

Stark Metropolitan Housing Authority

Financial Statements

For the Year Ended March 31, 2010





Mary Taylor, CPA  
Auditor of State

Board of Directors  
Stark Metropolitan Housing Authority  
400 Tuscarawas Street E.  
Canton, Ohio 44702

We have reviewed the *Independent Auditors' Report* of the Stark Metropolitan Housing Authority, Stark County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period April 1, 2009 through March 31, 2010. 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 Stark Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

December 13, 2010

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STARK METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2010

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## Independent Auditors' Report

Board of Directors  
Stark Metropolitan Housing Authority

I have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Stark Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2010, which collectively comprise the Authority basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Stark Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of the component units of Stark Metropolitan Housing Authority (see Note 1C for a description), which statements reflect total assets constituting 3.9% of the total assets at March 31, 2010, and total operating revenues constituting 2.3% of total operating revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of such other auditors.

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, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely component units of the Stark Metropolitan Housing Authority, Ohio, as of March 31, 2010, 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 August 13, 2010, on my consideration of Stark 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.

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

My Audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Stark 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 FDS Schedule Submitted to REAC is presented for purposes additional analysis as required by the Department of Housing and Urban Development and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.

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Salvatore Consiglio, CPA, Inc.  
August 13, 2010

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year ended March 31, 2010**  
**(Unaudited)**

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The Stark Metropolitan Housing Authority ("the Authority") management's discussion and analysis is designed to assist the reader on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is designed to focus on the fiscal year end March 31, 2010 activities, resulting changes and currently known facts as it related to the primary government. Component unit activity is excluded from the figures discussion unless specifically mentioned. Please read this in conjunction with the Authority's financial statements (beginning on page 14).

**FINANCIAL HIGHLIGHTS**

- The Authority's net assets decreased by \$0.28 million (or .40%) during 2010. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net Assets were \$69.33 million and \$69.05 million for 2009 and 2010 respectively. The component unit net assets did not change.
- Total revenues increased by \$2.44 million (or 8.79%) during 2010, and were \$27.75 million and \$30.19 million for 2009 and 2010 respectively. The component unit revenue decreased \$0.03 or 4.11%.
- The total expenses of all Authority programs decreased by \$.06 million (or .20%). Total expenses were \$30.53 million and \$30.47 million for 2009 and 2010 respectively. The component unit expenses decreased \$0.06 or 7.89%.

**USING THIS ANNUAL REPORT**

The following graphic outlines the format of this report:

**MD&A**

~ Management Discussion and Analysis ~  
**Basic Financial Statement**  
~ Authority-wide Financial Statements ~

**Other Required Supplementary Information**

~ Required Supplementary Information (other than MD&A) ~

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



**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year ended March 31, 2010**  
**(Unaudited)**

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**Authority-Wide Financial Statements**

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

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

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

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

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

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets in Capital Assets, Net of Related Debt", or "Restricted Net Assets". This account resembles the old operating reserves account.

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

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

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year ended March 31, 2010**  
**(Unaudited)**

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**Fund Financial Statements**

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

**The Authority's Programs**

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties.

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

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

Other Programs – The housing authority operates various other programs:

*Component Unit Activities* - represents resources developed from a variety of activities.

*Business Activities* – represents non-HUD resources developed from a variety of activities.

*Comprehensive Housing Counseling Grant* - a grant program funded by the Department of Housing and Urban Development to provide housing counseling services.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
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*Section 8 Moderate Rehabilitation* –The Authority administers Section 8 rental assistance programs where the department of Housing and Urban Development (HUD) enters into annual contribution contract with a private owner. The owner rent housing to eligible low-income individuals who typically pay rent of 30 percent of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the HAP contract. The Authority acts as the middleman between HUD and the Private Owner and ascertains that the owner is operating the program in compliance with HUD requirements. The Authority earns an administration fee for these services rendered.

**AUTHORITY-WIDE STATEMENT**

**Statement of Net Assets**

The following table reflects the condensed Statement of Net Assets compared to the prior year. The Authority is engaged only in business-type activities.

**TABLE 1**  
**Statement of Net Assets**  
**(In millions of dollars)**

<u><b>Stark Metropolitan Housing Authority</b></u>		
	<u><b>2010</b></u>	<u><b>2009</b></u>
Current Assets	\$ 7.68	\$ 7.78
Capital Assets	74.75	75.66
Noncurrent Assets	0.07	0.14
Total Assets	<u>\$ 82.50</u>	<u>\$ 83.58</u>
Current Liabilities	\$ 2.56	\$ 2.58
Long-Term Liabilities	10.89	11.67
Total Liabilities	<u>13.45</u>	<u>14.25</u>
Net Assets:		
Investment in Capital Assets, net of Related Debt	63.88	63.95
Restricted Net Assets	2.37	1.85
Unrestricted Net Assets	2.80	3.53
Total Net Assets	<u>69.05</u>	<u>69.33</u>
Total Liabilities and Net Assets	<u>\$ 82.50</u>	<u>\$ 83.58</u>

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year ended March 31, 2010**  
**(Unaudited)**

	<u>Component Units</u>	
	<u>2010</u>	<u>2009</u>
Current Assets	\$ 0.97	\$ 0.72
Capital Assets	1.54	1.60
Noncurrent Assets	0.85	0.80
Total Assets	<u>\$ 3.36</u>	<u>\$ 3.12</u>
Current Liabilities	\$ 0.49	\$ 0.39
Long-Term Liabilities	2.38	2.24
Total Liabilities	<u>2.87</u>	<u>2.63</u>
Net Assets:		
Investment in Capital Assets, net of Related Debt	0.56	0.58
Restricted Net Assets	-	-
Unrestricted Net Assets	(0.07)	(0.09)
Total Net Assets	<u>0.49</u>	<u>0.49</u>
Total Liabilities and Net Assets	<u>\$ 3.36</u>	<u>\$ 3.12</u>

For more detailed information see the Statement of Net Assets.

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

During 2010, current assets decreased by \$.10 million, and current liabilities decreased by \$.02 million. Current assets primarily decreased due to expenditure of restricted cash from issuance of bonds for capital improvements utilizing HUD's Capital Funds Financing Program. Mortgage receivables decreased \$.52 million due to writing off 2nd mortgages associated with the 5(h) Homeownership program for participants reaching the 10 year requirement.

Capital assets also changed, decreasing from \$75.66 million to \$74.75 million. The \$.91 million decrease may be attributed primarily to a combination of net acquisitions of \$4.20 million, less current year depreciation and amortization of \$5.12 million. For more detail see Table 5 "Capital Assets and Debt Administration" below.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Year ended March 31, 2010**  
**(Unaudited)**

Table 2 presents details on the change in Unrestricted Net Assets

**TABLE 2**  
**Statement of Net Assets**  
**(in millions of dollars)**

<b><u>Stark Metropolitan Housing Authority</u></b>			
	<b><u>Investment in</u></b>	<b><u>Restricted</u></b>	<b><u>Unrestricted</u></b>
	<b><u>Capital Assets</u></b>	<b><u>Net Assets</u></b>	<b><u>Net Assets</u></b>
Beginning Balance - March 31, 2009	\$ 63.95	\$ 1.85	\$ 3.53
Results of Operation		0.53	(0.81)
Adjustments:			
Current year Depreciation Expense (1)	(5.12)	-	5.12
Capital Expenditure (2)	4.20	-	(4.20)
Current year Debt Activities, Net	0.85	-	(0.85)
Rounding Adjustments	-	(0.01)	0.01
Transfer to Restricted Net Assets	-	-	-
Ending Balance - March 31, 2010	<u>\$ 63.88</u>	<u>\$ 2.37</u>	<u>\$ 2.80</u>

<b><u>Component Unit</u></b>			
	<b><u>Investment in</u></b>	<b><u>Restricted</u></b>	<b><u>Unrestricted</u></b>
	<b><u>Capital Assets</u></b>	<b><u>Net Assets</u></b>	<b><u>Net Assets</u></b>
Beginning Balance - March 31, 2009	\$ 0.58	\$ -	\$ (0.09)
Results of Operation	-	-	-
Adjustments:			
Current year Depreciation Expense (1)	(0.06)	-	0.06
Capital Expenditure net of Disposals(2)	-	-	-
Current year Debt Activities, Net	0.04	-	(0.04)
Rounding Adjustments	-	-	-
Ending Balance - March 31, 2010	<u>\$ 0.56</u>	<u>\$ -</u>	<u>\$ (0.07)</u>

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
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**(Unaudited)**

(2) Capital expenditures represent an outflow of unrestricted net assets, but are not treated as an expense against Results of Operations, and therefore must be deducted.

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

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

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged in only business-type activities.

**TABLE 3**  
**Statement of Net Assets (in millions of dollars)**  
**Stark Metropolitan Housing Authority**

	<u>2010</u>	<u>2009</u>
<b><u>Revenues</u></b>		
Total Tenant Revenues	\$ 5.32	\$ 5.30
Operating Subsidies	20.67	19.30
Capital Grants	3.25	2.34
Investment Income	0.07	0.37
Other Revenues	0.88	0.44
<b>Total Revenues</b>	<b><u>30.19</u></b>	<b><u>27.75</u></b>
<b><u>Expenses</u></b>		
Administrative	5.84	5.31
Tenant Services	0.04	0.04
Utilities	3.36	3.91
Maintenance	5.80	5.50
Protective Services	0.44	0.03
General and Interest Expenses	1.58	1.86
Housing Assistance Payments	7.89	8.09
Depreciation	5.12	5.23
Other	0.40	0.56
<b>Total Expenses</b>	<b><u>30.47</u></b>	<b><u>30.53</u></b>
<b>Net Increases (Decreases)</b>	<b><u>\$ (0.28)</u></b>	<b><u>\$ (2.78)</u></b>

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Year ended March 31, 2010**  
**(Unaudited)**

	<u>Component Units</u>	
	<u>2010</u>	<u>2009</u>
<b><u>Revenues</u></b>		
Total Tenant Revenues	\$ 0.39	\$ 0.34
Operating Subsidies	0.02	0.18
Investment Income	0.12	0.11
Other Revenues	0.17	0.10
<b>Total Revenues</b>	<b>0.70</b>	<b>0.73</b>
<b><u>Expenses</u></b>		
Administrative	0.21	0.20
Utilities	0.09	0.08
Maintenance	0.15	0.12
General and Interest Expenses	0.19	0.29
Depreciation	0.06	0.07
<b>Total Expenses</b>	<b>0.70</b>	<b>0.76</b>
<b>Net Increases (Decreases)</b>	<b>\$ -</b>	<b>\$ (0.03)</b>

Also, for a more fair and in depth look at financial issues, see the internal financial statements.

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

Tenant revenue increased slightly during 2010 in comparison to 2009. Operating subsidies and Capital Grants also increased during the fiscal year. Total revenue over all increased.

Administrative expense increased by \$.53 million primarily due to an increase in compensated absence expense. Utility expense decreased \$.55 million. Ordinary maintenance expense increased \$.30 million and protective services decreased \$.41 million. General and interest expenses decreased \$.28 million primarily due to additional interest expense associated with the bond issue. Depreciation decreased \$.16 million and other expenses decreased \$.16 million. The Authority continues to reduce natural gas expenses through a special rate negotiation initiative.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year ended March 31, 2010**  
**(Unaudited)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

As of year-end, the Authority had \$74.75 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation) of \$.91 million or 1.20% from the end of last year.

**TABLE 4**  
**Capital Assets at Year-End (net of Depreciation)**  
**(in millions of dollars)**

<b><u>Stark Metropolitan Housing Authority</u></b>		
	<b><u>2010</u></b>	<b><u>2009</u></b>
Land and Land Rights	\$ 15.67	\$ 15.67
Buildings and Improvements	130.38	130.38
Equipment	4.22	4.12
Accumulated Depreciation	(94.32)	(89.20)
Construction in Progress	18.80	14.69
Total	<u>\$ 74.75</u>	<u>\$ 75.66</u>

<b><u>Component Units</u></b>		
	<b><u>2010</u></b>	<b><u>2009</u></b>
Land and Land Rights	\$ 0.18	\$ 0.18
Buildings	1.70	1.70
Equipment	0.05	0.05
Accumulated Depreciation	(0.39)	(0.33)
Total	<u>\$ 1.54</u>	<u>\$ 1.60</u>

The following reconciliation summarizes the change in Capital Assets.



**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Year ended March 31, 2010**  
**(Unaudited)**

**TABLE 5**  
**Change in Capital Assets**  
**(in millions of dollars)**

**Table 5 - Changes in Capital Assets**

	<u>SMHA</u>	<u>Component Unit</u>
Beginning Balance - March 31, 2009	\$ 75.66	\$ 1.60
Current Year Additions	4.20	-
Current year Depreciation Expense	(5.12)	(0.06)
Rounding Adjustment	0.01	-
Ending Balance - March 31, 2010	<u>\$ 74.75</u>	<u>\$ 1.54</u>

This year's majority additions, primarily capital expenditures related to modernizing the Authority's housing developments.

**Debt Outstanding**

As of year-end, the Authority had \$10.87 million in debt (bonds, notes, etc.) outstanding compared to \$11.72 million last year, a \$0.85 million decrease. The current year decrease represent portion of debt retired during the year. There was no new debt issued for the year.

**TABLE 6**  
**Outstanding Debt**  
**(in millions of dollars)**

**Table 6 - Condensed Statement of Changes in Debt Outstanding**

	<u>SMHA</u>	<u>Component Unit</u>
Beginning Balance - March 31, 2009	\$ 11.72	\$ 1.02
Current Year Debt Issued	-	-
Current Year Principal Payments	(0.85)	(0.04)
Ending Balance - March 31, 2010	<u>\$ 10.87</u>	<u>\$ 0.98</u>

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Management's Discussion and Analysis**  
**for the Year ended March 31, 2010**  
**(Unaudited)**

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**ECONOMIC FACTORS**

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

**FINANCIAL CONTACT**

Questions concerning any information provided in this report or request for additional information should be addressed to Michael Williams, Executive Director, Stark Metropolitan Housing Authority, 400 East Tuscarawas Street, Canton, Ohio 44702-1131, or call 330-454-8051.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Assets**  
**Proprietary Funds**  
**March 31, 2010**

	<i>Primary</i>	<i>Component</i>
	<u><i>Government</i></u>	<u><i>Units</i></u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,188,198	\$ 260,610
Restricted cash and cash equivalents	2,767,688	14,142
Investments	-	434,406
Receivables, net	914,660	232,658
Inventories, net	343,474	-
Prepaid expenses and other assets	462,349	24,356
<b>Total current assets</b>	<b><u>7,676,369</u></b>	<b><u>966,172</u></b>
<b>Noncurrent assets</b>		
Capital assets:		
Land	15,666,247	185,199
Building and equipment	134,598,120	1,750,778
Construction in Progress	18,805,160	-
Less accumulated depreciation	<u>(94,323,190)</u>	<u>(391,492)</u>
Capital assets, net	74,746,337	1,544,485
Other noncurrent assets	77,500	850,817
<b>Total noncurrent assets</b>	<b><u>74,823,837</u></b>	<b><u>2,395,302</u></b>
<b>Total assets</b>	<b><u>\$ 82,500,206</u></b>	<b><u>\$ 3,361,474</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 305,358	\$ 425,550
Accrued liabilities	510,165	-
Intergovernmental payables	185,124	-
Tenant security deposits	392,768	14,142
Deferred revenue	325,627	2,305
Bonds, notes, and loans payable	822,742	49,521
Other current liabilities	18,001	-
<b>Total current liabilities</b>	<b><u>\$ 2,559,785</u></b>	<b><u>\$ 491,518</u></b>

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Statement of Net Assets (Continued)**  
**Proprietary Funds**  
**March 31, 2010**

	<i>Primary Government</i>	<i>Component Units</i>
<b>Noncurrent liabilities</b>		
Bonds, notes, and loans payable	\$ 10,043,281	\$ 926,071
Accrued compensated absences non-current	844,155	-
Noncurrent liabilities - other	-	1,449,506
<b><i>Total noncurrent liabilities</i></b>	<b><i>10,887,436</i></b>	<b><i>2,375,577</i></b>
<b>Total liabilities</b>	<b>\$ 13,447,221</b>	<b>\$ 2,867,095</b>
 <b><i>NET ASSETS</i></b>		
Invested in capital assets, net of related debt	\$ 63,880,314	\$ 568,893
Restricted net assets	2,374,920	-
Unrestricted net assets	2,797,751	(74,514)
<b>Total net assets</b>	<b>\$ 69,052,985</b>	<b>\$ 494,379</b>

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended March 31, 2010**

	<i>Primary Government</i>	<i>Component Units</i>
<b><i>OPERATING REVENUES</i></b>		
Tenant Revenue	\$ 5,321,172	\$ 386,683
Government operating grants	20,673,775	15,000
Other revenue	877,309	174,703
<b>Total operating revenues</b>	<b>26,872,256</b>	<b>576,386</b>
 <b><i>OPERATING EXPENSES</i></b>		
Administrative	5,842,235	208,764
Tenant services	35,498	-
Utilities	3,355,408	90,237
Maintenance	5,795,965	150,976
Protective services	435,904	-
General	975,406	130,661
Housing assistance payment	7,890,410	-
Other operating expenses	114,787	-
Depreciation	5,121,307	64,463
<b>Total operating expenses</b>	<b>29,566,920</b>	<b>645,101</b>
<b>Operating income (loss)</b>	<b>(2,694,664)</b>	<b>(68,715)</b>
 <b><i>NONOPERATING REVENUES (EXPENSES)</i></b>		
Interest and investment revenue	66,167	122,042
Interest expense	(604,301)	(56,940)
<b>Total nonoperating revenues (expenses)</b>	<b>(538,134)</b>	<b>65,102</b>
Income (loss) before contributions and transfers	(3,232,798)	(3,613)
Capital grants	3,250,263	-
Extraordinary items (gain/loss)	(298,100)	-
Change in net assets	(280,635)	(3,613)
Total net assets - beginning	69,333,620	497,992
<b>Total net assets - ending</b>	<b>\$ 69,052,985</b>	<b>\$ 494,379</b>

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended March 31, 2010**

	<i>Primary Government</i>	<i>Component Units</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating grants received	\$20,757,157	\$15,000
Tenant revenue received	5,262,686	377,227
Other revenue received	1,097,669	159,797
Housing assistance payments made	(7,890,410)	0
General and administrative expenses paid	(16,716,931)	(343,471)
Net cash provided (used) by operating activities	2,510,171	208,553
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital grant funds received	3,250,263	0
Property and equipment purchased	(4,202,563)	(2,227)
Principal payment on debt	(847,559)	(46,421)
Interest payment on debt	(609,102)	(56,940)
Net cash provided (used) by capital and related financing activities	(2,408,961)	(105,588)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Transfers from/to investments	0	(187,466)
Interest received	66,167	122,042
Net cash provided (used) by investing activities	66,167	(65,424)
Net increase (decrease) in cash	167,377	37,541
Cash and cash equivalents - Beginning of year	5,788,509	237,211
Cash and cash equivalents - End of year	\$5,955,886	\$274,752

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended March 31, 2010**

	<i>Enterprise Fund</i>	<i>Component Units</i>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net Operating Income (Loss)	(\$2,694,664)	(\$68,715)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities		
- Depreciation	5,121,307	64,463
- (Increases) Decreases in Accounts Receivable	126,067	(32,878)
- (Increases) Decreases in Inventory	1,440	0
- (Increases) Decreases in Prepaid Assets	(100,025)	(736)
- (Increases) Decreases in Other Noncurrent Asset	0	(51,455)
- Increases (Decreases) in Accounts Payable	(50,696)	96,300
- Increases (Decreases) in Accrued Wages and Taxes Payable	55,642	0
- Increases (Decreases) in Compensated Absences Payable	871	0
- Increases (Decreases) in Deferred Revenue	5,946	660
- Increases (Decreases) in Other Current Liabilities	16,322	0
- Increases (Decreases) in Tenant Security Deposits	(16,878)	661
- Increases (Decreases) in Other Non-Current Liabilities	0	186,769
- Increases (Decreases) in Accrued Pension Liabilities	0	0
- Increases (Decreases) in Payable to Government	44,839	0
- Correction of Prior Period Cash flow beginning balance	0	13,484
	<b>\$2,510,171</b>	<b>\$208,553</b>
Net cash provided by operating activities	<b>\$2,510,171</b>	<b>\$208,553</b>

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

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity and Programs**

The Stark Metropolitan Housing 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 Existing, Moderate Rehab, and Voucher Program provided by HUD. These programs help assist families in the payment of rent. Under the Certificate program, the dwelling unit a family will occupy must not exceed rent limitations in accordance with HUD guidelines. Under the Voucher program, the Authority determines the amount of subsidy a family will receive using HUD guidelines; however, there is a limit to the amount charged to the family. Under the Moderate Rehab program, subsidy payments are made directly to the landlord on behalf of families living in their respective unit. 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.

**B. Summary of Significant Accounting Policies**

The financial statements of the Stark Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (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.

**C. Reporting Entity**

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to insure that the financial statements are not misleading consistent with Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. Based on application of the criteria set forth in GASB Statement No. 14, the Authority evaluated potential component units (PCU) for inclusion based on financial accountability, the nature and significance of their relationship to the Authority, and whether exclusion would cause the basic financial statements to be misleading or incomplete. Among the factors considered were whether the Authority holds the PCU's corporate power, appoints a voting majority of the PCU's board, is able to impose its will on the PCU, or whether a financial benefit/burden relationship exists between the Authority and the PCU. The primary



**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**C. Reporting Entity** (Continued)

government of the Authority consists of all funds, agencies, departments and offices that are not legally separate from the Authority. The preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. The following organizations are described due to their relationship to the Authority.

***Discretely Presented Component Units***

The component units column in the combined financial statements identifies the financial data of the Authority's three component units: the Freed Housing Corporation, the Washington Area Housing Agency, LLC, and the Stark Metropolitan Housing Authority Federal Credit Union. They are reported separately to emphasize that they are legally separate from the Authority and provide services to clients of the Authority and others.

The Freed Housing Corporation (the Corporation) is a legally separate, non-profit organization, served by a board composed of local officials and community representatives. They are charged with the responsibilities of advancing, encouraging and promoting housing and related services to low and moderate income persons in the Stark County area. The Corporation is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. Due to the nature and significance of the Corporation's relationship to the Authority, the Corporation is presented as a component unit of the Authority. The Corporation has elected not to apply GASB Statement 29 since they have applied the AICPA not for-profit model. Separately issued audited financial statements can be obtained from the Authority.

The Washington Area Housing Agency, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. The corporation was formed for the purpose of acquiring and operating Washington Towne Homes, a multifamily residential housing project in Stark County, Ohio. Separately issued audited financial statements can be obtained from the Authority.

The Stark Metropolitan Housing Authority Credit Union is a federal credit union chartered under the laws of the United States. The purpose of the credit union is to provide its members the opportunity to accumulate savings and to create a source of credit for them. Separately issued financial statements can be obtained from the Authority. Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**D. Fund Accounting**

The Authority uses enterprise funds to report on its financial position and the results of its operations for the Section 8 and public housing 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.

**E. Proprietary Fund Types**

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

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

**F. 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 has elected to apply the provisions of Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements. The Authority will continue applying all applicable pronouncements issued by the *Governmental Accounting Standards Board*.

**G. Investments**

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Investment income earned in fiscal year 2010 totaled \$66,167 for the primary government and \$122,042 for the component unit.

**H. Capital Assets**

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of \$5,000 or more per unit. 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.

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The estimated useful lives for each major class of depreciable assets are as follows:

Buildings	40 Years
Building Improvements	15 Years
Furniture and Equipment Dwellings	5 to 10 Years
Furniture and Equipment Administration	5 to 10 Years

**I. 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.

**J. Compensated Absences**

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

**K. Capital Contributions**

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

**L. 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 and then submitted to the Department of Housing and Urban Development.

**M. 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

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**M. Estimates** (continued)

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**

In 2006, the Authority adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This new standard revised the existing requirements regarding disclosure of custodial credit risk and establishes requirements for disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Adoption of GASB Statement No. 40 had no effect on net assets and change in net assets in the prior or current year.

**A. Deposits**

State statutes classify monies held by the Authority into three categories. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. At year-end, the carrying amount of the Authority's deposits was \$5,955,886 (including \$2,767,688 of restricted funds which includes \$1,375,741 of nonnegotiable certificates of deposit and \$1,310 of petty cash).

*Custodial Credit Risk*

Custodial Credit Risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits of the primary government totaling \$169,704 were covered by National Credit Union Share Insurance Fund; deposits totaling \$500,000 were covered by Federal Depository Insurance, and deposits totaling \$5,178,789 were uninsured and collateralized with securities held by the financial institution's trust department or agent, but not in the Authority's name.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

**B. Investments**

HUD, State Statute, and Board resolutions authorize the Authority to invest in obligations of the U. S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority has a formal investment policy. The objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value.

*Interest Rate Risk*

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires those funds which are not operating reserve funds to be invested in investments with a maximum term of one year or the Authority's operating cycle. For investments of the Authority's operating reserve funds, the maximum term can be up to three years. The intent of the policy is to avoid the need to sell securities prior to maturity.

*Credit Risk*

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has no investment policy that would further limit its investment choices.

*Concentration of Credit Risk*

Generally, the Authority places no limit on the amount it may invest in any one insurer. However, the investment policy limits the investment of HUD-approved mutual funds to no more than 20 percent of the Authority's available investment funds. The Authority's deposits in financial institutions represents 100 percent of its deposits.

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

**B. Investments** (Continued)

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. As of year-end, the Authority had no exposure to foreign currency rate risk, as regulated by HUD.

Reconciliation of the primary government's cash and cash equivalents and investments is as follows:

	<b>Cash &amp; Cash Equivalent</b>	<b>Investments</b>
Per Statement of Net Assets	\$5,955,886	\$0
Certificate of Deposits	(1,375,741)	1,375,741
Per GASB Statement No. 3	\$4,580,145	\$1,375,741

**C. Component Unit**

At year end, the carrying amount of the component units' investments and deposits was \$709,158, of this amount \$250,000 was covered by FDIC insurance and the balance was covered by a pledged collateral pool. Investments of the component unit consisted of money market funds at a local financial institution. Of these funds, the entire \$434,406 was covered by FDIC insurance and the balance was covered by a pledged collateral pool.

NOTE 3: **RESTRICTED CASH**

Restricted cash balance as of March 31, 2010 represents cash on hand for the following:

	<b>Primary Government</b>	<b>Component Unit</b>
Tenant Security Deposit	\$392,765	\$14,145
Restricted HAP Cash	438,624	0
Bond Proceeds to be used for Capital Improvement	1,914,747	0
Restricted Cash for Payment of Current Liabilities	21,549	0
Total Restricted Cash	\$2,767,685	\$14,145

**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

**NOTE 4: INSURANCE COVERAGE**

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is covered for property damage and general liability through the Housing Authority Insurance Company. Auto liability and auto physical damage are covered through separate insurance companies. Deductible and coverage limits are summarized below:

	<b>Deductible</b>	<b>Coverage Limits</b>
Property	\$10,000	\$193,201,357
General Liability	\$5,000	\$5,000,000
Auto Liability	\$0	\$1,000,000
Auto Physical Damage	\$500	ACV
Commercial Inland Marine	\$13,000	\$130,000
Lead Inspectors' Professional Liability	\$5,000	\$1,000,000
Boiler and Machinery	\$10,000	\$50,000,000

There was no significant reduction in coverage and no claims exceeded insurance coverage during the past three years.

**NOTE 5: CAPITAL ASSETS**

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

	<b>Primary Government</b>	<b>Component Units</b>	<b>Total</b>
<i>Capital Assets Not Depreciated:</i>			
Land	\$15,666,247	\$185,199	\$15,851,446
Construction in Progress	18,805,160	0	18,805,160
<b>Total Capital Assets Not Depreciated</b>	<b>34,471,407</b>	<b>185,199</b>	<b>34,656,606</b>
<i>Capital Assets Being Depreciated:</i>			
Building and Building Improvements	130,376,890	1,700,858	132,077,748
Furniture and Equipment Dwelling	4,221,230	49,920	4,271,150
Accumulated Depreciation	(94,323,190)	(391,492)	(94,714,682)
<b>Total Capital Assets Being Depreciated</b>	<b>40,274,930</b>	<b>1,359,286</b>	<b>41,634,216</b>
<b>Total Capital Assets</b>	<b>\$74,746,337</b>	<b>\$1,544,485</b>	<b>\$76,290,822</b>

**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

NOTE 5: CAPITAL ASSETS (Continued)

The following is a summary of changes in capital assets for the Primary Government::

	<b>Balance 03/31/09</b>	<b>Adjust</b>	<b>Additions</b>	<b>Deletion</b>	<b>Balance 03/31/10</b>
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$15,666,247	\$0	\$0	\$0	\$15,666,247
Construction in Progress	14,690,233	1,827	4,113,100	0	18,805,160
<b>Total Capital Assets Not Being Depreciated</b>	<b>30,356,480</b>	<b>1,827</b>	<b>4,113,100</b>	<b>0</b>	<b>34,471,407</b>
<b>Capital Assets Being Depreciated:</b>					
Buildings & Improvements	130,378,718	(1,828)	0	0	130,376,890
Furnt, Mach. and Equip	4,131,765	2	89,463	0	4,221,230
<b>Total Capital Assets Being Depreciated</b>	<b>134,510,483</b>	<b>(1,826)</b>	<b>89,463</b>	<b>0</b>	<b>134,598,120</b>
<b>Accumulated Depreciation:</b>					
Buildings & Improvements	(88,802,237)	0	(5,095,892)	0	(93,898,129)
Furnt, Mach. and Equip -	(399,645)	(1)	(25,415)	0	(425,061)
<b>Total Accumulated Depreciation</b>	<b>(89,201,882)</b>	<b>(1)</b>	<b>(5,121,307)</b>	<b>0</b>	<b>(94,323,190)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>45,308,601</b>	<b>(1,827)</b>	<b>(5,031,844)</b>	<b>0</b>	<b>40,274,930</b>
<b>Total Capital Assets, Net</b>	<b>\$75,665,081</b>	<b>\$0</b>	<b>(\$918,744)</b>	<b>\$0</b>	<b>\$74,746,337</b>



**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

NOTE 5: **CAPITAL ASSETS** (Continued)

The following is a summary of changes in capital assets for the Component Unit:

	<b>Balance 03/31/09</b>	<b>Adjust</b>	<b>Additions</b>	<b>Deletion</b>	<b>Balance 03/31/10</b>
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$185,200	(\$1)	\$0	\$0	\$185,199
<b>Total Capital Assets Not Being Depreciated</b>	<b>185,200</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>185,199</b>
<b>Capital Assets Being Depreciated:</b>					
Buildings	1,699,030	0	1,828	0	1,700,858
Furnt, Mach. and Equip	49,520	0	400	0	49,920
<b>Total Capital Assets Being Depreciated</b>	<b>1,748,550</b>	<b>0</b>	<b>2,228</b>	<b>0</b>	<b>1,750,778</b>
<b>Accumulated Depreciation:</b>					
Buildings	(272,878)	(6,099)	(62,595)	0	(341,572)
Furnt, Mach. and Equip -	(54,152)	6,100	(1,868)	0	(49,920)
<b>Total Accumulated Depreciation</b>	<b>(327,030)</b>	<b>1</b>	<b>(64,463)</b>	<b>0</b>	<b>(391,492)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,421,520</b>	<b>1</b>	<b>(62,235)</b>	<b>(0)</b>	<b>1,359,286</b>
<b>Total Capital Assets, Net</b>	<b>\$1,606,720</b>	<b>\$0</b>	<b>(\$62,235)</b>	<b>(\$0)</b>	<b>\$1,544,485</b>

NOTE 6: **DEFINED BENEFIT PENSION PLANS**

All full-time employees of Authority participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. OPERS provide basic retirement, disability and survivor benefits, based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. OPERS issue a publicly available financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-PERS.

**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

1. The Traditional Pension Plan – A cost sharing, multiple-employer defined benefit pension plan.
2. The Member-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.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The 2009 employer pension contribution rate for Authority was 14 percent of covered payroll. Contributions are authorized by state statute. The contribution rates are determined actuarially. Contributions to PERS for the years ended March 31, 2010, 2009, and 2008 \$624,779, \$611,335, and \$586,156 respectively. Ninety-three percent has been contributed for 2009-2010. All required contributions for the two previous years have been paid.

NOTE 7: **POSTEMPLOYMENT BENEFITS**

The Public Employees Retirement System of Ohio (OPERS) provides post-employment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the OPERS is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory Authority requiring public employers to fund post-employment health care through their contributions to the OPERS. The portion of the 2009 employer contribution rate (identified above) that was used to fund health care for the year ended December 31, 2009 was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1, 2009 through March 31, 2010, which

**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

NOTE 7: **POSTEMPLOYMENT BENEFITS** (Continued)

amounted to \$245,449. The significant actuarial assumptions and calculations relating to post-employment health care benefits were based on the OPERS' latest actuarial review performed as of December 31, 2008. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets, not to exceed a 12 percent corridor.

The investment assumption rate for 2008 was 6.5 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase at a project wage inflation rate plus an additional factor ranging from .5% to 4% for the next 6 years. In subsequent years (7 and beyond), health care costs were assumed to increase at 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 357,584. The actuarial value of the OPERS' net assets available for OPEB at December 31, 2008 was \$10.7 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.6 billion and \$18.9 billion, respectively.

OPERS Retirement Board Implemented its Health Care Preservation Plan (HCPP). HCPP was adopted on September 9, 2004, and is effective on January 1, 2007. In addition, OPERS created a separate investment pool for health care assets. Members and employers contribution rates increases in January 1, 2006, 2007, and 2008 will allow additional funds to be allocated to the health care plan.

NOTE 8: **SCHEDULE OF EXPENDITURE OF FEDERAL AWARD**

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

**STARK METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**  
**(CONTINUED)**

**NOTE 9: COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws. All permanent employees earn 4.6 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated without limit. At the time of separation, if an employee or retiree qualifies under OPERS and was hired prior to April 1, 2008, the employee will be eligible to receive payment for 50 percent of their accumulated sick leave balance. This payment is reduced from 50 percent to 33.33 percent for employees hired on or after April 1, 2008. All permanent employees earn vacation hours accumulated based on length of service. All vacation time earned may be accumulated up to 3 times the annual amount that can be accrued in a calendar year.

The following is a summary of changes in compensated absences for the year ended March 31, 2010:

<b>Description</b>	<b>Balance 03/31/09</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance 03/31/10</b>	<b>Due Within One Year</b>
Liability Amount	\$974,951	\$419,403	\$418,532	\$975,822	\$131,667

**NOTE 10: LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2010 are as follows:

	<b>Balance 03/31/09</b>	<b>Additions</b>	<b>Adjust/ Deletions</b>	<b>Balance 03/31/10</b>	<b>Due within One Year</b>
<b>General Long-Term Obligations</b>					
<i>Primary Government</i>					
Long-Term Debt:					
United National Bank and Trust – 07/09/99 4.44%	\$40,118	\$0	\$40,118	\$0	\$0
FirstMerit – Hillview Apts – 08/07/02 5.15%	196,263	0	55,381	140,882	58,064
FirstMerit – Cleveland Ave 11/22/06 5.02%	918,168	0	46,420	871,748	35,371
Fifth Third – Equipment Lease 05/22/06 7.57%	2,373,873	0	120,480	2,253,393	123,747
Local Initiative Support – Knights of Columbus Renovation 7%	900,000	0	350,000	550,000	360,560
Ohio Housing Finance Agency – Serial Bonds 07/17/07 3.9% - 4.67%	7,285,160	0	235,160	7,050,000	245,000
<b>Total Primary Government</b>	<b>\$11,713,582</b>	<b>\$0</b>	<b>\$847,559</b>	<b>\$10,866,023</b>	<b>\$822,742</b>

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	<b>Balance 03/31/09</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 03/31/10</b>	<b>Due within One Year</b>
<i>Component Units</i>					
Freed Housing Corporation, (Various Notes)	\$625,342	\$0	\$13,300	\$612,042	\$14,719
Washington Area Housing Agency, LLC	396,671	0	33,121	363,550	34,802
<b>Total Component Units</b>	<b>\$1,022,013</b>	<b>\$0</b>	<b>\$46,421</b>	<b>\$975,592</b>	<b>\$49,521</b>

The Authority was obligated on the following notes as of March 31, 2010:

**First Merit Bank**

Note dated August 7, 2002; due July 2013; payable in monthly installments of \$5,340 including interest at a fixed rate of 5.15%.

The note was issued to fund project costs of improvements to Hillview Apartments.

\$140,882

**First Merit Bank**

Note dated November 22, 2006; payable in monthly installments of \$6,611, including interest at a fixed rate of 5.02% with the note due December 2014. The note is issued for purchase and improvements of property at 601 Cleveland Avenue North,

871,748

**Fifth Third Bank**

Note dated May 22, 2006; due January 2017; payable in monthly installments of \$24,176 in principal plus interest at a fixed rate of 7.57%. The note was issued for the purpose of making energy efficiency improvements associated with the Canton Senior Center construction project.

2,253,393

**Local Initiative Support Consortium**

Note dated February 8, 2007, due September 2011, payable in annual installments of \$350,000 principal and interest at a fixed rate of 7%.

The note was issued to support the renovation of the former Knights of Columbus building.

550,000

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

**Ohio Housing Finance Agency**

Note dated July 17, 2007, due March 2027, funded by a bond issue in the principal amount of \$40,532,000, of which SMHA's share is \$7,620,000. Repayment of the loan funded through contributions from HUD under the Capital Fund Program and investment earnings. Payment made by reducing the Capital Fund Program subsidy due SMHA. Payments are due semi-annually beginning September 28, 2007, totaling approximately \$600,000 annually. Serial bonds issued with fixed interest rates between 3.90% and 4.67%. The bonds were issued to provide major renovations at three high-rise buildings:

W.L. Hart Apartments, Plaza Apartments and Lincoln Apartments. 7,050,000

Total \$ 10,866,023

Total payments including interest necessary over the years for the primary government on the above notes are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
March 31, 2011	\$822,742	\$572,181	\$1,394,923
2012	668,763	535,002	1,203,765
2013	459,561	495,172	954,733
2014	493,923	469,426	963,349
2015	1,176,355	432,775	1,609,130
2016 – 2020	3,229,679	1,364,212	4,593,891
2021 – 2025	2,195,000	689,375	2,884,375
2026 – 2029	1,820,000	123,875	1,943,875
<b>Total</b>	<b><u>\$10,866,023</u></b>	<b><u>\$4,682,018</u></b>	<b><u>\$15,548,041</u></b>

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

The debt schedule for the component units is as follows:

Freed Housing:	
First Merit Bank - Line of Credit	\$150,000
First Merit Bank - Promissory Note - Principal Amount \$173,364, Interest Rate of 4.69% to 5.08%	165,843
First Merit Bank - Promissory Note - Principal Amount \$91,661, Interest Rate of 8.0%	83,767
First Merit Bank - Promissory Note - Principal Amount \$46,000, Interest Rate of 6.2%	37,729
First Merit Bank - Promissory Note - Principal Amount \$49,600, Interest Rate of 7.21%	42,078
First Merit Bank - Promissory Note - Principal Amount \$49,600 - Interest Rate of 7.1%	43,439
First Merit Bank - Promissory Note - Principal Amount \$47,920 - Interest Rate of 7.1%	41,977
First Merit Bank - Promissory Note - Principal Amount \$52,400 - Interest Rate of 7.68%	47,209
Washington Area Housing Agency LLC	<u>363,550</u>
Total	<u>\$975,592</u>

Amortization of the debt was not available.

NOTE 11: **LITIGATION**

The Authority is party to various legal proceedings. In the opinion of Stark Metropolitan Housing Authority, the ultimate disposition of these proceedings will not have a material effect on Stark Metropolitan Housing Authority's financial position. No provision has been made to the financial statements for the effect, if any, of such contingencies.

**STARK METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010  
(CONTINUED)**

**NOTE 12: CONDENSED FINANCIAL STATEMENT INFORMATION –  
COMPONENT UNITS**

	Freed Housing Corporation	Washington Housing LLC	Credit Union	Stark MHA Totals
<b><u>Balance Sheet</u></b>				
Current Assets	\$ 94,444	\$ 99,384	\$1,170,251	\$ 1,364,079
Capital Assets	1,127,468	416,979	38	1,544,485
Other Assets	0	0	452,910	452,910
Current Liabilities	420,324	68,186	3,008	491,518
Non-Current Liabilities	597,323	328,748	1,449,506	2,375,577
Net Assets	205,876	117,818	170,684	494,379
<b><u>Revenues Expenses and Change in Equity</u></b>				
Total Revenue	\$ 153,306	\$ 292,571	\$ 252,549	\$ 698,427
Total Expenses	<u>309,603</u>	<u>244,815</u>	<u>147,623</u>	<u>702,040</u>
Excess of Revenue Over Expenses	<u>(\$156,296)</u>	<u>\$47,756</u>	<u>\$104,927</u>	<u>(\$3,613)</u>

**NOTE 13: EXTRAORDINARY LOSS**

The Statement of Revenue, Expenses and Changes in Net Assets reported an Extraordinary Loss of \$298,100. These amounts represent the write-off of the loans receivable that reached the 10 year mark. These loans represented property sold to eligible individuals from the housing authority homeownership program. The sale agreement specified that upon the 10 year anniversary, the receivable amount is to be forgiven.



Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
111 Cash - Unrestricted	\$ 2,247,352	\$ 30,992	\$ 260,610	\$ 817,415	\$ -	\$ -
112 Cash - Restricted - Modernization	\$ 692,134	\$ 438,624	\$ -	\$ -	\$ -	\$ -
113 Cash - Other Restricted	\$ 1,222,613	\$ -	\$ -	\$ -	\$ -	\$ -
114 Cash - Tenant Security Deposits	\$ 378,806	\$ -	\$ 14,142	\$ 13,962	\$ -	\$ -
115 Cash - Restricted for Payment of Current Liabilities	\$ 21,549	\$ -	\$ -	\$ -	\$ -	\$ -
100 Total Cash	\$ 4,562,454	\$ 469,616	\$ 274,752	\$ 831,377	\$ -	\$ -
122 Accounts Receivable - HUD Other	\$ -	\$ -	\$ -	\$ 209,082	\$ -	\$ 19,540
124 Accounts Receivable - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125 Accounts Receivable - Miscellaneous	\$ -	\$ -	\$ 58,147	\$ -	\$ -	\$ -
126 Accounts Receivable - Tenants	\$ 278,836	\$ -	\$ 30,702	\$ 15,799	\$ -	\$ -
126.1 Allowance for Doubtful Accounts - Tenants	\$ (27,888)	\$ -	\$ (3,070)	\$ (1,580)	\$ -	\$ -
127 Notes, Loans, & Mortgages Receivable - Current	\$ -	\$ -	\$ 146,879	\$ -	\$ -	\$ -
128 Fraud Recovery	\$ 55,012	\$ 21,632	\$ -	\$ -	\$ -	\$ -
128.1 Allowance for Doubtful Accounts - Fraud	\$ (5,501)	\$ (2,163)	\$ -	\$ -	\$ -	\$ -
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 300,459	\$ 19,469	\$ 232,658	\$ 223,301	\$ -	\$ 19,540
131 Investments - Unrestricted	\$ -	\$ -	\$ 434,406	\$ -	\$ -	\$ -
142 Prepaid Expenses and Other Assets	\$ 336,258	\$ 11,226	\$ 24,356	\$ 5,305	\$ -	\$ 672
143 Inventories	\$ 354,096	\$ -	\$ -	\$ -	\$ -	\$ -
143.1 Allowance for Obsolete Inventories	\$ (10,622)	\$ -	\$ -	\$ -	\$ -	\$ -
144 Inter Program Due From	\$ 384,169	\$ 25,328	\$ 1,611	\$ -	\$ -	\$ -
150 Total Current Assets	\$ 5,926,814	\$ 525,639	\$ 967,783	\$ 1,059,983	\$ -	\$ 20,212

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010							
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
111 Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112 Cash - Restricted - Modernization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113 Cash - Other Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114 Cash - Tenant Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115 Cash - Restricted for Payment of Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100 Total Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122 Accounts Receivable - HUD Other	\$ -	\$ -	\$ 10,322	\$ -	\$ -	\$ -	\$ 77,641
124 Accounts Receivable - Other	\$ 11,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125 Accounts Receivable - Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126 Accounts Receivable - Tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126.1 Allowance for Doubtful Accounts - Tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127 Notes, Loans, & Mortgages Receivable - Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128 Fraud Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128.1 Allowance for Doubtful Accounts - Fraud	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 11,920	\$ -	\$ 10,322	\$ -	\$ -	\$ -	\$ 77,641
131 Investments - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142 Prepaid Expenses and Other Assets	\$ 181	\$ -	\$ 260	\$ -	\$ -	\$ -	\$ 666
143 Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
143.1 Allowance for Obsolete Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
144 Inter Program Due From	\$ 32,482	\$ -	\$ 35,019	\$ -	\$ -	\$ -	\$ -
150 Total Current Assets	\$ 44,583	\$ -	\$ 45,601	\$ -	\$ -	\$ -	\$ 78,307

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	COCC	ELIM	Total
111 Cash - Unrestricted	\$ 92,439	\$ -	\$ 3,448,808
112 Cash - Restricted - Modernization	\$ -	\$ -	\$ 1,130,758
113 Cash - Other Restricted	\$ -	\$ -	\$ 1,222,613
114 Cash - Tenant Security Deposits	\$ -	\$ -	\$ 406,910
115 Cash - Restricted for Payment of Current Liabilities	\$ -	\$ -	\$ 21,549
100 Total Cash	\$ 92,439	\$ -	\$ 6,230,638
122 Accounts Receivable - HUD Other	\$ -	\$ -	\$ 316,585
124 Accounts Receivable - Other	\$ -	\$ -	\$ 11,920
125 Accounts Receivable - Miscellaneous	\$ 188,208	\$ -	\$ 246,355
126 Accounts Receivable - Tenants	\$ -	\$ -	\$ 325,337
126.1 Allowance for Doubtful Accounts - Tenants	\$ -	\$ -	\$ (32,538)
127 Notes, Loans, & Mortgages Receivable - Current	\$ 63,800	\$ -	\$ 210,679
128 Fraud Recovery	\$ -	\$ -	\$ 76,644
128.1 Allowance for Doubtful Accounts - Fraud	\$ -	\$ -	\$ (7,664)
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 252,008	\$ -	\$ 1,147,318
131 Investments - Unrestricted	\$ -	\$ -	\$ 434,406
142 Prepaid Expenses and Other Assets	\$ 107,781	\$ -	\$ 486,705
143 Inventories	\$ -	\$ -	\$ 354,096
143.1 Allowance for Obsolete Inventories	\$ -	\$ -	\$ (10,622)
144 Inter Program Due From	\$ 2,092,940	\$ (2,571,549)	\$ -
150 Total Current Assets	\$ 2,545,168	\$ (2,571,549)	\$ 8,642,541

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010						
	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
161 Land	\$ 15,041,797	\$ -	\$ 185,199	\$ 19,600	\$ -	\$ -
162 Buildings	\$ 126,814,246	\$ -	\$ 1,700,858	\$ 1,735,696	\$ -	\$ -
163 Furniture, Equipment & Machinery - Dwellings	\$ 1,429,404	\$ -	\$ 11,075	\$ -	\$ -	\$ -
164 Furniture, Equipment & Machinery - Administration	\$ 1,551,065	\$ 61,599	\$ 38,845	\$ 94,791	\$ -	\$ -
166 Accumulated Depreciation	\$ (92,386,909)	\$ (61,599)	\$ (391,492)	\$ (682,043)	\$ -	\$ -
167 Construction in Progress	\$ 17,399,897	\$ -	\$ -	\$ 68,514	\$ -	\$ -
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 69,849,500	\$ -	\$ 1,544,485	\$ 1,236,558	\$ -	\$ -
171 Notes, Loans, and Mortgages Receivable - Non-Current	\$ -	\$ -	\$ 832,313	\$ -	\$ -	\$ -
174 Other Assets	\$ -	\$ -	\$ 18,504	\$ -	\$ -	\$ -
180 Total Non-Current Assets	\$ 69,849,500	\$ -	\$ 2,395,302	\$ 1,236,558	\$ -	\$ -
190 Total Assets	\$ 75,776,314	\$ 525,639	\$ 3,363,085	\$ 2,296,541	\$ -	\$ 20,212
311 Bank Overdraft	\$ 63,966	\$ -	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	\$ 208,852	\$ -	\$ 425,550	\$ -	\$ -	\$ -
321 Accrued Wage/Payroll Taxes Payable	\$ 120,792	\$ 18,464	\$ -	\$ -	\$ -	\$ 568
322 Accrued Compensated Absences - Current Portion	\$ 10,138	\$ 15,364	\$ -	\$ 9,658	\$ -	\$ 921
325 Accrued Interest Payable	\$ 167,899	\$ -	\$ -	\$ -	\$ -	\$ -
331 Accounts Payable - HUD PHA Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522
333 Accounts Payable - Other Government	\$ 184,602	\$ -	\$ -	\$ -	\$ -	\$ -
341 Tenant Security Deposits	\$ 378,806	\$ -	\$ 14,142	\$ 13,962	\$ -	\$ -
342 Deferred Revenues	\$ -	\$ 19,469	\$ 2,305	\$ -	\$ -	\$ -
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$ 764,678	\$ -	\$ 49,521	\$ 58,064	\$ -	\$ -

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010							
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
161 Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
162 Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
163 Furniture, Equipment & Machinery - Dwellings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164 Furniture, Equipment & Machinery - Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
166 Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
167 Construction in Progress	\$ -	\$ -	\$ -	\$ 696,235	\$ -	\$ 640,514	\$ -
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ -	\$ 696,235	\$ -	\$ 640,514	\$ -
171 Notes, Loans, and Mortgages Receivable - Non-Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174 Other Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180 Total Non-Current Assets	\$ -	\$ -	\$ -	\$ 696,235	\$ -	\$ 640,514	\$ -
190 Total Assets	\$ 44,583	\$ -	\$ 45,601	\$ 696,235	\$ -	\$ 640,514	\$ 78,307
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321 Accrued Wage/Payroll Taxes Payable	\$ 1,042	\$ -	\$ 456	\$ -	\$ -	\$ -	\$ 1,176
322 Accrued Compensated Absences - Current Portion	\$ 247	\$ -	\$ 356	\$ -	\$ -	\$ -	\$ 911
325 Accrued Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331 Accounts Payable - HUD PHA Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333 Accounts Payable - Other Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
341 Tenant Security Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342 Deferred Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	COCC	ELIM	Total
161 Land	\$ 604,850	\$ -	\$ 15,851,446
162 Buildings	\$ 1,826,948	\$ -	\$ 132,077,748
163 Furniture, Equipment & Machinery - Dwellings	\$ -	\$ -	\$ 1,440,479
164 Furniture, Equipment & Machinery - Administration	\$ 1,084,371	\$ -	\$ 2,830,671
166 Accumulated Depreciation	\$ (1,192,639)	\$ -	\$ (94,714,682)
167 Construction in Progress	\$ -	\$ -	\$ 18,805,160
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 2,323,530	\$ -	\$ 76,290,822
171 Notes, Loans, and Mortgages Receivable - Non-Current	\$ 77,500	\$ -	\$ 909,813
174 Other Assets	\$ -	\$ -	\$ 18,504
180 Total Non-Current Assets	\$ 2,401,030	\$ -	\$ 77,219,139
190 Total Assets	\$ 4,946,198	\$ (2,571,549)	\$ 85,861,680
311 Bank Overdraft	\$ -	\$ -	\$ 63,966
312 Accounts Payable <= 90 Days	\$ 32,540	\$ -	\$ 666,942
321 Accrued Wage/Payroll Taxes Payable	\$ 68,101	\$ -	\$ 210,599
322 Accrued Compensated Absences - Current Portion	\$ 94,072	\$ -	\$ 131,667
325 Accrued Interest Payable	\$ -	\$ -	\$ 167,899
331 Accounts Payable - HUD PHA Program	\$ -	\$ -	\$ 522
333 Accounts Payable - Other Government	\$ -	\$ -	\$ 184,602
341 Tenant Security Deposits	\$ -	\$ -	\$ 406,910
342 Deferred Revenues	\$ 306,158	\$ -	\$ 327,932
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$ -	\$ -	\$ 872,263

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010						
	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
346 Accrued Liability - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,001
347 Inter Program - Due To	\$ 1,628,440	\$ 135	\$ 1,611	\$ 866,512	\$ -	\$ -
310 Total Current Liabilities	\$ 3,528,173	\$ 53,432	\$ 493,129	\$ 948,196	\$ -	\$ 20,012
351 Capital Projects/Mortgage Revenue Bonds	\$ 9,960,463	\$ -	\$ 926,071	\$ 82,818	\$ -	\$ -
353 Non-current Liabilities - Other	\$ -	\$ -	\$ 1,449,506	\$ -	\$ -	\$ -
354 Accrued Compensated Absences - Non Current	\$ 619,599	\$ 14,742	\$ -	\$ 3,385	\$ -	\$ 883
357 Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
350 Total Non-Current Liabilities	\$ 10,580,062	\$ 14,742	\$ 2,375,577	\$ 86,203	\$ -	\$ 883
300 Total Liabilities	\$ 14,108,235	\$ 68,174	\$ 2,868,706	\$ 1,034,399	\$ -	\$ 20,895
508.1 Invested In Capital Assets, Net of Related Debt	\$ 59,124,359	\$ -	\$ 568,893	\$ 1,095,676	\$ -	\$ -
511.1 Restricted Net Assets	\$ 1,936,296	\$ 438,624	\$ -	\$ -	\$ -	\$ -
512.1 Unrestricted Net Assets	\$ 607,424	\$ 18,841	\$ (74,514)	\$ 166,466	\$ -	\$ (683)
513 Total Equity/Net Assets	\$ 61,668,079	\$ 457,465	\$ 494,379	\$ 1,262,142	\$ -	\$ (683)
600 Total Liabilities and Equity/Net Assets	\$ 75,776,314	\$ 525,639	\$ 3,363,085	\$ 2,296,541	\$ -	\$ 20,212
70300 Net Tenant Rental Revenue	\$ 5,036,797	\$ -	\$ 141,744	\$ 148,403	\$ -	\$ -
70400 Tenant Revenue - Other	\$ 119,342	\$ -	\$ 244,939	\$ -	\$ -	\$ -
70500 Total Tenant Revenue	\$ 5,156,139	\$ -	\$ 386,683	\$ 148,403	\$ -	\$ -
70600 HUD PHA Operating Grants	\$ 10,940,051	\$ 7,478,322	\$ -	\$ -	\$ 300,124	\$ 483,708
70610 Capital Grants	\$ 2,456,390	\$ -	\$ -	\$ -	\$ -	\$ -
70710 Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70720 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70730 Book Keeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010						
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
346 Accrued Liability - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
347 Inter Program - Due To	\$ 2	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 74,846
310 Total Current Liabilities	\$ 1,291	\$ -	\$ 815	\$ -	\$ -	\$ -	\$ 76,933
351 Capital Projects/Mortgage Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353 Non-current Liabilities - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
354 Accrued Compensated Absences - Non Current	\$ 237	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ 874
357 Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
350 Total Non-Current Liabilities	\$ 237	\$ -	\$ 342	\$ -	\$ -	\$ -	\$ 874
300 Total Liabilities	\$ 1,528	\$ -	\$ 1,157	\$ -	\$ -	\$ -	\$ 77,807
508.1 Invested In Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ 696,235	\$ -	\$ 640,514	\$ -
511.1 Restricted Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.1 Unrestricted Net Assets	\$ 43,055	\$ -	\$ 44,444	\$ -	\$ -	\$ -	\$ 500
513 Total Equity/Net Assets	\$ 43,055	\$ -	\$ 44,444	\$ 696,235	\$ -	\$ 640,514	\$ 500
600 Total Liabilities and Equity/Net Assets	\$ 44,583	\$ -	\$ 45,601	\$ 696,235	\$ -	\$ 640,514	\$ 78,307
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70500 Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70600 HUD PHA Operating Grants	\$ 197,887	\$ 232,874	\$ -	\$ -	\$ -	\$ -	\$ 445,610
70610 Capital Grants	\$ -	\$ -	\$ 97,638	\$ 696,235	\$ -	\$ -	\$ -
70710 Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70720 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70730 Book Keeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
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March 31, 2010

	COCC	ELIM	Total
346 Accrued Liability - Other	\$ -	\$ -	\$ 18,001
347 Inter Program - Due To	\$ -	\$ (2,571,549)	\$ -
310 Total Current Liabilities	\$ 500,871	\$ (2,571,549)	\$ 3,051,303
351 Capital Projects/Mortgage Revenue Bonds	\$ -	\$ -	\$ 10,969,352
353 Non-current Liabilities - Other	\$ -	\$ -	\$ 1,449,506
354 Accrued Compensated Absences - Non Current	\$ 204,093	\$ -	\$ 844,155
357 Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -
350 Total Non-Current Liabilities	\$ 204,093	\$ -	\$ 13,263,013
300 Total Liabilities	\$ 704,964	\$ (2,571,549)	\$ 16,314,316
508.1 Invested In Capital Assets, Net of Related Debt	\$ 2,323,530	\$ -	\$ 64,449,207
511.1 Restricted Net Assets	\$ -	\$ -	\$ 2,374,920
512.1 Unrestricted Net Assets	\$ 1,917,704	\$ -	\$ 2,723,237
513 Total Equity/Net Assets	\$ 4,241,234	\$ -	\$ 69,547,364
600 Total Liabilities and Equity/Net Assets	\$ 4,946,198	\$ (2,571,549)	\$ 85,861,680
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ 5,326,944
70400 Tenant Revenue - Other	\$ 16,630	\$ -	\$ 380,911
70500 Total Tenant Revenue	\$ 16,630	\$ -	\$ 5,707,855
70600 HUD PHA Operating Grants	\$ -	\$ -	\$ 20,078,576
70610 Capital Grants	\$ -	\$ -	\$ 3,250,263
70710 Management Fee	\$ 1,385,038	\$ (1,385,038)	\$ -
70720 Asset Management Fee	\$ 57,960	\$ (57,960)	\$ -
70730 Book Keeping Fee	\$ 217,548	\$ (217,548)	\$ -

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010						
	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
70750 Other Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70700 Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800 Other Government Grants	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -
71100 Investment Income - Unrestricted	\$ 2,994	\$ 986	\$ 660	\$ 147	\$ -	\$ 64
71200 Mortgage Interest Income	\$ -	\$ -	\$ 121,382	\$ -	\$ -	\$ -
71300 Proceeds from Disposition of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400 Fraud Recovery	\$ -	\$ 16,260	\$ -	\$ -	\$ -	\$ -
71500 Other Revenue	\$ 363,532	\$ 469	\$ 174,703	\$ 356,872	\$ -	\$ -
72000 Investment Income - Restricted	\$ 56,494	\$ 986	\$ -	\$ -	\$ -	\$ -
70000 Total Revenue	\$ 18,975,600	\$ 7,497,023	\$ 698,428	\$ 505,422	\$ 300,124	\$ 483,772
91100 Administrative Salaries	\$ 1,185,884	\$ 413,391	\$ 89,970	\$ 156,213	\$ 9,291	\$ 14,974
91200 Auditing Fees	\$ 12,946	\$ 7,482	\$ -	\$ -	\$ -	\$ 448
91300 Management Fee	\$ 1,385,038	\$ -	\$ -	\$ -	\$ -	\$ -
91310 Book-keeping Fee	\$ 217,548	\$ -	\$ -	\$ -	\$ -	\$ -
91500 Employee Benefit contributions - Administrative	\$ 744,180	\$ 280,304	\$ -	\$ 78,115	\$ 4,898	\$ 9,545
91600 Office Expenses	\$ 535,625	\$ 155,716	\$ 118,794	\$ 28,274	\$ 7,339	\$ 19,516
91700 Legal Expense	\$ 100,464	\$ -	\$ -	\$ -	\$ -	\$ -
91800 Travel	\$ 3,880	\$ 8,667	\$ -	\$ -	\$ 189	\$ 210
91900 Other	\$ 361,577	\$ -	\$ -	\$ -	\$ -	\$ -
91000 Total Operating - Administrative	\$ 4,547,142	\$ 865,560	\$ 208,764	\$ 262,602	\$ 21,717	\$ 44,693
92000 Asset Management Fee	\$ 57,960	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92400 Tenant Services - Other	\$ 33,811	\$ -	\$ -	\$ -	\$ -	\$ -
92500 Total Tenant Services	\$ 33,811	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	\$ 451,841	\$ -	\$ 10,395	\$ 5,186	\$ -	\$ -
93200 Electricity	\$ 859,566	\$ -	\$ 27,638	\$ 16,929	\$ -	\$ -

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010							
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
70750 Other Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70700 Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800 Other Government Grants	\$ -	\$ -	\$ -	\$ -	\$ 21,162	\$ 560,037	\$ -
71100 Investment Income - Unrestricted	\$ 315	\$ -	\$ 257	\$ -	\$ -	\$ -	\$ -
71200 Mortgage Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71300 Proceeds from Disposition of Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400 Fraud Recovery	\$ 420	\$ -	\$ 211	\$ -	\$ -	\$ -	\$ 192
71500 Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72000 Investment Income - Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70000 Total Revenue	\$ 198,622	\$ 232,874	\$ 98,106	\$ 696,235	\$ 21,162	\$ 560,037	\$ 445,802
91100 Administrative Salaries	\$ 16,800	\$ 37,406	\$ 13,343	\$ -	\$ 10,037	\$ -	\$ 29,134
91200 Auditing Fees	\$ 121	\$ -	\$ 350	\$ -	\$ -	\$ -	\$ 800
91300 Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91310 Book-keeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91500 Employee Benefit contributions - Administrative	\$ 9,502	\$ 17,168	\$ 8,142	\$ -	\$ 6,691	\$ -	\$ 17,470
91600 Office Expenses	\$ 2,261	\$ 58,229	\$ 1,072	\$ -	\$ 4,150	\$ -	\$ 6,914
91700 Legal Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91800 Travel	\$ 78	\$ -	\$ 112	\$ -	\$ 284	\$ -	\$ 287
91900 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91000 Total Operating - Administrative	\$ 28,762	\$ 112,803	\$ 23,019	\$ -	\$ 21,162	\$ -	\$ 54,605
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92400 Tenant Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92500 Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93100 Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93200 Electricity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	COCC	ELIM	Total
70750 Other Fees	\$ 7,286	\$ -	\$ 7,286
70700 Total Fee Revenue	\$ 1,667,832	\$ (1,660,546)	\$ 7,286
70800 Other Government Grants	\$ 14,000	\$ -	\$ 610,199
71100 Investment Income - Unrestricted	\$ 3,924	\$ -	\$ 9,347
71200 Mortgage Interest Income	\$ -	\$ -	\$ 121,382
71300 Proceeds from Disposition of Asset	\$ 3,690	\$ -	\$ 3,690
71400 Fraud Recovery	\$ -	\$ -	\$ 17,083
71500 Other Revenue	\$ 128,377	\$ -	\$ 1,023,953
72000 Investment Income - Restricted	\$ -	\$ -	\$ 57,480
70000 Total Revenue	\$ 1,834,453	\$ (1,660,546)	\$ 30,887,114
91100 Administrative Salaries	\$ 814,690	\$ -	\$ 2,791,133
91200 Auditing Fees	\$ 671	\$ -	\$ 22,818
91300 Management Fee	\$ -	\$ (1,385,038)	\$ -
91310 Book-keeping Fee	\$ -	\$ (217,548)	\$ -
91500 Employee Benefit contributions - Administrative	\$ 481,428	\$ -	\$ 1,657,443
91600 Office Expenses	\$ 148,065	\$ -	\$ 1,085,955
91700 Legal Expense	\$ 4,080	\$ -	\$ 104,544
91800 Travel	\$ 13,822	\$ -	\$ 27,529
91900 Other	\$ -	\$ -	\$ 361,577
91000 Total Operating - Administrative	\$ 1,462,756	\$ (1,602,586)	\$ 6,050,999
92000 Asset Management Fee	\$ -	\$ (57,960)	\$ -
92100 Tenant Services - Salaries	\$ 1,687	\$ -	\$ 1,687
92400 Tenant Services - Other	\$ -	\$ -	\$ 33,811
92500 Total Tenant Services	\$ 1,687	\$ -	\$ 35,498
93100 Water	\$ 3,439	\$ -	\$ 470,861
93200 Electricity	\$ 47,032	\$ -	\$ 951,165

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010						
	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
93300 Gas	\$ 1,447,153	\$ -	\$ 42,111	\$ 27,775	\$ -	\$ -
93600 Sewer	\$ 473,153	\$ -	\$ 10,093	\$ -	\$ -	\$ -
93800 Other Utilities Expense	\$ -	\$ -	\$ -	\$ 5,803	\$ -	\$ -
93000 Total Utilities	\$ 3,231,713	\$ -	\$ 90,237	\$ 55,693	\$ -	\$ -
94100 Ordinary Maintenance and Operations - Labor	\$ 1,700,399	\$ -	\$ -	\$ -	\$ -	\$ -
94200 Ordinary Maintenance and Operations - Materials and Other	\$ 461,587	\$ -	\$ 142,988	\$ 2,251	\$ -	\$ -
94300 Ordinary Maintenance and Operations Contracts	\$ 2,299,070	\$ -	\$ 7,988	\$ 114,361	\$ -	\$ -
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ 1,050,098	\$ -	\$ -	\$ -	\$ -	\$ -
94000 Total Maintenance	\$ 5,511,154	\$ -	\$ 150,976	\$ 116,612	\$ -	\$ -
95200 Protective Services - Other Contract Costs	\$ 8,714	\$ -	\$ -	\$ -	\$ -	\$ -
95300 Protective Services - Other	\$ 426,563	\$ -	\$ -	\$ -	\$ -	\$ -
95000 Total Protective Services	\$ 435,277	\$ -	\$ -	\$ -	\$ -	\$ -
96110 Property Insurance	\$ 278,451	\$ -	\$ 28,516	\$ 8,621	\$ -	\$ -
96120 Workmen's Compensation	\$ 133,443	\$ 13,829	\$ -	\$ -	\$ -	\$ 339
96140 All Other Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96100 Total Insurance Premiums	\$ 411,894	\$ 13,829	\$ 28,516	\$ 8,621	\$ -	\$ 339
96200 Other General Expenses	\$ 74,105	\$ -	\$ 63,215	\$ 60,919	\$ -	\$ -
96210 Compensated Absences	\$ 38,243	\$ -	\$ -	\$ -	\$ -	\$ -
96300 Payments in Lieu of Taxes	\$ 184,601	\$ -	\$ -	\$ 23,411	\$ -	\$ -
96400 Bad Debt - Tenant Rents	\$ 71,435	\$ -	\$ -	\$ (501)	\$ -	\$ -
96500 Bad Debt - Mortgages	\$ -	\$ -	\$ 37,322	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010							
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
93300 Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93600 Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93800 Other Utilities Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93000 Total Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94100 Ordinary Maintenance and Operations - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94200 Ordinary Maintenance and Operations - Materials and Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300 Ordinary Maintenance and Operations Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94000 Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200 Protective Services - Other Contract Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95300 Protective Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96110 Property Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96120 Workmen's Compensation	\$ 91	\$ -	\$ 322	\$ -	\$ -	\$ -	\$ 824
96140 All Other Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96100 Total Insurance Premiums	\$ 91	\$ -	\$ 322	\$ -	\$ -	\$ -	\$ 824
96200 Other General Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96210 Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96300 Payments in Lieu of Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96400 Bad Debt - Tenant Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96500 Bad Debt - Mortgages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
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March 31, 2010

	COCC	ELIM	Total
93300 Gas	\$ 16,354	\$ -	\$ 1,533,393
93600 Sewer	\$ 1,177	\$ -	\$ 484,423
93800 Other Utilities Expense	\$ -	\$ -	\$ 5,803
93000 Total Utilities	\$ 68,002	\$ -	\$ 3,445,645
94100 Ordinary Maintenance and Operations - Labor	\$ 14,856	\$ -	\$ 1,715,255
94200 Ordinary Maintenance and Operations - Materials and Other	\$ -	\$ -	\$ 606,826
94300 Ordinary Maintenance and Operations Contracts	\$ 153,343	\$ -	\$ 2,574,762
94500 Employee Benefit Contributions - Ordinary Maintenance	\$ -	\$ -	\$ 1,050,098
94000 Total Maintenance	\$ 168,199	\$ -	\$ 5,946,941
95200 Protective Services - Other Contract Costs	\$ -	\$ -	\$ 8,714
95300 Protective Services - Other	\$ 627	\$ -	\$ 427,190
95000 Total Protective Services	\$ 627	\$ -	\$ 435,904
96110 Property Insurance	\$ 10,104	\$ -	\$ 325,692
96120 Workmen's Compensation	\$ 567	\$ -	\$ 149,415
96140 All Other Insurance	\$ 954	\$ -	\$ 954
96100 Total Insurance Premiums	\$ 11,625	\$ -	\$ 476,061
96200 Other General Expenses	\$ 33,072	\$ -	\$ 231,311
96210 Compensated Absences	\$ 42,576	\$ -	\$ 80,819
96300 Payments in Lieu of Taxes	\$ -	\$ -	\$ 208,012
96400 Bad Debt - Tenant Rents	\$ -	\$ -	\$ 70,934
96500 Bad Debt - Mortgages	\$ -	\$ -	\$ 37,322

	Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010					
	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
96600 Bad Debt - Other	\$ -	\$ -	\$ 1,608	\$ -	\$ -	\$ -
96000 Total Other General Expenses	\$ 368,384	\$ -	\$ 102,145	\$ 83,829	\$ -	\$ -
96710 Interest of Mortgage (or Bonds) Payable	\$ 335,801	\$ -	\$ 56,940	\$ 8,930	\$ -	\$ -
96720 Interest on Notes Payable (Short and Long Term)	\$ 259,570	\$ -	\$ -	\$ -	\$ -	\$ -
96700 Total Interest Expense and Amortization Cost	\$ 595,371	\$ -	\$ 56,940	\$ 8,930	\$ -	\$ -
96900 Total Operating Expenses	\$ 15,192,706	\$ 879,389	\$ 637,578	\$ 536,287	\$ 21,717	\$ 45,032
97000 Excess of Operating Revenue over Operating Expenses	\$ 3,782,894	\$ 6,617,634	\$ 60,850	\$ (30,865)	\$ 278,407	\$ 438,740
97200 Casualty Losses - Non-capitalized	\$ 101,537	\$ -	\$ -	\$ 5,701	\$ -	\$ -
97300 Housing Assistance Payments	\$ -	\$ 6,510,617	\$ -	\$ -	\$ 278,407	\$ 451,752
97400 Depreciation Expense	\$ 4,921,535	\$ 4,240	\$ 64,463	\$ 141,002	\$ -	\$ -
90000 Total Expenses	\$ 20,215,778	\$ 7,394,246	\$ 702,041	\$ 682,990	\$ 300,124	\$ 496,784
10010 Operating Transfer In	\$ 598,666	\$ -	\$ -	\$ -	\$ -	\$ -
10020 Operating transfer Out	\$ (598,666)	\$ -	\$ -	\$ -	\$ -	\$ -
10070 Extraordinary Items, Net Gain/Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (1,240,178)	\$ 102,777	\$ (3,613)	\$ (177,568)	\$ -	\$ (13,012)
11030 Beginning Equity	\$ 55,744,182	\$ 460,032	\$ 497,992	\$ 2,900,270	\$ 558,992	\$ 12,329
11040 Prior Period Adjustments	\$ 7,164,075	\$ (105,344)	\$ -	\$ (1,460,560)	\$ (558,992)	\$ -
Ending Equity	\$ 61,668,079	\$ 457,465	\$ 494,379	\$ 1,262,142	\$ -	\$ (683)



	Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010						
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
96600 Bad Debt - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96000 Total Other General Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96710 Interest of Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96720 Interest on Notes Payable (Short and Long Term)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 28,853	\$ 112,803	\$ 23,341	\$ -	\$ 21,162	\$ -	\$ 55,429
97000 Excess of Operating Revenue over Operating Expenses	\$ 169,769	\$ 120,071	\$ 74,765	\$ 696,235	\$ -	\$ 560,037	\$ 390,373
97200 Casualty Losses - Non-capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97300 Housing Assistance Payments	\$ 183,274	\$ -	\$ 75,987	\$ -	\$ -	\$ -	\$ 390,373
97400 Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90000 Total Expenses	\$ 212,127	\$ 112,803	\$ 99,328	\$ -	\$ 21,162	\$ -	\$ 445,802
10010 Operating Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10020 Operating transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10070 Extraordinary Items, Net Gain/Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10100 Total Other financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (13,505)	\$ 120,071	\$ (1,222)	\$ 696,235	\$ -	\$ 560,037	\$ -
11030 Beginning Equity	\$ 56,560	\$ -	\$ 45,666	\$ -	\$ -	\$ -	\$ 500
11040 Prior Period Adjustments	\$ -	\$ (120,071)	\$ -	\$ -	\$ -	\$ 80,477	\$ -
Ending Equity	\$ 43,055	\$ -	\$ 44,444	\$ 696,235	\$ -	\$ 640,514	\$ 500

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	COCC	ELIM	Total
96600 Bad Debt - Other	\$ -	\$ -	\$ 1,608
96000 Total Other General Expenses	\$ 75,648	\$ -	\$ 630,006
96710 Interest of Mortgage (or Bonds) Payable	\$ -	\$ -	\$ 401,671
96720 Interest on Notes Payable (Short and Long Term)	\$ -	\$ -	\$ 259,570
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ 661,241
96900 Total Operating Expenses	\$ 1,788,544	\$ (1,660,546)	\$ 17,682,295
97000 Excess of Operating Revenue over Operating Expenses	\$ 45,909	\$ -	\$ 13,204,819
97200 Casualty Losses - Non-capitalized	\$ 7,549	\$ -	\$ 114,787
97300 Housing Assistance Payments	\$ -	\$ -	\$ 7,890,410
97400 Depreciation Expense	\$ 54,530	\$ -	\$ 5,185,770
90000 Total Expenses	\$ 1,850,623	\$ (1,660,546)	\$ 30,873,262
10010 Operating Transfer In	\$ -	\$ -	\$ 598,666
10020 Operating transfer Out	\$ -	\$ -	\$ (598,666)
10070 Extraordinary Items, Net Gain/Loss	\$ (298,100)	\$ -	\$ (298,100)
10100 Total Other financing Sources (Uses)	\$ (298,100)	\$ -	\$ (298,100)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (314,270)	\$ -	\$ (284,248)
11030 Beginning Equity	\$ 9,555,089	\$ -	\$ 69,831,612
11040 Prior Period Adjustments	\$ (4,999,585)	\$ -	\$ -
Ending Equity	\$ 4,241,234	\$ -	\$ 69,547,364

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	Project Total	Housing Choice Vouchers	Component Unit	State/ Local	N/C Section 8	Shelter Plus Care
11170 Administrative Fee Equity	\$ -	\$ 18,841	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments	\$ -	\$ 438,624	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	25,891	18,624	456	672	792	1,116
11210 Number of Unit Months Leased	25,333	16,912	445	389	785	1,111
11270 Excess Cash	\$ (1,339,369)	\$ -	\$ -	\$ -	\$ -	\$ -
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	\$ 196,542	\$ -	\$ -	\$ -	\$ -	\$ -
11630 Furniture & Equipment - Dwelling Purchases	\$ 403,134	\$ -	\$ -	\$ -	\$ -	\$ -
11640 Furniture & Equipment - Administrative Purchases	\$ 320,139	\$ -	\$ -	\$ -	\$ -	\$ -
11660 Infrastructure Purchases	\$ 10,926,244	\$ -	\$ -	\$ -	\$ -	\$ -
13510 CFFP Debt Service Payments	\$ 596,845	\$ -	\$ -	\$ -	\$ -	\$ -
13901 Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority FDS Schedule Submitted to REAC Proprietary Fund Type - Enterprise Fund March 31, 2010							
	HOME Program	ROSS Program	Section 8 Mod Rehab SRO	Formula Stimulus Grant	WIA Youth Activities	CDBG Entitlement Grant	Section 8 Mod
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	300	-	432	-	-	-	1,104
11210 Number of Unit Months Leased	232	-	406	-	-	-	956
11270 Excess Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11630 Furniture & Equipment - Dwelling Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11640 Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11660 Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510 CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13901 Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority  
FDS Schedule Submitted to REAC  
Proprietary Fund Type - Enterprise Fund  
March 31, 2010

	COCC	ELIM	Total
11170 Administrative Fee Equity	\$ -	\$ -	\$ 18,841
11180 Housing Assistance Payments	\$ -	\$ -	\$ 438,624
11190 Unit Months Available	-	-	49,387
11210 Number of Unit Months Leased	-	-	46,569
11270 Excess Cash	\$ -	\$ -	\$ (1,339,369)
11610 Land Purchases	\$ -	\$ -	\$ -
11620 Building Purchases	\$ -	\$ -	\$ 196,542
11630 Furniture & Equipment - Dwelling Purchases	\$ -	\$ -	\$ 403,134
11640 Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ 320,139
11660 Infrastructure Purchases	\$ -	\$ -	\$ 10,926,244
13510 CFFP Debt Service Payments	\$ -	\$ -	\$ 596,845
13901 Replacement Housing Factor Funds	\$ -	\$ -	\$ -

Stark Metropolitan Housing Authority  
Schedule of Expenditure of Federal Award  
For the Year Ended March 31, 2010

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>Pass- Through Entity #</b>	<b>EXPENDITURES</b>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Program			
Section 8 Project Base Cluster:			
Section 8 New Construction Program	14.182	(A)	\$300,124
Section 8 Moderate Rehab. Single Room Occupancy	14.249	(A)	97,638
Section 8 Moderate Rehab	14.856	(A)	445,610
Total Section 8 Project Base Cluster Programs			<u>843,372</u>
Shelter Plus Care Program	14.238	(A)	483,708
Low Rent Public Housing Program	14.850	(A)	8,074,147
Resident Opportunity and Supportive Services	14.870	(A)	232,874
Housing Choice Voucher Program	14.871	(A)	7,478,322
Public Housing Capital Fund Cluster:			
Public Housing Capital Fund Program	14.872	(A)	5,322,294
Formula Stimulus Grant	14.885	(A)	696,235
Total Public Housing Capital Fund Cluster Programs			<u>6,018,529</u>
Total Direct Awards			<u>23,130,952</u>
<b>Passed Through Stark County</b>			
HOME Investment Partnership Program	14.239	(A)	197,887
Neighborhood Stabilization Program	14.256	(A)	560,037
Total Passed Through from Stark County			<u>757,924</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>23,888,876</u></b>
<b>U.S. Department of Labor</b>			
Passed Through Stark County			
WIA Youth Program	17.259	(A)	<u>21,162</u>
<b>Total U.S. Department of Labor</b>			<b><u>21,162</u></b>
<b>Total Expenditure of Federal Award</b>			<b><u><u>\$23,910,038</u></u></b>

(A) Pass-Through Entity Number is not know or applicable.



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

Board of Directors  
Stark Metropolitan Housing Authority

I have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Stark Metropolitan Housing Authority, Ohio, as of and for the year ended March 31, 2010, which collectively comprise the Stark Metropolitan Housing Authority basic financial statements and have issued my report thereon dated August 13, 2010. 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. I did not audit the financial statements of the component units of the Stark Metropolitan Housing Authority, which statements reflect total assets of 3.9 percent of the total assets as of March 31, 2010 and total operating revenues constituting less than 2.3 percent of total operating revenues for the year then ended. These statements were audited by other auditors and these auditors have reported to you on the legal compliance and internal control over financial reporting of the component units. Accordingly, this report does not address the legal compliance and internal control over financial reporting of the component units of the Stark Metropolitan Housing Authority.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Stark 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 Stark 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 Stark Metropolitan Housing Authority in a separate letter dated August 13, 2010.

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

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Salvatore Consiglio, CPA, Inc.  
August 13, 2010





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

Board of Directors  
Stark Metropolitan Housing Authority

**Compliance**

I have audited the compliance of the Stark Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2010. Stark 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 Stark Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Stark Metropolitan Housing Authority, Ohio's compliance based on my audit.

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

In my opinion, Stark Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2010. However, the result of my audit procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-SMHA-1.

### **Internal Control Over Compliance**

The management of Stark Metropolitan Housing Authority, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Stark Metropolitan Housing Authority, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance 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 the entity's internal control over compliance.

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

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

Stark Metropolitan Housing Authority, Ohio response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Stark Metropolitan Housing Authority, Ohio response and, accordingly, I express no opinion on it.

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

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Salvatore Consiglio, CPA, Inc.  
August 13, 2010

Stark Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 March 31, 2010

**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?	Yes
Major Programs (list):	CFDA # 14.850 Low Rent Public Housing Program; 14.872 PH Capital Fun Program; 14.885 Public Housing Capital Fund Stimulus (Formula); 14.182, 14.249 & 14.856 Section 8 Project Based Cluster Programs
Dollar Threshold: Type A/B Programs	Type A: > \$717,301 Type B: All Others
Low Risk Auditee?	No

Stark Metropolitan Housing Authority  
Schedule of Findings and Questioned Costs  
OMB Circular A-133 § .505  
March 31, 2010

**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 December 31, 2009.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

FINDING NUMBER	2010-SMHA-1
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**Compliance Finding – Annual Recertification**

**U.S. Department of HUD  
Low Rent Public Housing (CFDA # 14.850)**

24 CFR 960.257 and 960.259 requires that the Housing Authority performs reexamination of family income and composition at least once every 12 months.

Audit procedures over 60 public housing files revealed that the PHA did not perform the annual reexamination within the required 12 months for 8 of the 70 files examined. This resulted that the PHA was not in compliance with the above regulations. Failure with compliance can result in loss of rental income and possible penalty fines imposed by HUD.

This error may have been due to reduction in staff as a measure of cost cutting effort.

Recommendation: The PHA must assure that annual reexaminations are performed timely. A quality review and assurance should be performed to ascertain those recertifications are performed within 12 months.

**Corrective Action Plan:**

Management to generate monthly late recertification report and use to monitor and administer corrective action to Recertification Specialist(s) who are late for previous months' recertification.

Contact Person: Director of Operation  
Resolution Date: March 31, 2011

Stark Metropolitan Housing Authority  
 Schedule of Prior Audit Findings  
 March 31, 2010

The following are the status of the March 31, 2009 audit findings.

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2009- SMHA -1	Financial Statement Reporting	No	Partially Corrected – The PHA is in the process of implementing a new software system. Management believes that the new system will allow more analysis over its financial transactions. This will assure that financial reports are more accurately monitored during the year and will allow timely and accurate financial reports preparation. The new software was not fully implemented during the audit period and finance department was trying to run both systems at the same time. Management comment was issued, please see separate management report.
2009- SMHA -2	Section 3 reported (form HUD 60002)	Yes	Corrected – Report was filed timely.
2009- SMHA-3	Tenant Participation Funds	Yes	Corrected – The PHA finance department will maintain the tenant participation checking account for the resident council.

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**Mary Taylor, CPA**  
Auditor of State

**STARK METROPOLITAN HOUSING AUTHORITY**

**STARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 23, 2010**