

**AKRON METROPOLITAN HOUSING AUTHORITY**

**AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2001**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

---

**JIM PETRO, AUDITOR OF STATE**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Directors  
Akron Metropolitan Housing Authority  
100 W. Cedar St.  
Akron, OH 44307

We have reviewed the independent auditor's report of the Akron Metropolitan Housing Authority, Summit County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2000 through June 30, 2001. 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 Akron Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

January 15, 2002

**This Page is Intentionally Left Blank.**

AKRON METROPOLITAN HOUSING AUTHORITY  
 AUDIT REPORT  
 FOR THE YEAR ENDED JUNE 30, 2001

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
General Purpose Financial Statements:	
Combined Balance Sheet - Proprietary Fund Type	3
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type	4
Combined Statement of Cash Flows - Proprietary Fund Type	5
Notes to the General Purpose Financial Statements	6-21
Schedule of Federal Awards Expenditures	22
Notes to Supplemental Schedule of Expenditures of Federal Awards	23
Statement of Development Cost - Initial Operating Grant Cost - Completed	24
Statement of HOPE VI Demolition Grant Cost - Completed	25
Supplemental Data:	
Combining Balance Sheet - Non-Aided	26-29
Additional FDS Schedule Information - FDS Schedule Submitted to HUD	30-35
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - (FDS Schedule Format)	36-41
Reconciliation of Financial Statements to Financial Data Schedules	42-43
Notes to the Financial Data Schedule and the Reconciliation of the Financial Statements to the Financial Data Schedule	44-45
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government</u> <u>Auditing Standards</u>	46-47
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i> and <u>PIH Compliance Supplement</u>	48-49
Schedule of Findings and Questioned Costs	50-51

**This Page is Intentionally Left Blank.**

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Akron Metropolitan Housing Authority  
Akron, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying consolidated financial statements of the Akron Metropolitan Housing Authority (AMHA) as of June 30, 2001 and for the year then ended, listed in the foregoing table of contents. These consolidated financial statements are the responsibility of the management of the Akron Metropolitan Housing Authority (AMHA). Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Rosemary Square, Inc. (a not-for-profit organization owned by AMHA), which statements reflect total assets constituting less than two percent of the total assets at June 30, 2001 and total operating revenues constituting less than two percent of total operating revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Rosemary Square, Inc., is based solely on the report of such other auditors.

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

In our opinion, based on our audit and the report of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of the Akron Metropolitan Housing Authority as of June 30, 2001, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of the Akron Metropolitan Housing Authority taken as a whole. The accompanying supplemental schedule of expenditures 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 Governments, and Not-Profit Organizations*, and is not a required part of the basic consolidated financial statements. The accompanying supplemental combining balance sheet information, supplemental combining revenues and expenditures information relating to the non-aided program and the supplemental schedule of actual modernization costs incurred on projects closed during the year ended June 30, 2001 are also presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. The aforementioned supplemental schedules and information are also the responsibility of management. Such supplemental schedules and information have been subjected to the auditing procedures applied in the audit of the basis consolidated financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2001 on our consideration of the Akron Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

September 28, 2001

---

James G. Zupka  
Certified Public Accountant



AKRON METROPOLITAN HOUSING AUTHORITY  
CONSOLIDATED BALANCE SHEET  
PROPRIETARY FUND TYPE  
JUNE 30, 2001

**ASSETS**

**CURRENT ASSETS:**

Cash and Cash Equivalents (Note 3)	\$ 22,153,013
Accounts Receivable:	
Federal Government -HUD	3,427,038
Tenant (Net of Allowance for Doubtful Accounts of (\$236,814))	64,458
Other	924,522
Accrued Interest Receivable	359,857
Escrow Funds (Note 8)	844,980
Inventory (Net of Allowance for Obsolete Inventory) (\$84,890)	784,747
Prepaid and Other Current Assets	300,123

**Total Current Assets** 28,858,738

**NONCURRENT ASSETS:**

Restricted Cash and Cash Equivalents (Note 3)	1,065,370
Note Receivable	1,341,495
Escrow Funds and Other Noncurrent Assets (Note 8)	1,816,823
Land, Structures and Equipment, Net (Note 4)	169,786,850

**Total Noncurrent Assets** 174,010,538

**TOTAL ASSETS** \$ 202,869,276

**LIABILITIES AND EQUITY**

**CURRENT LIABILITIES:**

Accounts Payable:	
HUD	\$ 2,399,537
Vendors	4,760,289
Accrued Liabilities	1,804,827
Deferred Revenues	1,765,948
Current Portion of Long-Term Debt (Note 5)	768,416

**Total Current Liabilities** 11,499,017

**NON-CURRENT LIABILITIES:**

Compensated Absences, Net of Current Portion	1,020,781
Long-Term Debt, Net of Current Portion (Note 5)	18,469,142
Other	1,628,283

**Total Non-Current Liabilities** 21,118,206

**TOTAL LIABILITIES** 32,617,223

**EQUITY** 170,252,053

**TOTAL LIABILITIES AND EQUITY** \$ 202,869,276

See notes to consolidated financial statements.

AKRON METROPOLITAN HOUSING AUTHORITY  
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2001

<b><u>OPERATING REVENUE</u></b>	
Net Tenant Rental	\$ 11,246,471
Tenant Revenue Other	80,315
Subsidies and Grants from HUD	49,838,182
Other	1,770,131
<b>Total Operating Revenue</b>	62,935,099
<b><u>OPERATING EXPENSES</u></b>	
Administrative	9,745,381
Tenant Services	998,387
Utilities	4,384,129
Ordinary Maintenance and Operation	11,465,931
General Expenses	1,319,916
Non-Routine Maintenance	273,022
Protective Services	1,739,423
Housing Assistance Payments	19,620,509
Depreciation and Amortization	8,095,998
<b>Total Operating Expenses</b>	57,642,696
<b>Net Operating Income (Loss)</b>	5,292,403
<b><u>OTHER INCOME (EXPENSE)</u></b>	
Investment Income	1,544,058
Interest Expense	(1,071,922)
Loss from Disposition of Equipment and Real Property	(31,362)
<b>Total Other Income - Net</b>	440,774
<b>EXCESS OF REVENUE OVER EXPENSES</b>	5,733,177
<b>BEGINNING EQUITY</b>	167,859,462
<b>PRIOR PERIOD ADJUSTMENTS</b>	(3,340,586)
<b>ENDING EQUITY</b>	\$ 170,252,053

See notes to the consolidated financial statements.

AKRON METROPOLITAN HOUSING AUTHORITY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2001

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating Income	\$ 5,292,403
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	8,095,998
Increase (Decrease) in Operating Assets and Liabilities:	
Accounts Receivable - HUD	(367,556)
Accounts Receivable - Tenant and Other	(219,468)
Inventory	165,523
Prepays and Other Current Assets	(99,871)
Accounts Payable - HUD	(1,973,230)
Accounts Payable - Other	(233,975)
Accrued Liabilities, Deferred Revenues and	
Compensated Absences	136,263
Other Non-Current Assets	(1,728,995)
	3,774,689
Total Adjustments	

**Net Cash (Used) by Operating Activities** 9,067,092

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from Notes	575,320
Principal Paid on Mortgages and Notes	(817,694)
Acquisition and Construction of Capital Assets	(13,133,026)
Interest Paid on Mortgages and Notes	(1,071,922)
Proceeds from Sale of Equipment	170,968
	(14,276,354)

**Net Cash Provided by Capital and Other Related Financing Activities** (14,276,354)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment Income	1,541,058
-------------------	-----------

**Net Cash Provided by Investing Activities** 1,541,058

Change in Cash and Cash Equivalents (3,668,204)

Cash and Cash Equivalents, Beginning of Year 28,224,865

Cash and Cash Equivalents, End of Year (Note 3) \$ 24,556,661

See notes to the consolidated financial statements.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 1: **DEFINITION OF THE ENTITY**

Akron Metropolitan Housing Authority (AMHA or the Authority) is a political subdivision organized under the laws of the State of Ohio. AMHA is responsible for operating certain low-income housing programs in Summit County under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority's consolidated financial statements include all funds, agencies, boards, commissions, and departments for which the Authority is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board (GASB), exists if the Authority appoints a voting majority of an organization's governing board and the Authority is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Authority. The Authority may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the Authority. The Authority also took into consideration other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority's general purpose financial statements to be misleading or incomplete. Based upon the foregoing criteria, the Authority has no component units.

The accompanying consolidated financial statements include all funds and departments of AMHA as well as the accounts of Rosemary Square, Inc. (Rosemary Square), a not-for-profit entity acquired by AMHA during the year ended June 30, 1996. Rosemary Square provides housing and related facilities and services for elderly families and persons and families of low income.

HUD requires all grantee agencies and authorities to maintain a separate ledger for each grant/granting contract. Accordingly, AMHA maintains a separate ledger for each of the following programs/grants:

- A. **Annual Contributions Contract (ACC) C-959** - The following programs are operated under the contract:

***Low Rent Housing Program*** - Under this program, which is sponsored by HUD, AMHA manages approximately 5,000 public housing units which are owned by AMHA. AMHA operates the program with the proceeds of rentals received from tenants and contributions and subsidies received from HUD under contractual agreement.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 1: **DEFINITION OF THE ENTITY** (Continued)

A. **Annual Contributions Contracts** (Continued)

***Comprehensive Grant Programs (Modernization and Development)*** - HUD funding of modernization and development programs through September 30, 1986 was accomplished through project notes; after that time, HUD funding was accomplished through grants.

***Drug Grant*** - Under this program, AMHA received drug grant funds from HUD for the purpose of eliminating illegal from its housing projects.

***Service Coordinator Grant*** - Under this program, AMHA receives service coordinator funds from HUD for the purpose of providing elderly and disabled individuals with services to increase their independent living.

B. **ACC C-10003** - Housing Assistance Program (HAP) - Under this HUD Section 8 Program, AMHA contracts with private landlords and subsidizes the rental of approximately 3,600 public housing dwelling units. Under this program, HAP payments are made to the landlord on behalf of the tenant for the difference between the contract rent amount and the amount the tenant is able to pay.

***Shelter Plus Care Grant*** - Under this grant, AMHA receives money for the purpose of providing housing for those individuals who have contracted the AIDS virus, recovering drug addicts, and individuals who have been homeless for an excessive amount of time.

C. **Non-Aided** - HAP Program - Under this HUD Section 8 Program, AMHA receives rental subsidies for approximately 200 owned public housing dwelling units. As with the HAP above, payments are received by AMHA from HUD for the difference between the contract rent amount and the amount the tenant is able to pay.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Akron Metropolitan Housing Authority operates under a series of enterprise funds and has prepared its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

In accordance with Statement No. 20 of the GASB *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The Authority will continue to apply all applicable pronouncements of the GASB.

The significant accounting policies under which the financial statements have been prepared are as follows:

1. ***Restricted and Unrestricted Cash Equivalents*** - include investments with original maturities of three months or less. Cash equivalents are carried at fair value.
2. ***Land, Structures and Equipment*** - are capitalized at cost. Structures and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. Buildings are depreciated over 40 years and equipment is depreciated over 3 to 5 years.
3. ***Compensated Absences*** - Sick leave is earned at a rate of 4.6 hours for each 80 hours worked and up to 960 hours of accumulated, unused sick leave is paid upon retirement. At June 30, 2001, the liability for unused sick leave as \$1,078,024.

Vacation leave is earned at a rate ranging from eight hours to 16.66 hours per month based upon years of service. Vacation time may be carried over from year to year up to two, maximum of 96 hours. Accumulated, unused vacation time is due and payable to employees upon separation from the Authority. At June 30, 2001, the liability for unused vacation was \$598,163.

The current portion of these amounts is included in accrued liabilities in the accompanying consolidated balance sheet.

4. ***Debt Obligations*** - Debt obligations (and the related debt service requirements) of the Authority consist of mortgages and a note for the purchase of real property. HUD-guaranteed debt is treated as contributed capital as all debt service requirements are paid directly by HUD.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

5. ***Recognition of Revenues and Expenses*** - Contributions and subsidies received from HUD are generally recognized as revenues in the Annual Contributions Contract year, except for HAP payments received under the Non-Aided Program which are recognized as dwelling rental revenue when earned. Tenant rentals are recognized as revenues in the month of occupancy. Contributions under the Comprehensive Grant Program (CGP) are recognized as revenues in the period in which expenses related to CGP projects were incurred. Rentals and grants received in advance of the period in which they are recognized are recorded as deferred revenue.

Expenses are recognized on an accrual basis, in accordance with GAAP.

6. ***Indirect Costs*** - Certain indirect costs are allocated to the various programs under a HUD approved indirect cost allocation plan.
7. ***Inventory*** - is valued using an average costing method. Expense is recorded based upon consumption.
8. ***Use of Estimates*** - The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: **DEPOSITS AND INVESTMENTS**

***Legal and Other Requirements*** - The investment and deposit of Authority monies are governed by the provisions of the Ohio Revised Code and the Authority's written investment policy. Only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The Authority is also generally permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, the State Treasury's investment pool (STAR Ohio), and obligations of certain political subdivisions of Ohio and the United States government and its agencies. These investments must mature within five years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding thirty days.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

Public depositories must give security for all public funds on deposit. HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Authority's name.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

Governmental Accounting Standards Board Statement No. 3 (GASB No. 3) has established custodial credit risk categories for deposits and investments as follows:

**Deposits:**

- Category 1 Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.
- Category 3 Uncollateralized as defined by the GASB (securities pledged with the pledging financial institution's trust department or agent, but not in the Authority's name).

**Investments:**

- Category 1 Insured or registered, or securities held by the Authority or its agent in the Authority's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Authority's name.



AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

**Deposits** - At year-end, the carrying amount of the Akron Metropolitan Housing Authority's deposits was \$1,936,661 and the bank balance was \$1,419,563 the difference representing outstanding checks and other in-transit items. \$500,000 of the bank balance was covered by federal depository insurance. The remainder was uninsured and uncollateralized, but were covered by a pledged collateral pool, as allowed by State law.

**Investments** - Akron Metropolitan Housing Authority's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at year-end. The risk categories were described previously in this footnote.

<u>Category</u>		<u>Cost</u>	<u>Fair Value</u>
2	Repurchase Agreement	\$ 22,620,000	\$ 22,620,000
Totals		<u>\$ 22,620,000</u>	<u>\$ 22,620,000</u>

A reconciliation of cash and investments as shown on the Combined Balance Sheet follows:

Cash and Cash Equivalents	\$ 22,153,013
Restricted Cash and Cash Equivalents	1,065,370
Escrow Funds (Note 8)	1,338,278
Totals	<u>\$ 24,556,661</u>
Carrying Amount of Deposits	\$ 1,936,661
Carrying Amount of Investments	22,620,000
Totals	<u>\$ 24,556,661</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

**NOTE 4: LAND, STRUCTURE AND EQUIPMENT**

A summary of changes to land, structures and equipment and accumulated depreciation is as follows:

<u>Program</u>	<u>Land</u>	<u>Structures</u>	<u>Equipment</u>	<u>Construction In Progress</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
ACC C-959	\$ 17,182,282	\$ 172,337,496	\$ 5,327,497	\$ 31,467,189	\$(101,618,879)	\$ 124,695,585
ACC C-10003	0	0	766,715	0	(323,364)	443,351
Non-Aided	8,354,217	44,066,828	2,087,893	0	(9,861,024)	44,647,914
Totals	<u>\$ 25,536,499</u>	<u>\$ 216,404,324</u>	<u>\$ 8,182,105</u>	<u>\$ 31,467,189</u>	<u>\$(111,803,267)</u>	<u>\$ 169,786,850</u>

**NOTE 5: LONG TERM DEBT**

Notes and mortgages payable at June 30, 2001 consist of four separate notes as follows:

	<u>Interest Rate</u>	<u>Monthly Payment Including Interest</u>	<u>Maturity Date (Fiscal Year)</u>	<u>Amount</u>
Non-Aided Mortgages Rosemary Square, Inc.	4.99%	\$ 28,372	2011	\$ 2,518,383
Mortgage	7.00%	28,578*	2015	3,053,058
Central Office Mortgage	Variable	**	2018	6,540,000
Midtown Note	5.81%	14,172	2005	1,607,803
Wilbeth- First Mortgage	10.08%	77,059	2010	5,518,314
Total				<u>\$19,237,558</u>

\* - Net of HUD Subsidy

\*\* - The Central Office mortgage has a variable rate of interest based on the Weekly Interest Rate for such one week period as defined in the loan agreement. At June 30, 2001, the interest rate in effect was 2.70%. This interest rate was utilized in the calculation of future debt service requirements.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 5: **LONG TERM DEBT** (Continued)

As of June 1, 1996, the Akron Metropolitan Housing Authority purchased Rosemary Square. As part of this purchase, AMHA assumed Rosemary Square's HUD insured mortgage which had a stated interest rate of 7 percent. The mortgage was structured under Section 236 of the National Housing Act, as amended, and provides for a HUD subsidy representing a reduction of the mortgage principal and interest payments, thereby reducing the effective rate of interest on the mortgage to 1 percent. In connection with the accounting for the purchase, AMHA recorded Rosemary Square's HUD insured mortgage at its estimated fair value which was determined by discounting the remaining payments due under the mortgage (net of the HUD subsidy) by AMHA's estimated, incremental borrowing rate of 8.25 percent at the date of the acquisition. The difference between the estimated fair value of the debt and its remaining stated balance at the date of the acquisition is being amortized to interest expense using the constant effective yield method.

On March 1, 2000, AMHA obtained financing in the form of a general obligation promissory note in the amount of \$1,700,000. The proceeds of the note were used for the purchase of real property, a building, and all building improvements from the Midtown Partners Limited Partnership. The note, due to First Merit Bank, N.A., is payable in monthly installments of \$14,172 from April 1, 2000 to March 1, 2005. Interest is payable monthly at a rate of 5.81 percent.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 5: **LONG TERM DEBT** (Continued)

The following is a summary of AMHA’s future debt service requirements for mortgages payable as of June 30, 2001:

<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>
2002	\$ 768,416
2003	1,064,077
2004	1,142,844
2005	1,231,135
2006	1,321,048
Thereafter	13,710,038
Total	<u><u>\$19,237,558</u></u>

In 1991, AMHA executed an in-substance defeasance of certain debt relating to AMHA’s Wilbeth Arlington facilities by obtaining a mortgage loan on the property. Certain of the proceeds of the \$7,800,000 mortgage along with a portion of the escrow funds which had previously been established for the defeased debt were used to purchase U. S. Treasury securities in the amount of \$8,956,618. These securities were placed on deposit with a trustee bank to effect the defeasance. Accordingly, the deposits with the trustee bank and the defeased debt are not included in AMHA’s combined financial statements. The remaining funds received by the Authority as a result of the defeasance are restricted by HUD to be used for rehabilitation and/or development of housing stock and are classified as “Escrow funds and other noncurrent assets” on the accompanying consolidated balance sheet (See Note 8).

NOTE 6: **RETIREMENT BENEFITS**

A. **Public Employees Retirement System of Ohio**

*Plan Description* - Employees of the Akron Metropolitan Housing Authority belong to the Public Employees Retirement System of Ohio (PERS), a state-wide and state administered defined benefit, cost-sharing multigovernmental employer pension plan, as required by the Ohio Revised Code (ORC). PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute per Chapter 145 of the ORC. PERS issues a stand-alone financial report that includes financial statements and required supplementary information.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 6: **RETIREMENT BENEFITS** (Continued)

A. **Public Employees Retirement System of Ohio** (Continued)

The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

*Funding Policy* - The ORC provides statutory authority for employee and employer contributions. Employees other than law enforcement personnel are required to contribute 8.5 percent of their covered payroll to PERS. The employer contribution rate for local government employer units is 13.55 percent of covered payroll, including 4.2 percent that is used to fund postretirement healthcare benefits. The Authority's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended June 30, 2001, 2000, and 1999 were \$1,448,482, \$1,642,578 and \$1,614,929 respectively, equal to 100 percent of the required contribution for each year.

B. **Other Postemployment Benefits**

Public Employees Retirement System of Ohio provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was rolled back for the year 2000. For state employers the rate was 10.65 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for the year. For local government employer units the rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for the year. The law enforcement employer rate was 15.70 percent and 4.30 percent was used to fund health care for the year.

AKRON METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2001  
 (CONTINUED)

NOTE 6: **RETIREMENT BENEFITS** (Continued)

**B. Other Postemployment Benefits** (Continued)

A portion of each employer's contribution to PERS is set aside for funding of postretirement healthcare. The ORC provides statutory authority requiring public employers to fund postretirement healthcare through their contributions to PERS. The portion of the employer contribution rate used to fund healthcare was 5.11 percent of covered payroll in each year prior to January 1, 1998. During 1997, PERS adopted a new calculation methodology for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions equal to 4.2 percent of member covered payroll are set aside to fund healthcare expenses. Under the prior method, which was actuarially based, accrued liabilities and normal cost rates were computed to determine the amount of employer contributions necessary to fund OPEB. The Authority's total contributions to PERS for postretirement benefits were \$466,859, \$420,389 and \$409,005 for the years ended June 30, 2001, 2000 and 1999, respectively.

OPEB is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree healthcare, along with investment income on allocated assets and periodic adjustments in healthcare provisions, are expected to be sufficient to sustain the program indefinitely.

NOTE 7: **INSURANCE COVERAGE**

The Akron Metropolitan Housing Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability other crime liabilities through membership in Ohio Housing Authority Property Casualty, Inc. (OHAPCI). OHAPCI is an insurance risk pool comprised of four Ohio housing authorities (of which AMHA is one). Deductibles and coverage limits are summarized below:

	<u>Deductible</u>	<u>Coverage Limits</u>	
Property	\$ 10,000	\$50,000,000	(per location)
General Liability	0	5,000,000	
Automobile	500	5,000,000	
Law Enforcement	5,000	5,000,000	
Public Officials	5,000	5,000,000	

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 7: **INSURANCE COVERAGE** (Continued)

Additionally, workers' compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. AMHA is also fully insured through a premium payment plan with Medical Mutual of Ohio for employee health care benefits. Settled claims have not exceeded the Authority's insurance coverage in any of the past three years.

NOTE 8: **ESCROW FUNDS AND OTHER ASSETS**

Current escrow funds of \$844,980 consist of contract retainers held in escrow on uncompleted construction contracts and real estate tax escrows.

Non-current escrow funds and other assets consist of the following:

Defeasance Mortgage Funds (Note 5)	\$ 150,000
Defeasance Bond Funds (Note 5)	134,223
Escrow Funds - Rosemary Square	493,298
Deposits and Other Non-Current Assets	1,039,302
Total	\$1,816,823

Non-current escrow funds and defeasance funds include amounts restricted for debt service and extraordinary maintenance. These funds are invested in U.S. Government Securities. These securities are carried at maturity value less unamortized purchase discounts, which approximates market value.

NOTE 9: **PAYMENTS IN LIEU OF TAXES**

The Akron Metropolitan Housing Authority has cooperation agreements with certain municipalities under which it makes payments in lieu of real estate taxes for various public services. Expense recognized for payments in lieu of taxes totaled \$305,402 for the year ended June 30, 2001.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 10: **LITIGATION**

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

NOTE 11: **WILBETH ARLINGTON FACILITIES**

In December 1996, the Akron Metropolitan Housing Authority agreed to participate in a Low-Income Housing Tax Credit Program under Section 42(h)(1)(E) of the Internal Revenue Code. Under this program, the Authority's Wilbeth Arlington low income housing facilities, related escrow funds and first mortgage payable, and certain other assets and liabilities were transferred to a newly formed limited liability partnership for the purpose of the limited liability partnership realizing certain low-income housing tax credits available from the State of Ohio. AMHA retained ownership of the Wilbeth Arlington land and indirectly controls the general partner of the limited partnership through the appointment of the general partner's board of directors. The limited partners, which own 99 percent of the limited liability partnership, are composed of outside investors.

The limited liability partnership has provided AMHA a \$2.4 million second mortgage on the property and a \$2.2 million unsecured promissory note, which are equal to the excess of the fair value of the property transferred over the outstanding balance of the first mortgage. The second mortgage is due on December 31, 2014 and bears interest at 9.75 percent annually. Interest payments are to be made only to the extent of available cash flow, as defined. AMHA has also guaranteed the repayment of the first mortgage which bears interest at 10.08 percent annually and is payable as follows:



AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 11: **WILBETH ARLINGTON FACILITIES** (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 385,971	\$ 538,737	\$ 924,708
2003	426,725	497,983	924,708
2004	471,783	452,925	924,708
2005	521,598	403,110	924,708
2006	576,672	348,036	924,708
2007-2011	3,135,565	717,392	3,852,957
Total	<u>\$5,518,314</u>	<u>\$2,958,183</u>	<u>\$8,476,497</u>

Prior to 2001, the Akron Metropolitan Housing Authority provided the limited liability partnership loans from its Non-Aided Program to provide funds for the rehabilitation of the facilities. Amounts loaned are secured by a third mortgage on the facilities, bear interest at an annual rate of 9.5 percent, have a maturity date of December 31, 2014 and are payable solely from available cash flow, as defined. The amount outstanding under these loans at June 30, 2001 was approximately \$700,000.

Because AMHA retained a substantial continuing involvement with the property subsequent to the transaction through its control of the general partner and guarantee of the first mortgage, AMHA has not recognized this transaction as a sale of the property in the accompanying consolidated financial statements. In addition, the second and third mortgages receivable along with the unsecured promissory note receivable have also not been recognized. Instead, amounts spent by AMHA to rehabilitate the facilities have been added to the carrying value of the facilities and the assets and liabilities of the Wilbeth Arlington facilities. These amounts are composed of the following:

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 11: **WILBETH ARLINGTON FACILITIES** (Continued)

<u>Assets</u>	
Structures and Equipment, Net	\$14,281,816
Escrow Funds and Other Non-Current Assets	837,212
Cash and Cash Equivalents	105,997
Other	527,441
Total	\$15,752,466
<u>Liabilities</u>	
First Mortgage Payable	\$ 5,518,314
Deposits on Sales Contract	4,716,151
Total	\$ 10,234,465

The total revenues and expenses of the Wilbeth Arlington facilities for the year ended June 30, 2001 were as follows:

Operating Revenues	\$ 2,296,948
Operating Expenditures	1,982,586
Operating Income	314,362
Non-Operating Expenses	311,689
Net Income	\$ 2,673

NOTE 12: **PRIOR PERIOD ADJUSTMENTS**

Adjustments were made during the audit period to correct the various programs' equity balances. Some of the adjustments were to transfer completed fixed assets from the Comprehensive Grant Program to the Low Rent Public Housing Program. Other adjustments were made to correct estimates made during the 2000 fiscal year financials and to expense certain soft costs that were originally capitalized during the 2000 fiscal year.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

NOTE 13: **NEW ACCOUNTING STANDARDS**

The GASB has issued Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; and Statement No. 36 *Recipient Reporting for Certain Shared Non-Exchange Revenues*.

These statements establish accounting standards for non-exchange transactions such as grants and other assistance provided to AMHA by other governmental units and revise accounting and reporting standards for general purpose external financial reporting by governmental units. GASB Statements No. 33 and 36 were adopted for the Authority's fiscal year ending June 30, 2001 and had no effect on the Agency's prior retained earnings. GASB Statement No. 34 is effective for the fiscal year ending June 30, 2003. The Authority has not completed an analysis of the impact of GASB No. 34 Statements on its reported financial condition and results of operations.

AKRON METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Funds Expended</u>
<i><u>From U.S. Department of HUD</u></i>		
<i><u>Direct Programs</u></i>		
<i><u>U.S. Department of HUD</u></i>		
<b>PHA Owned Housing:</b>		
Public Housing Annual Contributions	14.850	\$13,291,016
<b>Subtotal CFDA 14.850</b>		<u>13,291,016</u>
Public Housing Drug Elimination Program	14.854	<u>1,165,167</u>
Public Housing - Comprehensive Grant Program Modernization Program	14.859	7,860,573
Public Housing - Capital Grant Program	14.872	4,912,918
Service Coordinators Grant	14.861	<u>171,648</u>
Shelter Plus Care	14.238	<u>217,265</u>
Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)	14.866	<u>723,525</u>
Section 8:		
Lower Income Housing Assistance Program - Section 8 - New Construction	14.182	<u>5,187,900</u>
Low Income Housing Assistance Program - Moderate Rehabilitation	14.856	<u>765,900</u>
<b>Total Section 8 - Project Based Cluster</b>		<u>5,953,800</u>
Section 8 - Tenant Based Cluster	14.855	<u>14,641,582</u>
Section 8 Rental Certificate Program	14.857	<u>900,688</u>
<b>Total Section 8 - Tenant Based Cluster</b>		<u>15,542,270</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS (ALL U.S. DEPARTMENT OF HUD)</b>		<u><u>\$49,838,182</u></u>

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 1: **Reporting Entity** - The supplemental schedule of expenditures of federal awards includes the expenditures of all of the funds and departments of the Authority.

NOTE 2: **Basis of Accounting** - This schedule was prepared in accordance with accounting principles generally accepted in the United States of America.

AKRON METROPOLITAN HOUSING AUTHORITY  
 STATEMENT OF DEVELOPMENT COST - INITIAL OPERATING PERIOD - COMPLETED  
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2001

1. The total amount of Development Costs for the initial operating period of Project OH12P007067 is shown below:

	Development Cost <u>OH12P007067</u>
Funds Approved	\$ 382,525
Funds Expended	382,525
Excess (Deficiency) of Funds Approved	\$ 0
Funds Advanced	\$ 382,525
Funds Expended	382,525
Excess (Deficiency) of Funds Advanced	\$ 0

2. All development work in connection with the grant has been completed.
3. The entire actual development cost or liabilities incurred by the housing authority have been fully paid.
4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.
5. The time in which such liens could be filed expired.

AKRON METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF HOPE VI DEMOLITION GRANT COST - COMPLETED  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001

1. The total amount of demolition costs of the grant is shown below:

	Hope VI Grant <u>OH12URD007D198</u>
Funds Approved	\$ 844,000
Funds Expended	844,000
Excess (Deficiency) of Funds Approved	<u>\$ 0</u> =====
Funds Advanced	\$ 844,000
Funds Expended	844,000
Excess (Deficiency) of Funds Advanced	<u>\$ 0</u> =====

2. All work in connection with the grant have been completed.
3. The entire actual cost or liabilities incurred by the housing authority have been fully paid.
4. There are no discharged mechanics, laborers, contractors, or material-mens liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.
5. The time in which such liens could be filed expired.

AKRON METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL COMBINING BALANCE SHEET INFORMATION - NON-AIDED  
JUNE 30, 2001

	<u>Akron 73</u>	<u>Hilltop House</u>	<u>Akron 14</u>	<u>Wilbeth/ Arlington</u>	<u>Thornton Terrace</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 0	\$ 25	\$ 0	\$ 0	\$ 0
Restricted Cash	0	0	0	0	0
Temporary Investments	0	0	0	0	0
Receivables:					
Federal Government - HUD	0	0	0	0	0
Tenant	4,255	89	1,261	0	9,119
Interprogram	0	0	0	0	0
Other	0	0	0	0	0
Interprogram Advances	(898,561)	1,382,381	(258,372)	(5,574,531)	472,252
Notes Receivable	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0
Escrow Funds and Other Assets	0	21,004	0	0	0
Inventory	0	3,697	0	0	0
Noncurrent Escrow and Other Assets	4,353	3,101	1,084	0	2,508
Accumulated Depreciation	0	0	0	0	0
Land, Structures & Equipment	2,601,709	2,230,494	717,303	15,752,466	1,332,128
<b>Total Assets</b>	<u>\$ 1,711,756</u>	<u>\$ 3,640,791</u>	<u>\$ 461,276</u>	<u>\$10,177,935</u>	<u>\$ 1,816,007</u>
<b>LIABILITIES AND SURPLUS</b>					
Accounts Payable:					
Interprogram	\$ 0	\$ 0	\$ 0	\$ 62,204	\$ 0
Other	24,544	29,679	6,351	0	10,160
Accrued Interest Payable and Other Liabilities	0	0	0	0	0
Non-Current Compensated Absences	0	0	0	0	0
Deferred Credits	0	0	0	0	0
Notes and Mortgages Payable	844,405	530,534	210,222	12,921,709	933,222
<b>Total Liabilities</b>	<u>868,949</u>	<u>560,213</u>	<u>216,573</u>	<u>12,983,913</u>	<u>943,382</u>
Surplus (Deficit)	842,807	3,080,578	244,703	(2,805,978)	872,625
<b>Total Liabilities and Surplus</b>	<u>\$ 1,711,756</u>	<u>\$ 3,640,791</u>	<u>\$ 461,276</u>	<u>\$10,177,935</u>	<u>\$ 1,816,007</u>



AKRON METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL COMBINING BALANCE SHEET INFORMATION - NON-AIDED  
JUNE 30, 2001  
(CONTINUED)

	Leased Properties	Rosemary Square	Administrative Center	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 0	\$ 219,576	\$ 10,216,340	\$ 10,435,941
Restricted Cash	0	0	2,061,682	2,061,682
Temporary Investments	0	0	0	0
Receivables:				
Federal Government - HUD	0	0	0	0
Tenant	0	4,008	(14,019)	4,713
Interprogram	0	0	667,084	667,084
Other	0	0	258,802	258,802
Interprogram Advances	1,863,256	(73,877)	3,087,452	0
Notes Receivable	0	0	1,245,491	1,245,491
Accrued Interest Receivable	0	0	306,082	306,082
Escrow Fund and Other Assets	0	470,992	1,240,799	1,732,795
Inventory	0	0	0	3,697
Non-Current Escrow and Other Assets	0	0	113,767	124,813
Accumulated Depreciation	0	(3,732,039)	(3,774,875)	(7,506,914)
Land, Structures and Equipment	8,315,580	5,892,538	16,783,260	53,625,478
<b>Total Assets</b>	\$ 10,178,836	\$ 2,781,198	\$ 32,191,864	\$ 62,959,663
<b>LIABILITIES AND SURPLUS:</b>				
Accounts Payable:				
Interprogram	\$ 0	\$ 0	\$ 185,365	\$ 247,569
Other	0	85,541	233,535	389,810
Accrued Interest Payable and Other Liabilities	0	701,156	76,988	778,144
Non-Current Compensated Absences	0	0	71,798	71,798
Deferred Credits	0	0	25,447	25,447
Notes and Mortgages Payable	0	3,798,050	8,147,803	27,385,945
<b>Total Liabilities</b>	0	4,584,747	8,740,936	28,898,713
Surplus (Deficit)	10,178,836	(1,803,549)	23,450,928	34,060,950
<b>Total Liabilities and Surplus</b>	\$ 10,178,836	\$ 2,781,198	\$ 32,191,864	\$ 62,959,663

AKRON METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL COMBINING BALANCE SHEET INFORMATION - NON-AIDED  
JUNE 30, 2001

	<u>Akron 73</u>	<u>Hilltop House</u>	<u>Akron 14</u>	<u>Wilbeth/ Arlington</u>
<b>OPERATING REVENUES</b>				
Dwelling Rental	\$ 358,434	\$ 534,117	\$ 75,456	\$ 2,325,407
Non-Dwelling Rental	0	0	0	0
Excess Utility Charges	10	3,830	0	(59,766)
Interest On Investments	(196)	0	0	26,169
Other	4,018	3,029	0	5,138
<b>Total Operating Revenues</b>	<u>362,266</u>	<u>540,976</u>	<u>75,456</u>	<u>2,296,948</u>
<b>OPERATING EXPENDITURES:</b>				
Administrative:				
Salaries	14,039	17,204	2,590	100,872
Fiscal Agent Fees	0	0	0	0
Other	2,332	3,504	562	94,426
Total Administrative	<u>16,371</u>	<u>20,708</u>	<u>3,152</u>	<u>195,298</u>
Tenant Service	317	191	0	0
Utilities	44,951	82,462	9,447	161,205
Ordinary Maintenance and Operation:				
Maintenance Labor	78,881	51,104	12,430	73,864
Maintenance Materials	50,316	12,999	2,337	47,140
Maintenance Contracts	153,191	25,841	6,266	230,572
Total Ordinary Maintenance and Operation	<u>282,388</u>	<u>89,944</u>	<u>21,033</u>	<u>351,576</u>
General Expenditures:				
Real Estate Taxes	0	0	0	52,500
Insurance	4,166	4,437	800	23,795
Terminal Leave	0	0	0	0
Employee Benefits	31,960	30,070	6,150	107,613
Collection Losses	9,172	0	308	108,308
Other	13,836	0	2,800	9,478
Total General Expenditures	<u>59,134</u>	<u>34,507</u>	<u>10,058</u>	<u>301,694</u>
Operating Expenses:				
Non-routine Maintenance	0	31,235	0	900
Protective Services	73	540	0	52,479
Depreciation	0	0	0	327,680
Interest Expense	51,466	41,921	12,625	586,540
Total Operating Expenses	<u>51,539</u>	<u>73,696</u>	<u>12,625</u>	<u>967,599</u>
Total Operating Expenditures	<u>454,700</u>	<u>301,508</u>	<u>56,315</u>	<u>1,977,372</u>
Operating Income (Loss)	(92,434)	239,468	19,141	319,576
Non-Operating Revenues: (Expenditures)				
Prior Year Adjustment	21,298	(8,259)	28,031	(311,689)
Loss from Disposition of Equipment And Rental Property - Net	(942)	(178)	(91)	0
Other	0	0	0	(1,056)
Total Non-Operating Revenues (Expenditures)	<u>20,356</u>	<u>(8,437)</u>	<u>27,940</u>	<u>(312,745)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (72,078)</u>	<u>\$ 231,031</u>	<u>\$ 47,081</u>	<u>\$ 6,831</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
SUPPLEMENTAL COMBINING BALANCE SHEET INFORMATION - NON-AIDED  
JUNE 30, 2001

	Thornton Terrace	Rosemary Square	Administrative Center	Total
<b>OPERATING REVENUES</b>				
Dwelling Rental	\$ 251,568	\$ 944,784	\$ 29,919	\$ 4,519,685
Non-Dwelling Rental	0	0	14,040	14,040
Excess Utility Charges	138	3,353	0	(52,435)
Interest On Investments	0	9,954	834,211	870,138
Other	0	7,357	1,470,148	1,489,690
<b>Total Operating Revenues</b>	<u>251,706</u>	<u>965,448</u>	<u>2,348,318</u>	<u>6,841,118</u>
<b>OPERATING EXPENDITURES:</b>				
Administrative:				
Salaries	9,137	94,844	386,370	625,056
Fiscal Agent Fees	0	66,922	0	66,922
Other	1,490	68,559	313,960	484,833
Total Administrative	<u>10,627</u>	<u>230,325</u>	<u>700,330</u>	<u>1,176,811</u>
Tenant Service	33	0	28,219	28,760
Utilities	21,416	149,333	127,210	596,024
Ordinary Maintenance and Operation:				
Maintenance Labor	10,706	91,505	74,028	392,518
Maintenance Materials	21,191	136,771	40,518	311,272
Maintenance Contracts	21,998	66,863	174,933	679,664
Total Ordinary Maintenance & Operation	<u>53,895</u>	<u>295,139</u>	<u>289,479</u>	<u>1,383,454</u>
General Expenditures:				
Real Estate Taxes	0	4,606	87	57,193
Insurance	2,067	27,763	3,539	66,567
Terminal Leave	0	0	8,712	8,712
Employee Benefits	6,311	32,518	189,474	404,096
Collection Losses	13,308	0	22,985	154,081
Other	440	0	15,310	41,864
Total General Expenditures	<u>22,126</u>	<u>64,887</u>	<u>240,107</u>	<u>732,513</u>
Operating Expenses:				
Non-routine Maintenance	0	0	19,847	51,982
Protective Services	0	45,462	72,069	170,623
Depreciation	0	0	458,888	786,568
Interest Expense	25,351	885	353,135	1,071,923
Total Operating Expenses	<u>25,351</u>	<u>46,347</u>	<u>903,939</u>	<u>2,081,096</u>
<b>Total Operating Expenditures</b>	<u>133,448</u>	<u>786,031</u>	<u>2,289,284</u>	<u>5,998,658</u>
Operating Income (Loss)	<u>118,258</u>	<u>179,417</u>	<u>59,034</u>	<u>842,460</u>
Non-Operating Revenues: (Expenditures)				
Prior Year Adjustment	(14)	0	486,540	215,907
Loss from Disposition of Equipment And Rental Property - Net	(509)	0	7,876	6,156
Other	0	0	(1,008,855)	(1,009,911)
Total Non-Operating Revenues (Expenditures)	<u>(523)</u>	<u>0</u>	<u>(514,439)</u>	<u>(787,848)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 117,735</u>	<u>\$ 179,417</u>	<u>\$ (455,405)</u>	<u>\$ 54,612</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING BALANCE SHEET  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 JUNE 30, 2001

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	N/C S/R Section 8 Programs	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Section 8 Rental Voucher Programs
<b>ASSETS</b>						
111	Cash - Unrestricted	\$ 0	\$ 5,198	\$ 475,727	\$ 0	\$ 1,404
113	Cash - Other Restricted	118,609	0	0	0	0
114	Cash - Tenant Security Deposits	0	0	250,790	0	0
100	<b>Total Cash</b>	<u>118,609</u>	<u>5,198</u>	<u>726,517</u>	<u>0</u>	<u>1,404</u>
122	A/R - HUD - Other Projects	850,692	27,784	1,743,553	34,630	0
125	A/R - Miscellaneous	168	0	59,506	0	91,458
126	A/R Tenants - Dwelling	0	0	213,389	0	0
126.1	Allowance for Doubtful Accounts - Dwelling	0	0	(222,395)	0	0
126.2	Allowance for Doubtful Accounts - Other	0	0	0	0	0
129	Accrued Interest Receivable	0	0	0	0	0
120	<b>Total Accounts Receivable</b>	<u>850,860</u>	<u>27,784</u>	<u>1,794,053</u>	<u>34,630</u>	<u>91,458</u>
131	Investments - Unrestricted	0	2,761,338	5,564,634	0	655,629
142	Prepaid Expenses and Other Assets	517	31	284,185	0	1,321
143	Inventories	0	0	856,377	0	0
143.1	Allowance for Obsolete Inventories	0	0	(84,890)	0	0
144	Interprogram Due From	0	873	475,413	0	13,828
150	<b>Total Current Assets</b>	<u>969,986</u>	<u>2,795,224</u>	<u>9,616,289</u>	<u>34,630</u>	<u>763,640</u>
161	Land	0	0	17,182,282	0	0
162	Buildings	0	0	172,337,496	0	0
163	Furniture & Equipment - Dwellings	0	0	0	8,531	0
164	Furniture & Equipment - Administration	0	4,600	5,314,395	0	182,478
165	Leasehold Improvements	0	0	0	0	0
166	Accumulated Depreciation	0	(1,940)	(101,615,157)	(239)	(76,961)
167	Construction in Progress	4,566,371	0	0	0	0
160	<b>Total Fixed Assets Net</b>	<u>4,566,371</u>	<u>2,660</u>	<u>93,219,016</u>	<u>8,292</u>	<u>105,517</u>
171	Notes and Mortgages Receivable- Non-Current	0	0	0	0	0
180	<b>Total Non-Current Assets</b>	<u>4,566,371</u>	<u>2,660</u>	<u>93,219,016</u>	<u>8,292</u>	<u>105,517</u>
190	<b>TOTAL ASSETS</b>	<u><u>\$ 5,536,357</u></u>	<u><u>\$ 2,797,884</u></u>	<u><u>\$102,835,305</u></u>	<u><u>\$ 42,922</u></u>	<u><u>\$ 869,157</u></u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING BALANCE SHEET  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 JUNE 30, 2001  
 (CONTINUED)

FDS Line Item No.	<u>Account Description</u>	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Revitalization of Severely Distressed Housing	Resident Opportunity & Supportive Services
<b>ASSETS</b>					
111	Cash - Unrestricted	\$ 68	\$ 0	\$ 671	\$ 0
113	Cash - Other Restricted	0	556,745	0	0
114	Cash - Tenant Security Deposits	0	0	0	0
100	<b>Total Cash</b>	68	556,745	671	0
122	A/R - HUD - Other Projects	484,764	285,615	0	0
125	A/R - Miscellaneous	453,054	169	0	0
126	A/R Tenants - Dwelling	0	0	0	0
126.1	Allowance for Doubtful Accounts - Dwelling	0	0	0	0
126.2	Allowance for Doubtful Accounts - Other	0	0	0	0
129	Accrued Interest Receivable	0	0	0	0
120	<b>Total Accounts Receivable</b>	937,818	285,784	0	0
131	Investments - Unrestricted	64,551	0	0	0
142	Prepaid Expenses and Other Assets	3,794	512	0	0
143	Inventories	0	0	0	0
143.1	Allowance for Obsolete Inventories	0	0	0	0
144	Interprogram Due From	12,896	5	0	0
150	<b>Total Current Assets</b>	1,019,127	843,046	671	0
161	Land	0	0	0	0
162	Buildings	0	0	0	0
163	Furniture & Equipment - Dwellings	0	0	0	0
164	Furniture & Equipment - Administration	546,668	0	0	4,571
165	Leasehold Improvements	0	0	0	0
166	Accumulated Depreciation	(230,559)	0	0	(3,483)
167	Construction in Progress	0	26,900,818	0	0
160	<b>Total Fixed Assets Net</b>	316,109	26,900,818	0	1,088
171	Notes and Mortgages Receivable - Non-Current	0	0	0	0
180	<b>Total Non-Current Assets</b>	316,109	26,900,818	0	1,088
190	<b>TOTAL ASSETS</b>	\$ 1,335,236	\$27,743,864	\$ 671	\$ 1,088

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING BALANCE SHEET  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 JUNE 30, 2001  
 (CONTINUED)

FDS Line Item No.	<u>Account Description</u>	Shelter Plus Care	Lower Income Housing Assistance Prog. Section 8 Mod. Rehab. OH007MR0009	Business Activities	<u>Total</u>
<b>ASSETS</b>					
111	Cash - Unrestricted	\$ 0	\$ 81	\$ 5,076	\$ 488,225
113	Cash - Other Restricted	0	0	0	675,354
114	Cash - Tenant Security Deposits	0	0	139,226	390,016
100	<b>Total Cash</b>	0	81	144,302	1,553,595
122	A/R - HUD - Other Projects	0	0	0	3,427,038
125	A/R - Miscellaneous	0	31,157	289,010	924,522
126	A/R Tenants - Dwelling	0	0	87,883	301,272
126.1	Allowance for Doubtful Accounts- Dwelling	0	0	(14,419)	(236,814)
126.2	Allowance for Doubtful Accounts- Other	0	0	0	0
129	Accrued Interest Receivable	0	0	359,857	359,857
120	<b>Total Accounts Receivable</b>	0	31,157	722,331	4,775,875
131	Investments - Unrestricted	61,602	43,034	12,664,000	21,814,788
142	Prepaid Expenses and Other Assets	0	233	2,521,333	2,811,926
143	Inventories	0	0	13,260	869,637
143.1	Allowance for Obsolete Inventories	0	0	0	(84,890)
144	Interprogram Due From	0	1,495	86,160	590,670
150	<b>Total Current Assets</b>	61,602	76,000	16,151,386	32,331,601
161	Land	0	0	8,354,217	25,536,499
162	Buildings	0	0	44,066,828	216,404,324
163	Furniture & Equipment - Dwellings	0	0	163,213	171,744
164	Furniture & Equipment - Administration	0	32,969	1,924,680	8,010,361
165	Leasehold Improvements	0	0	0	0
166	Accumulated Depreciation	0	(13,904)	(9,861,024)	(111,803,267)
167	Construction in Progress	0	0	0	31,467,189
160	<b>Total Fixed Assets Net</b>	0	19,065	44,647,914	169,786,850
171	Notes and Mortgages Receivable- Non-Current	0	0	2,160,363	2,160,363
180	<b>Total Non-Current Assets</b>	0	19,065	46,808,277	171,947,213
190	<b>TOTAL ASSETS</b>	\$ 61,602	\$ 95,065	\$62,959,663	\$204,278,814

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING BALANCE SHEET  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 JUNE 30, 2001  
 (CONTINUED)

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	N/C S/R Section 8 Programs	Low Rent Public Housing	Public & Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
<b>LIABILITIES</b>						
312	Accounts Payable, <= 90 Days	\$ 848,357	\$ 90	\$ 1,502,732	\$ 34,630	\$ 8,832
321	Accrued Wages/Payroll Taxes	0	1,403	982,989	0	22,230
322	Accrued Compensated Absence	0	140	48,549	0	2,219
325	Accrued Interest Payable	0	0	0	0	0
331	Accounts Payable - HUD PHA Prog.	0	627,142	51,585	0	1,571,265
341	Tenant Security Deposits	0	0	250,790	0	0
343	Long-Term Debt-Capital Projects	0	0	0	0	0
345	Other Current Liabilities	121,629	0	48,384	0	117,789
346	Accrued Liabilities - Other	0	0	530,620	0	0
347	Interprogram Due To	0	7,330	78,246	0	116,126
310	<b>Total Current Liabilities</b>	<u>969,986</u>	<u>636,105</u>	<u>3,493,895</u>	<u>34,630</u>	<u>1,838,461</u>
351	Long-Term Debt, Net of Current Capital Projects	0	0	0	0	0
353	Non-Current Liabilities - Other	0	2,497	1,914,307	0	39,563
350	<b>Total Non-Current Liabilities</b>	<u>0</u>	<u>2,497</u>	<u>1,914,307</u>	<u>0</u>	<u>39,563</u>
300	<b>TOTAL LIABILITIES</b>	<u>969,986</u>	<u>638,602</u>	<u>5,408,202</u>	<u>34,630</u>	<u>1,878,024</u>
504	Net PHA HUD Contributions	0	0	93,620,584	0	0
508	<b>Total Contributed Capital</b>	<u>0</u>	<u>0</u>	<u>93,620,584</u>	<u>0</u>	<u>0</u>
509	Fund Balance Reserved for Encumbrances/Designated Fund	0	501,214	0	0	0
511	Total Reserved Fund Balance	<u>0</u>	<u>501,214</u>	<u>0</u>	<u>0</u>	<u>0</u>
512	Retained Earnings	<u>4,566,371</u>	<u>1,658,068</u>	<u>3,806,519</u>	<u>8,292</u>	<u>(1,008,867)</u>
513	<b>Total Equity</b>	<u>4,566,371</u>	<u>2,159,282</u>	<u>97,427,103</u>	<u>8,292</u>	<u>(1,008,867)</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$ 5,536,357</u></u>	<u><u>\$ 2,797,884</u></u>	<u><u>\$102,835,305</u></u>	<u><u>\$ 42,922</u></u>	<u><u>\$ 869,157</u></u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING BALANCE SHEET  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 JUNE 30, 2001  
 (CONTINUED)

FDS Line Item	Section 8 Rental Certificate	Public Housing Comprehensive	Revitalization of Severely Housing	Resident Opportunity Distressed & Supportive Services	
No. <u>Account Description</u>	<u>Program</u>	<u>Grant Program</u>	<u>Housing</u>	<u>Services</u>	
<b><u>LIABILITIES</u></b>					
312	Accounts Payable, <= 90 Days	\$ 8,237	\$ 232,686	\$ 671	\$ 0
321	Accrued Wages/Payroll Taxes	20,733	21,477	0	0
322	Accrued Compensated Absence	2,069	0	0	0
325	Accrued Interest Payable	0	0	0	0
331	Accounts Payable - HUD PHA Prog.	0	0	0	0
341	Tenant Security Deposits	0	0	0	0
343	Long-Term Debt-Capital Projects	0	0	0	0
345	Other Current Liabilities	482,887	568,355	0	0
346	Accrued Liabilities - Other	0	0	0	0
347	Interprogram Due To	108,305	20,528	0	0
310	<b>Total Current Liabilities</b>	<u>622,231</u>	<u>843,046</u>	<u>671</u>	<u>0</u>
351	Long-Term Debt, Net of Current Capital Projects	0	0	0	0
353	Non-Current Liabilities - Other	36,899	0	0	0
350	<b>Total Non-Current Liabilities</b>	<u>36,899</u>	<u>0</u>	<u>0</u>	<u>0</u>
300	<b>TOTAL LIABILITIES</b>	659,130	843,046	671	0
504	Net PHA HUD Contributions	0	26,925,485	0	1,088
508	<b>Total Contributed Capital</b>	<u>0</u>	<u>26,925,485</u>	<u>0</u>	<u>1,088</u>
509	Fund Balance Reserved for Encumbrances/ Designated Fund	0	0	0	0
511	Total Reserved Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
512	Retained Earnings	676,106	(24,667)	0	0
513	<b>Total Equity</b>	<u>676,106</u>	<u>26,900,818</u>	<u>0</u>	<u>1,088</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,335,236</u>	<u>\$ 27,743,864</u>	<u>\$ 671</u>	<u>\$ 1,088</u>



AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING BALANCE SHEET  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 JUNE 30, 2001  
 (CONTINUED)

FDS Line Item No.	<u>Account Description</u>	Shelter Plus Care	Lower Income Housing Assistance Prog. Section 8 Mod. Rehab. OH007MR0009	Business Activities	<u>Total</u>
<b>LIABILITIES</b>					
312	Accounts Payable, <= 90 Days	\$ 0	\$ 955	\$ 259,512	\$ 2,896,702
321	Accrued Wages/Payroll Taxes	0	2,404	43,761	1,094,997
322	Accrued Compensated Absence	0	240	4,026	57,243
325	Accrued Interest Payable	0	0	48,775	48,775
331	Accounts Payable - HUD PHA Prog.	0	149,545	0	2,399,537
341	Tenant Security Deposits	0	0	139,226	390,016
343	Long-Term Debt-Capital Projects	0	0	768,416	768,416
345	Other Current Liabilities	0	31,157	103,370	1,473,571
346	Accrued Liabilities - Other	0	0	73,192	603,812
347	Interprogram Due To	0	12,560	247,575	590,670
310	<b>Total Current Liabilities</b>	<u>0</u>	<u>196,861</u>	<u>1,687,853</u>	<u>10,323,739</u>
351	Long-Term Debt, Net of Current Capital Projects	0	0	20,916,293	20,916,293
353	Non-Current Liabilities - Other	0	4,279	789,184	2,786,729
350	<b>Total Non-Current Liabilities</b>	<u>0</u>	<u>4,279</u>	<u>21,705,477</u>	<u>23,703,022</u>
300	<b>TOTAL LIABILITIES</b>	0	201,140	23,393,330	34,026,761
504	Net PHA HUD Contributions	0	0	0	120,547,157
508	<b>Total Contributed Capital</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,547,157</u>
509	Fund Balance Reserved for Encumbrances/Designated Fund	0	0	0	501,214
511	Total Reserved Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>501,214</u>
512	Retained Earnings	61,602	(106,075)	39,566,333	49,203,682
513	<b>Total Equity</b>	<u>61,602</u>	<u>(106,075)</u>	<u>39,566,333</u>	<u>170,252,053</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 61,602</u>	<u>\$ 95,065</u>	<u>\$ 62,959,663</u>	<u>\$204,278,814</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED JUNE 30, 2001

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	N/C S/R Section 8 Programs	Low Rent Public Housing	Public & Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
<b>REVENUE</b>						
703	Net Tenant Rental Revenue	\$ 0	\$ 0	\$ 6,789,361	\$ 0	\$ 0
704	Tenant Revenue - Other	0	0	63,674	0	0
705	<b>Total Tenant Revenue</b>	<u>0</u>	<u>0</u>	<u>6,853,035</u>	<u>0</u>	<u>0</u>
706	HUD PHA Grants	4,912,918	5,187,900	13,291,016	1,165,167	14,641,582
711	Investment Income - Unrestricted	0	60,625	406,849	0	101,159
715	Other Revenue	0	172	274,788	0	(2,365)
720	Investment Income - Restricted	0	0	0	0	0
700	<b>Total Revenue</b>	<u>4,912,918</u>	<u>5,248,697</u>	<u>20,825,688</u>	<u>1,165,167</u>	<u>14,740,376</u>
<b>EXPENSES</b>						
911	Administrative Salaries	61,231	28,689	2,748,244	12,807	499,084
912	Auditing Fees	0	4,708	23,212	0	7,856
913	Outside Management Fees	0	3,028	30,144	0	5,052
914	Compensated Absences	0	0	47,653	0	212,285
915	Employee Benefit Contributions - Administrative	58,405	9,920	1,111,185	1,464	180,557
916	Other Operating - Administrative	226,911	108,042	1,382,101	1,117	0
912	Tenant Services - Salaries	0	3,829	133,180	0	6,389
922	Relocation Costs	0	0	0	0	0
923	Employee Benefit Contributions - Tenant Services	0	1,324	60,064	0	2,718
924	Tenant Services - Other	0	1,167	41,151	642,901	1,946
931	Water	0	0	632,473	0	0
932	Electricity	0	0	1,250,023	0	0
933	Gas	0	0	1,117,144	0	0
934	Fuel	0	0	0	0	0
935	Labor	0	0	0	0	0
937	Employee Benefit Contributions- Utilities	0	0	0	0	0
938	Other Utilities Expense	0	0	814,828	0	0
941	Ordinary Maintenance and Operations-Labor	0	13	4,290,700	0	22
942	Ordinary Maintenance and Operations-Materials	0	976	1,621,292	0	1,628
943	Ordinary Maintenance and Operations-Contract Costs	0	2,527	1,716,134	125	4,217
945	Employee Benefit Contributions - Ordinary Maintenance	0	5	1,681,794	0	9
951	Protective Services - Labor	0	2,862	435,918	393,578	4,776
952	Protective Services - Other Contract Costs	0	2	215,572	0	3
953	Protective Service - Other	0	10	8,111	0	16
955	Employee Benefit Contributions- Protective Services	0	990	150,160	66,605	2,131
961	Insurance Premiums	0	6,224	326,792	392	10,385
962	Other General Expenses	0	0	4,904	0	(910)
963	Payments in Lieu of Taxes	0	0	305,818	0	0
964	Bad Debts - Tenant Rents	0	0	352,889	0	0
965	Bad Debts - Mortgages	0	0	0	0	0
966	Bad Debts - Other	0	0	0	0	0
967	Interest Expense	0	0	0	0	0
968	Severance Expense	0	0	7,537	0	0
969	<b>Total Operating Expenses</b>	<u>346,547</u>	<u>174,316</u>	<u>20,509,023</u>	<u>1,118,989</u>	<u>938,164</u>
970	Excess Operating Revenues Over Expenses	<u>4,566,371</u>	<u>5,074,381</u>	<u>316,665</u>	<u>46,178</u>	<u>13,802,212</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED JUNE 30, 2001

FDS Line Item No.	Account Description	Public Housing Capital Fund Program	N/C S/R Section 8 Programs	Low Rent Public Housing	Public & Indian Housing Drug Elimination Program	Section 8 Rental Voucher Program
	<b><u>OTHER EXPENSES</u></b>					
971	Extraordinary Maintenance	\$ 0	\$ 0	\$ 221,040	\$ 0	\$ 0
972	Casualty Losses-NonCapitalized	0	(97)	7,646	0	(161)
973	Housing Assistance Payments	0	4,918,686	0	0	13,640,266
974	Depreciation Expense	0	23,029	7,206,864	237	38,426
900	Total Expenses	<u>346,547</u>	<u>5,115,934</u>	<u>27,944,573</u>	<u>1,119,226</u>	<u>14,616,695</u>
1010	Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1000	Excess (Deficiency) of Operating Revenues Over (Under) Expenses	<u>4,566,371</u>	<u>132,763</u>	<u>(7,118,885)</u>	<u>45,941</u>	<u>123,681</u>
1101	Capital Outlays-Enterprise Fund	0	0	0	0	0
1102	Debt Principal Payments - Enterprise Funds	0	0	0	0	0
1103	Beginning Equity	0	2,913,414	97,307,476	62,599	(4,564,280)
1104	Prior Period Adjustment	0	(886,895)	7,238,512	(100,248)	3,431,732
1112	Depreciation Add Back	0	23,029	7,206,864	237	38,426
1113	Maximum Annual Contributions Commitment (Per ACC)	0	5,280,689	0	0	17,738,144
1114	Prorata Maximum Annual Contributions Applicable to a Period of Less Than Twelve Months	0	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	0	4,587,741	0	0	7,671,543
1116	Total Annual Contributions Available	0	9,868,430	0	0	25,409,687
1120	Unit Months Available	0	0	53,469	0	43,848
1121	Number of Unit Months Leased	0	0	50,554	0	37,046

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED JUNE 30, 2001

FDS Line Item No.	<u>Account Description</u>	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Revitalization of Severely Distressed Housing	Resident Opportunity and Supportive Services
<b>REVENUE</b>					
703	Net Tenant Rental Revenue	\$ 0	\$ 0	\$ 0	\$ 0
704	Tenant Revenue - Other	0	0	0	0
705	<b>Total Tenant Revenue</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
706	HUD PHA Grants	900,688	7,860,573	723,525	171,648
711	Investment Income - Unrestricted	94,346	0	0	0
715	Other Revenue	273	0	0	0
720	Investment Income - Restricted	0	0	0	0
700	<b>Total Revenue</b>	<u>995,307</u>	<u>7,860,573</u>	<u>723,525</u>	<u>171,648</u>
<b>EXPENSES</b>					
911	Administrative Salaries	465,472	152,992	1,664	76,027
912	Auditing Fees	7,327	0	0	3,000
913	Outside Management Fees	4,712	0	0	0
914	Compensated Absences	0	0	0	0
915	Employee Benefit Contributions - Administrative	197,988	50,869	0	14,367
916	Other Operating - Administrative	174,671	292,556	3,410	27,225
921	Tenant Services - Salaries	5,959	0	0	0
922	Relocation Costs	0	0	0	0
923	Employee Benefit Contributions - Tenant Services	2,535	0	0	0
924	Tenant Services - Other	1,816	0	0	58,173
931	Water	0	0	0	0
932	Electricity	0	0	0	0
933	Gas	0	0	0	0
934	Fuel	0	0	0	0
935	Labor	0	0	0	0
937	Employee Benefit Contributions- Utilities	0	0	0	0
938	Other Utilities Expense	0	0	0	0
941	Ordinary Maintenance and Operations-Labor	20	0	0	0
942	Ordinary Maintenance and Operations-Materials and Other	1,518	0	0	0
943	Ordinary Maintenance and Operations-Contract Costs	3,933	0	599,488	0
945	Employee Benefit Contributions - Ordinary Maintenance	8	0	0	0
951	Protective Services - Labor	4,454	223,476	0	0
952	Protective Services- Other Contract Costs	3	0	0	0
953	Protective Services- Other	15	0	0	0
955	Employee Benefit Contributions - Protective Services	1,895	23,939	0	0
961	Insurance Premiums	9,686	0	0	481
962	Other General Expenses	(849)	0	0	0
963	Payments in Lieu of Taxes	0	0	0	0
964	Bad Debts - Tenant Rents	0	0	0	0
965	Bad Debt - Mortgages	0	0	0	0
966	Bad Debt - Other	0	0	0	0
967	Interest Expense	0	0	0	0
968	Severance Expense	0	0	0	0
969	<b>Total Operating Expenses</b>	<u>881,163</u>	<u>743,832</u>	<u>604,562</u>	<u>179,273</u>
970	Excess Operating Revenues Over Expenses	<u>114,144</u>	<u>7,116,741</u>	<u>118,963</u>	<u>(7,625)</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED JUNE 30, 2001

FDS Line Item No.	<u>Account Description</u>	Section 8 Rental Certificate Program	Public Housing Comprehensive Grant Program	Revitalization of Severely Distressed Housing	Resident Opportunity and Supportive Services
	<b>OTHER EXPENSES</b>				
971	Extraordinary Maintenance	\$ 0	\$ 0	\$ 0	\$ 0
972	Casualty Losses-NonCapitalized	(180)	0	0	0
973	Housing Assistance Payments	176,677	0	0	0
974	Depreciation Expense	35,838	0	0	880
900	<b>Total Expenses</b>	<u>1,093,498</u>	<u>743,832</u>	<u>604,562</u>	<u>180,153</u>
1010	Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1000	Excess (Deficiency) of Operating Revenues Over (Under) Expenses	<u>(98,191)</u>	<u>7,116,741</u>	<u>118,963</u>	<u>(8,505)</u>
1101	Capital Outlays-Enterprise Fund	0	0	0	0
1102	Debt Principal Payments - Enterprise Fund	0	0	0	0
1103	Beginning Equity	3,530,195	28,527,127	(58,015)	744
1104	Prior Period Adjustment	(2,755,898)	(8,743,050)	(60,948)	8,849
1112	Depreciation Add Back	0	0	0	880
1113	Maximum Annual Contributions Commitment (Per ACC)	337,550	0	0	0
1114	Prorata Maximum Annual Contributions Applicable to a Period of Less than Twelve Months	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	791,847	0	0	0
1116	Total Annual Contributions Available	1,129,397	0	0	0
1120	Unit Months Available	855	0	0	0
1121	Number of Unit Months Leased	855	0	0	0

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED JUNE 30, 2001  
 (CONTINUED)

FDS Line Item No.	Account Description	Shelter Care Plus	Lower Income Housing Assist. Prog. Section 8 Mod. Rehab. OH007MR0009	Business Activities	Total
	<b>REVENUE</b>				
703	Net Tenant Rental Revenue	\$ 0	\$ 0	\$ 4,457,110	\$ 11,246,471
704	Tenant Revenue - Other	0	0	16,641	80,315
705	<b>Total Tenant Revenue</b>	<u>0</u>	<u>0</u>	<u>4,473,751</u>	<u>11,326,786</u>
706	HUD PHA Grants	217,265	765,900	0	49,838,182
711	Investment Income - Unrestricted	0	10,942	870,137	1,544,058
715	Other Revenue	0	31	1,497,232	1,770,131
720	Investment Income - Restricted	0	0	0	0
700	<b>Total Revenue</b>	<u>217,265</u>	<u>776,873</u>	<u>6,841,120</u>	<u>64,479,157</u>
	<b>EXPENSES</b>				
911	Administrative Salaries	0	53,983	608,794	4,708,987
912	Auditing Fees	0	850	13,293	60,246
913	Outside Management Fees	0	546	70,348	113,830
914	Compensated Absences	0	0	16,264	276,202
915	Employee Benefit Contributions - Administrative	0	22,961	218,787	1,866,503
916	Other Operating - Administrative	0	20,061	483,519	2,719,613
921	Tenant Services - Salaries	0	691	17,910	167,958
922	Relocation Costs	0	0	0	0
923	Employee Benefit Contributions - Tenant Services	0	294	5,279	72,214
924	Tenant Services - Other	0	211	10,850	758,215
931	Water	0	0	162,698	795,171
932	Electricity	0	0	202,190	1,452,213
933	Gas	0	0	109,341	1,226,485
934	Fuel	0	0	0	0
935	Labor	0	0	0	0
937	Employee Benefit Contributions - Utilities	0	0	0	0
938	Other Utilities Expense	0	0	95,432	910,260
941	Ordinary Maintenance and Operations-Labor	0	2	382,976	4,673,733
942	Ordinary Maintenance and Operations-Materials	0	176	341,200	1,966,790
943	Ordinary Maintenance and Operations-Contract Costs	0	456	685,629	3,012,509
945	Employee Benefit Contributions - Ordinary Maintenance	0	1	131,082	1,812,899
951	Protective Services - Labor	0	517	106,861	1,172,442
952	Protective Services - Other Contract Costs	0	0	62,699	278,279
953	Protective Services - Other	0	2	1,064	9,218
955	Employee Benefit Contributions - Protective Services	0	220	33,544	279,484
961	Insurance Premiums	0	1,123	66,567	421,650
962	Other General Expenses	0	(98)	17,902	20,949
963	Payments in Lieu of Taxes	0	0	56,993	362,811
964	Bad Debts - Tenant Rents	0	0	154,080	506,969
965	Bad Debt - Mortgages	0	0	0	0
966	Bad Debt - Other	0	0	0	0
967	Interest Expense	0	0	1,071,922	1,071,922
968	Severance Expense	0	0	0	7,537
969	<b>Total Operating Expenses</b>	<u>0</u>	<u>101,996</u>	<u>5,127,224</u>	<u>30,725,089</u>
970	Excess Operating Revenues Over Expenses	<u>217,265</u>	<u>674,877</u>	<u>1,713,896</u>	<u>33,754,068</u>

AKRON METROPOLITAN HOUSING AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS  
 FDS SCHEDULE SUBMITTED TO HUD  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 FOR THE YEAR ENDED JUNE 30, 2001  
 (CONTINUED)

FDS Line Item No.	<u>Account Description</u>	Shelter Care Plus	Lower Income Housing Assist. Prog. Section 8 Mod. Rehab. OH007MR0009	Business Activities	Total
	<b><u>OTHER EXPENSES</u></b>				
971	Extraordinary Maintenance	\$ 0	\$ 0	\$ 51,982	\$ 273,022
972	Casualty Losses-NonCapitalized	0	(17)	24,171	31,362
973	Housing Assistance Payments	195,388	689,492	0	19,620,509
974	Depreciation Expense	0	4,156	786,568	8,095,998
900	<b>Total Expenses</b>	<u>195,388</u>	<u>795,627</u>	<u>5,989,945</u>	<u>58,745,980</u>
1010	Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1000	Excess (Deficiency) of Operating Revenues Over (Under) Expenses	<u>21,877</u>	<u>(18,754)</u>	<u>851,175</u>	<u>5,733,177</u>
1101	Capital Outlays-Enterprise Fund	0	0	0	0
1102	Debt Principal Payments	0	0	1,052,805	1,052,805
1103	Beginning Equity	39,725	(47,081)	40,147,558	167,859,462
1104	Prior Period Adjustment	0	(40,240)	(1,432,400)	(3,340,586)
1112	Depreciation Add Back	0	2,710	786,568	8,058,714
1113	Maximum Annual Contributions Commitment (Per ACC)	0	840,759	0	24,197,142
1114	Prorata Maximum Annual Contributions Applicable To a Period of Less than Twelve Months	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	0	2,433,847	0	15,484,978
1116	Total Annual Contributions Available	0	3,274,606	0	39,682,120
1120	Unit Months Available	0	0	8,772	106,944
1121	Number of Unit Months Leased	0	0	8,267	96,722

AKRON METROPOLITAN HOUSING AUTHORITY  
RECONCILIATION OF FINANCIAL STATEMENTS TO  
FINANCIAL DATA SCHEDULES  
JUNE 30, 2001

<u>ASSETS</u>	<u>Consolidated Balance Sheet</u>	<u>Reconciling Amount</u>		<u>Financial Data Schedule</u>
<b>CURRENT ASSETS:</b>				
Cash and Cash Equivalents	\$ 22,153,013	\$(20,599,418)	1	\$ 1,553,595
Investments - Unrestricted	0	21,814,788	1	21,814,788
Accounts Receivable:				
Tenant	64,458	236,814	2	301,272
HUD	3,427,038	0		3,427,038
Other	924,522	0		924,522
Interfund	0	590,670	3	590,670
Allowance for Doubtful Accounts - Tenant	0	(236,814)	2	(236,814)
Accrued Interest Receivable	359,857	0		359,857
Escrow Funds	844,980	(844,980)	1	0
Inventory	784,747	0		784,747
Prepaid and Other Current Assets	300,123	2,511,803	4	2,811,926
<b>Total Current Assets</b>	<u>28,858,738</u>	<u>3,472,863</u>		<u>32,331,601</u>
<b>NON-CURRENT ASSETS:</b>				
Restricted Cash and Cash Equivalents	1,065,370	(1,065,370)	1	0
Land, Structures and Equipment:				
Land	0	25,536,499	5	25,536,499
Buildings	0	216,404,324	5	216,404,324
Land, Structures and Equipment	169,786,850	(169,786,850)	5	0
Furniture, Equipment & Machinery	0	8,182,105	5	8,182,105
Accumulated Depreciation	0	(111,803,267)	5	(111,803,267)
CIP	0	31,467,189	5	31,467,189
Land, Property and Equipment, Net	<u>169,786,850</u>	<u>0</u>		<u>169,786,850</u>
Notes Receivable	1,341,495	818,868	4	2,160,363
Other Assets	1,816,823	(1,816,823)	4	0
<b>Total Non-Current Assets</b>	<u>174,010,538</u>	<u>(2,063,325)</u>		<u>171,947,213</u>
<b>TOTAL ASSETS</b>	<u>\$202,869,276</u>	<u>\$ 1,409,538</u>		<u>\$204,278,814</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts Payable	\$ 4,760,289	\$(1,863,587)	8	\$ 2,896,702
Accrued Wage/Payroll Taxes Payable	0	1,094,997	8	1,094,997
Accrued Interest Payable	0	48,775	8	48,775
Accounts Payable:				
HUD	2,399,537	0		2,399,537
Interfund	590,670	590,670	3	0
Accrued Expenses	1,804,827	(1,143,772)	6,8	661,055
Security Deposits	0	390,016	8	390,016
Deferred Revenues	1,765,948	(1,765,948)	8	0
Other Current Liabilities	0	1,473,571	8	1,473,571
Current Portion of Long-Term Debt	768,416	0	8	768,416
<b>Total Current Liabilities</b>	<u>11,499,017</u>	<u>(1,175,278)</u>		<u>10,323,739</u>
<b>NON-CURRENT LIABILITIES:</b>				
Accrued Compensated Absences	1,020,781	(1,020,781)	6,7	0
Long-Term Debt, Net of Current Portion	18,469,142	2,447,151	6	20,786,729
Other Long-Term Liabilities	1,628,283	1,158,446	8	2,786,729
<b>Total Non-Current Liabilities</b>	<u>21,118,206</u>	<u>2,584,816</u>		<u>23,703,022</u>
<b>TOTAL LIABILITIES</b>	<u>32,617,223</u>	<u>1,409,538</u>		<u>34,026,761</u>
<b>NET PHA CONTRIBUTIONS</b>	0	120,547,157	9	120,547,157
<b>RESERVED FUND BALANCE</b>	0	501,214	9	501,214
<b>UNDESIGNATED FUND BALANCE/RETAINED EARNINGS</b>	0	49,203,682	9	49,203,682
<b>EQUITY</b>	<u>170,252,053</u>	<u>(170,252,053)</u>	9	<u>170,252,053</u>
<b>Total Equity</b>	<u>170,252,053</u>	<u>0</u>		<u>170,252,052</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$202,869,276</u>	<u>\$ 1,409,538</u>		<u>\$204,278,814</u>



AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL DATA SCHEDULE AND THE  
RECONCILIATION OF THE FINANCIAL STATEMENTS TO THE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2001

A. **BASIS OF PRESENTATION**

The Akron Metropolitan Housing Authority (AMHA or the Authority) is required to submit annual financial information to the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC). The financial data is submitted to REAC using the Financial Data Schedule (FDS) format, which is prescribed by REAC. The accompanying FDS was prepared in the form prescribed by REAC, which differs from the information in the Authority's financial statements which are prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to government entities. The accompanying reconciliation was prepared to show the reconciliation of the financial statements to the FDS.

B. **RECONCILIATION**

The following items identify the amounts needed to reconcile the financial statements prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental entities, to the FDS:

1. The FDS only requires that cash be broken down into restricted and non-restricted amounts and shown as current assets. The financial statements reflect funds that are restricted and will not be used in the next 12 months as non-current.
2. The financial statements reflect Tenant Accounts Receivable net of allowances, but the FDS has a separate line for the allowance.
3. Accounts Receivable Interfund and Accounts Payable are eliminated on the financial statements but are recorded on the FDS as both a current asset and current liability.
4. Classification differences exist between Notes, Other Assets, and Prepaid and Other Current Assets from the financial statements to the FDS.
5. Land, Structures and Equipment is reflected as a net amount on the financial statements but is recorded on a separate line item on the FDS.
6. Long-Term Debt is separated in the financial statements and combined on the FDS.
7. The current portion of Accrued Compensated Absences is included in Accrued Expenses in the financial statements and is combined with the long-term portion in the FDS.

AKRON METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL DATA SCHEDULE AND THE  
RECONCILIATION OF THE FINANCIAL STATEMENTS TO THE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2001  
(CONTINUED)

B. **RECONCILIATION** (Continued)

8. Classification differences exist between the financial statements and the FDS: Accounts Payable, Accrued Wages/Payroll Taxes Payable, Accrued Interest Payable, Accounts Payable HUD, Accrued Expenses, Security Deposits, Deferred Revenue, and Other Current Liabilities.
9. Equity is recorded net on the financial statements but recorded as Net HUD PHA Contributions, Undesignated Fund Balance/Retained Earnings and Reserved Fund Balance on the FDS.

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Trustees  
Akron Metropolitan Housing Authority  
Akron, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the combined financial statements of the Akron Metropolitan Housing Authority (AMHA) as of and for the year ended June 30, 2001 listed in the foregoing table of contents, and have issued our report thereon dated September 28, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We did not audit the financial statements of Rosemary Square, Inc. (a not-for-profit organization owned by AMHA), which statements reflect total assets constituting less than one percent of the total assets at June 30, 2001 and total operating revenues constituting two percent of total operating revenues for the year then ended. Those statements were audited by other auditors and we assume that the other auditors have reported to you on Rosemary Square, Inc.'s legal compliance and internal control over financial reporting. Accordingly, this report does not address the legal compliance and internal control over financial reporting of Rosemary Square, Inc.

**Compliance**

As part of obtaining reasonable assurance about whether the Akron Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Akron Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, Auditor of State, Federal Award Agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 28, 2001

---

James G. Zupka  
Certified Public Accountant

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Trustees  
Akron Metropolitan Housing Authority  
Akron, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

We have audited the compliance of the Akron Metropolitan Housing Authority (AMHA) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. Akron Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results 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 the Akron Metropolitan Housing Authority's management. Our responsibility is to express an opinion on AMHA's compliance based on our audit.

We conducted our 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we 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 Akron Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Akron Metropolitan Housing Authority's compliance with those requirements.

Our audit of compliance did not comprehend the operations of Rosemary Square, Inc. (a not-for-profit organization owned by Akron Metropolitan Housing Authority) which was audited by other auditors and we assume that the other auditors have reported to you on Rosemary Square, Inc.'s legal compliance and internal control of Rosemary Square, Inc.

In our opinion, Akron Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

**Internal Control Over Compliance**

The management of the Akron Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Akron Metropolitan Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, Auditor of State, Federal Awarding Agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

September 28, 2001

---

James G. Zupka  
Certified Public Accountant

AKRON METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 JUNE 30, 2001

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

2001(i)	Type of Financial Statement Opinion	Unqualified
2001(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2001(ii)	Were there any other reportable control weakness conditions reported at the financial statements level (GAGAS)?	No
2001(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2001(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2001(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2001(v)	Type of Major Programs' Compliance Opinion	Unqualified
2001(vi)	Are there any reportable findings under .510?	No
2001(vii)	Major Programs (list):	Section 8 Cluster - CFDA #14.182, 14.855, 14.856 & 14.857
2001(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$1,495,145 Type B: > all others
2001(ix)	Low Risk Auditee?	Yes

AKRON METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
(CONTINUED)  
JUNE 30, 2001

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

None.

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

None.



AKRON METROPOLITAN HOUSING AUTHORITY  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2001

No significant findings or questioned costs were included in the prior year reports.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**AKRON METROPOLITAN HOUSING AUTHORITY**

**SUMMIT 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  
JANUARY 29, 2002**