$0	\$0	\$0	\$0	\$118,756	\$0	\$1,219,615
94200 Ordinary Maintenance and Operations - Materials and Other	\$323,990	\$5,951	\$3,214	\$9,255	\$0	\$0	\$0	\$0	\$0	\$103	\$19,251	\$0	\$361,764
94300 Ordinary Maintenance and Operations Contracts	\$2,010,837	\$4,464	\$32,695	\$12,471	\$0	\$148,553	\$0	\$0	\$56	\$77	\$42,764	(\$142,130)	\$2,109,787
94500 Employee Benefit Contributions -	\$523,813	\$0	\$14,613	\$1,342	\$0	\$0	\$0	\$0	\$0	\$0	\$60,076	\$0	\$599,844

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
Ordinary Maintenance													
94000 Total Maintenance	\$3,927,435	\$10,415	\$80,428	\$25,226	\$0	\$148,553	\$0	\$0	\$56	\$180	\$240,847	(\$142,130)	\$4,291,010
95200 Protective Services - Other Contract Costs	\$396,277	\$0	\$12,185	\$0	\$0	\$0	\$0	\$0	\$65	\$0	\$7,848	\$0	\$416,375
95000 Total Protective Services	\$396,277	\$0	\$12,185	\$0	\$0	\$0	\$0	\$0	\$65	\$0	\$7,848	\$0	\$416,375
96110 Property Insurance	\$196,118	\$0	\$2,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$198,318
96120 Liability Insurance	\$0	\$7,365	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127	\$24,851	\$0	\$32,343
96130 Workmen's Compensation	\$28,734	\$8,859	\$954	\$0	\$0	\$0	\$0	\$0	\$0	\$153	\$27,209	\$0	\$65,909
96100 Total insurance Premiums	\$224,852	\$16,224	\$3,154	\$0	\$0	\$0	\$0	\$0	\$0	\$280	\$52,060	\$0	\$296,570
96200 Other General Expenses	\$0	\$43	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2	(\$1,079)	\$0	(\$1,034)
96210 Compensated Absences	\$28,727	\$2,363	\$514	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,292	\$0	\$83,896
96300 Payments in Lieu of Taxes	\$44,950	\$0	\$0	\$996	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,946
96400 Bad debt - Tenant Rents	\$173,609	\$0	(\$16)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$173,593
96800 Severance Expense	\$37,789	\$3,198	\$8	\$4,490	\$0	\$0	\$0	\$0	\$0	\$55	\$14,438	\$0	\$59,978
96000 Total Other General Expenses	\$285,075	\$5,604	\$506	\$5,486	\$0	\$0	\$0	\$0	\$0	\$57	\$65,651	\$0	\$362,379
96720 Interest on Notes Payable (Short and Long Term)	\$67,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,151
96700 Total Interest Expense and Amortization Cost	\$67,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,151

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
96900 Total Operating Expenses	\$9,096,809	\$1,259,823	\$219,653	\$119,046	\$24,491	\$151,867	\$0	\$78,758	\$63,841	\$22,005	\$2,584,497	(\$1,298,706)	\$12,322,084
97000 Excess of Operating Revenue over Operating Expenses	\$3,662,735	\$10,107,737	\$31,500	\$192,889	\$0	\$4,278,497	\$0	\$0	\$0	\$193,055	(\$1,005,946)	\$0	\$17,460,467
97200 Casualty Losses - Non-capitalized	\$18,282	\$0	\$244	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,526
97300 Housing Assistance Payments	\$0	\$10,429,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$195,026	\$0	\$0	\$10,624,809
97400 Depreciation Expense	\$3,180,612	\$30,905	\$247,150	\$3,768	\$0	\$575,539	\$0	\$0	\$0	\$0	\$70,478	\$0	\$4,108,452
90000 Total Expenses	\$12,295,703	\$11,720,511	\$467,047	\$122,814	\$24,491	\$727,406	\$0	\$78,758	\$63,841	\$217,031	\$2,654,975	(\$1,298,706)	\$27,073,871
10010 Operating Transfer In	\$429,505	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$445,469	(\$874,974)	\$0
10020 Operating transfer Out	(\$644,258)	\$0	\$0	\$0	\$0	(\$230,716)	\$0	\$0	\$0	\$0	\$0	\$874,974	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$62,218	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$62,218)	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$62,218)	\$62,218	\$0
10100 Total Other financing Sources (Uses)	(\$214,753)	\$0	\$0	\$62,218	\$0	(\$230,716)	\$0	\$0	\$0	\$0	\$383,251	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$249,088	(\$352,951)	(\$215,894)	\$251,339	\$0	\$3,472,242	\$0	\$0	\$0	(\$1,971)	(\$693,173)	\$0	\$2,708,680
11030 Beginning Equity	\$50,336,008	\$1,764,666	\$1,851,399	\$158,541	\$0	\$4,312,774	\$3,272,306	\$0	\$7,239	\$123,152	\$743,976	\$0	\$62,570,061
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$3,272,621	\$5	\$0	\$7,239	\$0	(\$50)	(\$3,272,306)	\$0	(\$7,239)	\$0	\$0	\$0	\$270

Youngstown Metropolitan Housing Authority
Financial Data Schedule
June 30, 2012

	Project Total	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	State/Loc	14.169 Hous Couns Assist Prg	14.884 Compt CFP Stimulus Grant	14.885 Formula Capital Fund Stimulus Grant	14.870 ROSS	17.274 Youth Build Prg	14.856 Section 8 Mod Rehab	COCC	ELIM	Total
11020 Required Annual Debt Principal Payments	\$262,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$262,630
11170 Administrative Fee Equity	\$0	\$202,703	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$202,703
11180 Housing Assistance Payments Equity	\$0	\$1,209,017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,209,017
11190 Unit Months Available	14,320	26,556	528	0	0	0	0	0	0	720	0	0	42,124
11210 Number of Unit Months Leased	13,312	25,188	499	0	0	0	0	0	0	720	0	0	39,719
11620 Building Purchases	\$2,392,482	\$0	\$0	\$0	\$0	\$4,047,781	\$0	\$0	\$0	\$0	\$0	\$0	\$6,440,263

Youngstown Metropolitan Housing Authority
Schedule of Expenditure of Federal Award
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development		
Direct Program		
Section 8 Project Base (Cluster):		
Section 8 New Construction Program	14.182	\$116,861
Section 8 Moderate Rehabilitation (Cluster)	14.856	<u>215,013</u>
Total Section 8 Project Base Cluster Programs		<u>331,874</u>
Housing Counseling Assistance Program	14.169	24,491
Low Rent Public Housing	14.850	6,198,202
Resident Opportunity and Supportive Services	14.870	78,758
Housing Choice Voucher Program	14.871	11,332,253
Capital Fund Program Cluster:		
- Public Housing Capital Fund Program	14.872	4,228,793
- Capital Fund Competitive Stimulus Grant	14.884	<u>4,430,364</u>
Total Capital Fund Program (Cluster)		<u>8,659,157</u>
Total U.S. Department of Housing and Urban Development		<u>26,624,735</u>
U.S. Department of Labor		
Direct Program		
Youthbuild	17.274	<u>63,841</u>
Total U.S. Department of Labor		<u>63,841</u>
Total Expenditure of Federal Award		<u>\$26,688,576</u>

Youngstown Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
June 30, 2012

Capital Fund Program Number OH12P00250108

1. The Program Costs are as follows:

Funds Approved	\$2,649,005
Funds Expended	<u>2,649,005</u>
Excess (Deficiency) of Funds Approved	<u>\$ -0-</u>
Funds Advanced	\$2,649,005
Funds Expended	<u>2,649,005</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -0-</u>

2. All costs have been paid and there are no outstanding obligations.
3. The Final Financial Status Report was signed and filed on January 10, 2013.
4. The final costs on the certification agree to the Authority's records.



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

Board of Commissioners
Youngstown Metropolitan Housing Authority

I have audited the financial statements of the business-type activities of the Youngstown Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2012, which collectively comprise the Youngstown Metropolitan Housing Authority basic financial statements and have issued my report thereon dated January 10, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

I have noted certain matters that I have reported to management of Youngstown Metropolitan Housing Authority in a separate letter dated January 10, 2013.

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

**Salvatore
Consiglio**

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio,
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Salvatore Consiglio, CPA, Inc.
January 10, 2013



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

Board of Commissioners
Youngstown Metropolitan Housing
Authority

Compliance

I have audited the compliance of the Youngstown Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Youngstown Metropolitan Housing Authority, Ohio major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Youngstown Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Youngstown Metropolitan Housing Authority, Ohio's compliance based on my audit.

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

In my opinion, Youngstown Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

**Salvatore
Consiglio**

Digitally signed by Salvatore Consiglio
DN: cn=Salvatore Consiglio,
o=Salvatore Consiglio, CPA, Inc., ou,
email=sconsiglio@salcpa.com, c=US
Date: 2013.03.14 08:28:26 -04'00'

Salvatore Consiglio, CPA, Inc.
January 10, 2013

Youngstown Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 June 30, 2012

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any significant deficiency reported as material weakness at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any significant deficiency reported for any major federal programs as material weakness?	No
Were there any other significant deficiency reported for the major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.871 Housing Choice Voucher; 14.885 Capital Fund Formula Stimulus; 14.872 Capital Fund Program
Dollar Threshold: Type A/B Programs	Type A: > \$800,657 Type B: All Others
Low Risk Auditee?	Yes

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

There are no Findings or questioned costs for the year ended June 30, 2012.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There are no Findings or questioned costs for the year ended June 30, 2012.



Dave Yost • Auditor of State

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 2, 2013**