

**NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO**

AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2004



**Auditor of State
Betty Montgomery**

Board of Commissioners
Noble Metropolitan Housing Authority
1100 Maple Court
P.O. Box 1388
Cambridge, OH 43725

We have reviewed the Independent Auditor's Report of the Noble Metropolitan Housing Authority, Noble County, prepared by James G. Zupka, C.P.A., Inc., for the audit period April 1, 2003 through March 31, 2004. 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 Noble Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

December 8, 2004

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NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2004

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Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Noble Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying financial statements of the Noble Metropolitan Housing Authority as of and for the year ended March 31, 2004, which collectively comprise the Authority's financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Noble Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Noble Metropolitan Housing Authority as of March 31, 2004, and the changes in equity and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 23, 2004 on our consideration of the Noble 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Authority taken as a whole. The supplemental Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the financial statements of the Noble Metropolitan Housing Authority. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

James G. Zupka, CPA, Inc.
Certified Public Accountants

September 23, 2004

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 BALANCE SHEET
 MARCH 31, 2004

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 160,956
Investments	27,375
Accounts Receivable	31,022
Total Current Assets	<u>219,353</u>

Restricted Assets

Investments - Tenant Security Deposits	5,795
Cash and Cash Equivalents - FSS Escrow	12,062
Cash and Cash Equivalents - Tenant Council	700
Total Restricted Assets	<u>18,557</u>

Capital Assets - Net of Accumulated Depreciation	<u>971,432</u>
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TOTAL ASSETS	<u><u>\$1,209,342</u></u>
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 22,218
Accounts Payable - Other Governments	2,275
Tenant Security Deposits	5,813
Deferred Revenue	399
Total Current Liabilities	<u>30,705</u>

Noncurrent Liabilities

FSS Program Liability	<u>12,062</u>
Total Noncurrent Liabilities	<u>12,062</u>

TOTAL LIABILITIES	<u>42,767</u>
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Equity

Contributed Capital	98,533
Retained Earnings	<u>1,068,042</u>
Total Equity	<u>1,166,575</u>

TOTAL LIABILITIES AND EQUITY	<u><u>\$1,209,342</u></u>
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The accompanying notes are an integral part of these financial statements.

NOBLE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
 FOR THE YEAR ENDED MARCH 31, 2004

<u>Operating Revenues</u>	
Net Tenant Revenue	\$ 34,034
HUD Operating Grants	<u>431,550</u>
Total Operating Revenues	<u>465,584</u>
<u>Operating Expenses</u>	
Housing Assistance Payments	289,311
Administrative	94,556
Tenant Services	380
Utilities	10,117
Maintenance	30,974
General	<u>4,677</u>
Total Operating Expenses before Depreciation	<u>430,015</u>
Income Before Depreciation	35,569
Depreciation	<u>53,109</u>
 Operating Loss	 <u>(17,540)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Interest Income	1,394
Loss on Sale of Fixed Assets	<u>(1,423)</u>
Total Non-Operating Revenues (Expenses)	<u>(29)</u>
Net Loss	(17,569)
Total Equity - Beginning of Year	1,184,247
Prior Period Adjustment	<u>(103)</u>
Total Equity	<u><u>\$1,166,575</u></u>

The accompanying notes are an integral part of these financial statements.

NOBLE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2004

Cash Flows from Operating Activities

Cash Received from HUD	\$ 431,234
Cash Received from Tenants	33,550
Cash Payments for Housing Assistance	(289,311)
Cash Payments for Administrative Expenses	(87,720)
Cash Payments to FSS Escrow	3,617
Cash Payments for Other Expenses	<u>(46,148)</u>
Net Cash Used by Operating Activities	<u>45,222</u>

Cash Flows from Investing Activities

Interest Received	1,394
Other Uses	<u>(102)</u>
Net Cash Provided by Investing Activities	<u>1,292</u>

Net Increase in Cash and Cash Equivalents	46,514
Cash and Cash Equivalents, Beginning	<u>160,374</u>

Cash and Cash Equivalents, Ending	<u><u>206,888</u></u>
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Reconciliation of Operating Loss to Net Cash Used by Operating Activities

Net Operating Loss	\$ (17,540)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	53,109
(Increase) Decrease in:	
Accounts Receivable - HUD	(259)
Tenant Accounts Receivable	(57)
Increase (Decrease in):	
Accounts Payable	6,836
Tenant Security Deposits	(168)
FSS Program Liability	3,617
Deferred Revenue (HUD Subsidy)	<u>(316)</u>
Net Cash Used by Operating Activities	<u><u>45,222</u></u>

The accompanying notes are an integral part of these financial statements.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

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

Organization and Reporting Entity

The Noble Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U. S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

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

Basis of Presentation (Continued)

The Authority's financial statements consist of a balance sheet, a statement of revenues, expenses, and changes in equity, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in equity, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the balance sheet. The statement of revenues, expenses and changes in equity presents increases (i.e., revenues) and decreases (i.e., expenses) in net total equity. The statement of cash flows provides information about how the Authority finances and meets the cash flows needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

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

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Furniture & Equipment	5-7 years
Vehicles	5 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash

State statutes classify monies held by the Authority into three categories.

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
- C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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).

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

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

Deposits (Continued)

The carrying amount of the Authority's deposits was \$206,838 at March 31, 2004. The corresponding bank balances were \$207,379.

The amount of \$139,030 was covered by federal depository insurance while the remaining amount was covered by pooled collateral.

Book balances by program at March 31, 2004 were as follows:

	Restricted Assets					Total
	Cash	Unrestricted Investments	Tenant	FSS	Tenant	
			Security Deposits	Program	Council	
Public Housing	\$ 155,424	\$ 0	\$ 5,795	\$ 0	\$ 700	\$ 161,919
Section 8	5,482	27,375	0	12,062	0	44,919
Subtotal	\$ 160,906	\$ 27,375	\$ 5,795	\$ 12,062	\$ 700	\$ 206,838
Public Housing Petty Cash						50
Total						\$ 206,888

Investments

HUD, State Statute, and Board resolutions authorize the Authority to invest in obligations of the U. S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority did not have any investments at March 31, 2004 other than certificates of deposit.

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

NOTE 3: **RESTRICTED ASSETS**

The Authority's assets restricted as to purpose are as follows:

Tenant Security Deposits	\$ 5,795
Family Self Sufficiency (FSS) Program Escrow**	12,062
Tenant Council	<u>700</u>
Total Restricted Assets	<u>\$ 18,557</u>

**The FSS Program is designed to promote employment and increase savings among families receiving Section 8 vouchers or living in public housing.

NOTE 4: **CAPITAL ASSETS**

	<u>3/31/03</u> <u>Balance</u>	<u>Reclassification</u>	<u>Deletions</u>	<u>3/31/04</u> <u>Balance</u>
Land	\$ 84,000	\$ 0	\$ 0	\$ 84,000
Land Improvements	20,776	0	0	20,776
Construction in Progress	0	12,511	0	12,511
Buildings & Building Improvements	1,188,778	0	0	1,188,778
Furniture & Equipment	<u>162,951</u>	<u>(12,511)</u>	<u>(14,234)</u>	<u>136,206</u>
Total	1,456,505	0	(14,234)	1,442,271
Accumulated Depreciation	<u>(430,540)</u>	<u>(53,109)</u>	<u>12,810</u>	<u>(470,839)</u>
Capital Assets, Net	<u>\$ 1,025,965</u>	<u>\$ (53,109)</u>	<u>\$ (1,424)</u>	<u>\$ 971,432</u>

NOBLE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(CONTINUED)

NOTE 5: **RISK MANAGEMENT**

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-five (35) Ohio housing authorities, of which Noble is one. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 6: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 7: **MANAGEMENT AGREEMENT**

The Noble Metropolitan Housing Authority (the Authority) entered into a housing management agreement with the Cambridge Metropolitan Housing Authority (CMHA) on March 30, 1987. Pursuant to the agreement CMHA provides all management services to the Authority in order that the Authority shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the Authority has executed or may, from time to time, execute with HUD. As compensation for these services, the Authority transfers to CMHA the monthly administrative fees allocated to Noble based on approved budgets. Total management fees for the fiscal year ended March 31, 2004 were \$30,602.

**NOBLE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
BALANCE SHEET BY PROGRAM
MARCH 31, 2004**

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
ASSETS					
111	Cash - Unrestricted	\$155,474	\$5,482	\$0	\$160,956
113	Cash - Other Restricted	\$700	\$12,062	\$0	\$12,762
114	Cash - Tenant Security Deposits	\$5,795	\$0	\$0	\$5,795
100	Total Cash	\$161,969	\$17,544	\$0	\$179,513
121	Accounts Receivable - PHA Projects	\$0	\$27,088	\$3,877	\$30,965
126	Accounts Receivable - Tenants - Dwelling Rents	\$57	\$0	\$0	\$57
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$57	\$27,088	\$3,877	\$31,022
131	Investments - Unrestricted	\$27,375	\$0	\$0	\$27,375
144	Interprogram Due From	\$2,608	\$0	\$0	\$2,608
150	Total Current Assets	\$192,009	\$44,632	\$3,877	\$240,518
161	Land	\$84,000	\$0	\$0	\$84,000
162	Buildings	\$1,188,778	\$0	\$0	\$1,188,778
164	Furniture, Equipment & Machinery - Administration	\$136,206	\$0	\$0	\$136,206
165	Leasehold Improvements	\$20,776	\$0	\$0	\$20,776
166	Accumulated Depreciation	(\$470,839)	\$0	\$0	(\$470,839)
167	Construction In Progress	\$0	\$0	\$12,511	\$12,511
160	Total Fixed Assets, Net of Accumulated Depreciation	\$958,921	\$0	\$12,511	\$971,432
180	Total Non-Current Assets	\$958,921	\$0	\$12,511	\$971,432
190	Total Assets	\$1,150,930	\$44,632	\$16,388	\$1,211,950

Note: For purposes of the basic financial statements, interprogram receivables and payables have been eliminated.

**NOBLE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
BALANCE SHEET BY PROGRAM
MARCH 31, 2004**

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
LIABILITIES AND EQUITY					
312	Accounts Payable <= 90 Days	\$4,740	\$16,209	\$1,269	\$22,218
333	Accounts Payable - Other Government	\$2,275	\$0	\$0	\$2,275
341	Tenant Security Deposits	\$5,813	\$0	\$0	\$5,813
342	Deferred Revenues	\$399	\$0	\$0	\$399
347	Interprogram Due To	\$0	\$0	\$2,608	\$2,608
310	Total Current Liabilities	\$13,227	\$16,209	\$3,877	\$33,313
353	Noncurrent Liabilities - Other	\$0	\$12,062	\$0	\$12,062
350	Total Noncurrent Liabilities	\$0	\$12,062	\$0	\$12,062
300	Total Liabilities	\$13,227	\$28,271	\$3,877	\$45,375
504	Net HUD PHA Contributions	\$96,836	\$0	\$0	\$96,836
508	Total Contributed Capital	\$96,836	\$0	\$0	\$96,836
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$1,040,867	\$16,361	\$12,511	\$1,069,739
513	Total Equity/Net Assets	\$1,137,703	\$16,361	\$12,511	\$1,166,575
600	Total Liabilities and Equity/Net Assets	\$1,150,930	\$44,632	\$16,388	\$1,211,950

Note: For purposes of the basic financial statements, interprogram receivables and payables have been eliminated.

NOBLE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2004

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Housing Capital Fund Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,161,820	\$9,916	\$12,511	\$1,184,247
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	(\$103)	\$0	(\$103)
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$320,671	\$0	\$320,671
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	\$24,312	\$0	\$24,312
1116	Total Annual Contributions Available	\$0	\$344,983	\$0	\$344,983
1120	Unit Months Available	336	1,104	0	1,440
1121	Number of Unit Months Leased	336	1,075	0	1,411

**NOBLE METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2004**

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
REVENUES:					
703	Net Tenant Rental Revenue	\$33,471	\$0	\$0	\$33,471
704	Tenant Revenue - Other	\$563	\$0	\$0	\$563
705	Total Tenant Revenue	\$34,034	\$0	\$0	\$34,034
706	HUD PHA Operating Grants	\$70,190	\$338,045	\$23,315	\$431,550
711	Investment Income - Unrestricted	\$1,317	\$77	\$0	\$1,394
716	Gain/(Loss) on Sale of Fixed Assets	(\$1,423)	\$0	\$0	(\$1,423)
700	Total Revenue	\$104,118	\$338,122	\$23,315	\$465,555
EXPENSES:					
912	Auditing Fees	\$2,449	\$2,653	\$0	\$5,102
913	Outside Management Fees	\$0	\$30,602	\$0	\$30,602
916	Other Operating - Administrative	\$34,448	\$8,211	\$16,193	\$58,852
924	Tenant Services - Other	\$380	\$0	\$0	\$380
931	Water	\$6,764	\$0	\$0	\$6,764
932	Electricity	\$2,449	\$0	\$0	\$2,449
933	Gas	\$904	\$0	\$0	\$904
942	Ordinary Maintenance and Operations - Materials and Other	\$3,372	\$183	\$7,122	\$10,677
943	Ordinary Maintenance and Operations - Contract Costs	\$20,297	\$0	\$0	\$20,297
961	Insurance Premiums	\$1,788	\$614	\$0	\$2,402
963	Payments in Lieu of Taxes	\$2,275	\$0	\$0	\$2,275
969	Total Operating Expenses	\$75,126	\$42,263	\$23,315	\$140,704
970	Excess Operating Revenue over Operating Expenses	\$28,992	\$295,859	\$0	\$324,851
973	Housing Assistance Payments	\$0	\$289,311	\$0	\$289,311
974	Depreciation Expense	\$53,109	\$0	\$0	\$53,109
900	Total Expenses	\$128,235	\$331,574	\$23,315	\$483,124
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$24,117)	\$6,548	\$0	(\$17,569)

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**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 Directors
Noble Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the financial statements of the Noble Metropolitan Housing Authority as of and for the year ended March 31, 2004, and have issued our report thereon dated September 23, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Noble 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 Noble 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 Directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.
Certified Public Accountants

September 23, 2004



**Auditor of State
Betty Montgomery**

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NOBLE METROPOLITAN HOUSING AUTHORITY

NOBLE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 23, 2004**