AUDITED BASIC FINANCIAL STATEMENTS

OF THE

MARION METROPOLITAN HOUSING AUTHORITY

JULY 1, 2008 – JUNE 30, 2009

Mary Taylor, CPA
Auditor of State

Board of Directors
Marion Metropolitan Housing Authority
P.O. Box 1029
Mansfield, Ohio 44901

We have reviewed the *Independent Auditors' Report* of the Marion Metropolitan Housing Authority, Marion County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2008 through June 30, 2009. 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 Marion Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 3, 2010

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

This Page is Intentionally Left Blank.

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

TABLE OF CONTENTS

TITLE	PAGE
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	11
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	12
STATEMENT OF CASH FLOWS	13
NOTES TO THE BASIC FINANCIAL STATEMENTS	14
SUPPLEMENTAL DATA:	
STATEMENT OF NET ASSETS – FDS SCHEDULE SUBMITTED TO HUD	23
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – FDS SCHEDULE SUBMITTED TO HUD	25
STATEMENT OF CHANGES IN EQUITY BALANCES – FDS SCHEDULE SUBMITTED TO HUD	26
SCHEDULE OF FEDERAL AWARDS EXPENDITURES AND NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES	27
INDEPENDENT AUDITORS'REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	28
INDEPENDENT AUDITORS'REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*	30
SCHEDULE OF FINDINGS – *OMB CIRCULAR A-133 § .505*	32

Board of Directors
Marion Metropolitan Housing Authority
P.O. Box 1029
Mansfield, Ohio 44901

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the Marion Metropolitan Housing Authority, Marion County, Ohio (the Authority) as of and for the fiscal year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the 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 the Comptroller General of the United States' *Government Auditing Standard*s. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 respective financial position of the Marion Metropolitan Housing Authority, Marion County, as of June 30, 2009, and the changes in financial position and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standard*s, we have also issued a report dated December 15, 2009, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Wilson, Shannon & Snow, Inc.
CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

We conducted our audit to opine on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Federal Awards Expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the Supplemental Financial Data Schedules is required by the U.S. Department of Housing and Urban Development, are also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Expenditures and the Supplemental Financial Data Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 15, 2009

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Marion Metropolitan Housing Authority, Marion County, (the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 11).

FINANCIAL HIGHLIGHTS

- During fiscal year 2009, the Authority's net assets decreased by $217,023 (or 39.6%). Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net Assets for fiscal year 2008 were $548,682 and net assets for fiscal year 2009 were $331,659.

- Revenues decreased by $559,084 (or 16.6%) during fiscal year 2009, and were $3,367,931 and $2,808,847 for fiscal year 2008 and fiscal year 2009, respectively.

- Expenses of the Authority decreased by $7,757 (or less than 1%). Total expenses were $3,033,627 and $3,025,870 for fiscal year 2008 and fiscal year 2009, respectively.

USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

MD&A

~ Management's Discussion
And Analysis –pgs 3-10 ~

Basic Financial Statements

~ Basic Financial Statements – pgs 11-13 ~
~ Notes to the Basic Financial Statements – pg 14~

Other Required Supplementary Information

~ Required Supplementary Information - none~

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

Government-Wide Financial Statements

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

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

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

Net Assets, Invested in Capital Assets: This component of Net Assets consists of all Capital Assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any outstanding debt.

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

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

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

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

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

The Authority's Fund

The Authority consists of exclusively an Enterprise Fund. The Enterprise fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector.

The fund maintained by the Authority is required by the Department of Housing and Urban Development (HUD).

Business-Type Activities:

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

Supportive Housing for Persons with Disabilities Program – This program operates in a similar manner as the Housing Choice Voucher Program with the primary focus of providing rental assistance to elderly and handicapped participants. The program is administered under an ACC with HUD.

Other programs through which the Authority receives funding include the Home Investment Partnership Program and the Community Development Block Grant. Both of these programs involve administering services and providing assistance to participants to obtain low income housing.

Statement of Net Assets

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

STATEMENT OF NET ASSETS

	2009	2008
Current and Other Assets	$ 407,361	$ 561,553
Capital Assets	3,327	1,080
Total Assets	410,688	562,633
Current Liabilities	76,521	7,083
Non-Current Liabilities	2,508	6,868
Total Liabilities	79,029	13,951
Net Assets:		
Invested in Capital Assets	3,327	1,080
Restricted	163,225	391,923
Unrestricted	165,107	155,679
Total Net Assets	$ 331,659	$ 548,682

For more detailed information see page 11 for the Statement of Net Assets.

Major Factors Affecting the Statement of Net Assets

Current and other assets decreased by $154,192 in fiscal year 2009. This difference mostly represents use of the current year surplus which decreased current assets (primarily cash). Liabilities increased by $65,078 in fiscal year 2009 due to increases in accounts payable at fiscal year end for amounts due to HUD for the Mainstream Program. Changes in HUD's funding allows the Authority to retain excess funding for possible usage in future years on Housing Assistance Payments only, therefore, $163,225 is considered restricted.

Capital assets increased during fiscal year 2009 from $1,080 to $3,327. The increase is attributed to the net of current year depreciation of $699 and capital purchases of $2,946. For more detail see "Capital Assets and Debt Administration" on page 9.

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

CHANGE OF UNRESTRICTED NET ASSETS

Unrestricted Net Assets June 30, 2008		$155,679
Results of Operations related to Administrative Fee	$ 11,675	
Adjustments:		
Depreciation (1)	699	
Adjusted Results from Operations		12,374
Capital Expenditures		(2,946)
Unrestricted Net Assets June 30, 2009		$165,107

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

CHANGE OF RESTRICTED NET ASSETS

Restricted Net Assets June 30, 2008		$391,923
Results of Operations		
HAP Reserves Used	$(234,383)	
Fraud Recovery Payments Net Bad Debts	2,398	
Interest on HAP	3,287	
Adjusted Results from Operations		(228,698)
Restricted Net Assets June 30, 2009		$163,225

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

	2009	2008
Revenues		
HUD PHA Operating Grants	$ 2,793,933	$ 3,350,264
Interest	5,865	11,891
Other Revenues	9,049	5,776
Total Revenue	2,808,847	3,367,931
Expenses		
Administrative	302,166	315,799
Material and Labor - Maintenance	18,979	3,664
General	7,856	8,696
Housing Assistance Payments	2,692,170	2,705,076
Depreciation	699	392
Fraud Losses	4,000	-
Total Expenses	3,025,870	3,033,627
Change in Net Assets	(217,023)	334,304
Net Assets at July 1	548,682	214,378
Net Assets at June 30	$ 331,659	$ 548,682

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

HUD PHA Operating Grants and Housing Assistance Payments decreased due to decreases in grant funding from HUD. Although leasing rates remained fairly consistent at 97%, grant revenues decreased which resulted in use of HAP reserves to meet expenses.

Other revenues represent income from providing services to other housing authorities and revenues from tenant fraud recovery. The increase in fiscal year 2009 was primarily the result of increases in fraud recovery revenue

Annual staffing changes contributed to the decrease in the Administrative expenses category in fiscal year 2009. Administrative expenses include salaries and related benefits, along with other administrative expense such as audit fees and office expenses.

Most other expenses fluctuated moderately due to reduction of expenses instituted by the Authority to minimize costs and budget concerns.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2009, the Authority had $3,327 invested in capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation).

CAPITAL ASSETS AT FISCAL YEAR-END (NET OF DEPRECIATION)

	Business-type Activities	
	2009	2008
Equipment – Administrative	$ 30,957	$ 28,011
Accumulated Depreciation	(27,630)	(26,931)
Total	$ 3,327	$ 1,080

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 19 of the notes.

CHANGE IN CAPITAL ASSETS

	Business Type Activities
Beginning Balance	$ 1,080
Additions	2,946
Depreciation	(699)
Ending Balance	$ 3,327

There were additions of $2,946 during fiscal year 2009 for office computers.

Debt Outstanding

As of June 30, 2009, the Authority has no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

FINANCIAL CONTACT

The individual to be contacted regarding this report is Marsha K. Inscho; Finance Manager for the Marion Metropolitan Housing Authority, at (419) 526-1622. Specific requests may be submitted to the Authority at P.O. Box 1029, Mansfield, OH 44901.

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF NET ASSETS
JUNE 30, 2009

Assets		
Current Assets:		
Cash and Cash Equivalents	$	233,435
Accounts Receivable, net		4,955
Prepaid Items		5,746
Total Current Assets		244,136
Non-Current Assets:		
Restricted Cash		163,225
Capital Assets:		
Furniture and Equipment		30,957
Accumulated Depreciation		(27,630)
Total Capital Assets		3,327
Total Non-Current Assets		166,552
Total Assets		410,688
Liabilities		
Current Liabilities:		
Accounts Payable		73,930
Accrued Wages and Payroll Taxes		1,591
Accrued Compensated Absences		1,000
Total Current Liabilities		76,521
Non-Current Liabilities:		
Accrued Compensated Absences		2,508
Total Non-Current Liabilities		2,508
Total Liabilities		79,029
Net Assets		
Invested in Capital Assets		3,327
Restricted		163,225
Unrestricted		165,107
Total Net Assets	$	331,659

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

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Operating Revenues		
HUD PHA Operating Grants		$ 2,793,933
Other Revenues		9,049
Total Operating Revenue		2,802,982
Operating Expenses		
Housing Assistance Payments	$ 2,692,170	
Administrative Salaries	100,382	
Employee Benefits	58,547	
Other Administrative Expense	143,237	
Material and Labor - Maintenance	18,979	
Depreciation	699	
General	7,856	
Fraud Losses	4,000	
Total Operating Expenses		3,025,870
Operating Loss		(222,888)
Nonoperating Revenues		
Interest		5,865
Change in Net Assets		(217,023)
Net Assets at July 1, 2008		548,682
Net Assets at June 30, 2009		$ 331,659

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

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Cash flows from operating activities:	
Cash received from HUD	$ 2,829,634
Cash received from other sources	4,503
Cash payments to employees for services	(154,512)
Cash payments for good or services - HUD	(2,629,317)
Cash payments for goods or services	(187,019)
Net cash used in operating activities	(136,711)
Cash flows used in capital activities:	
Purchases of capital assets	(2,946)
Net cash used in capital activities	(2,946)
Cash flows from investing activities:	
Interest	6,811
Net cash provided by investing activities	6,811
Net change in cash and cash equivalents	(132,846)
Cash and cash equivalents at July 1, 2008	529,506
Cash and cash equivalents at June 30, 2009	$ 396,660
Adjustments to reconcile operating loss to net cash used in operating activities	
Operating loss	$ (222,888)
Depreciation	699
Changes in assets and liabilities:	
Accounts receivable, net	24,232
Prepaid items	(3,832)
Accounts payable	70,752
Accrued wages and payroll taxes	(1,149)
Other liabilities	(4,525)
Net cash used in operating activities	$ (136,711)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

Fund Accounting

The Authority uses a proprietary fund to report on its financial position and the results of its operations for the Section 8 Housing Choice Voucher and other grant programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Proprietary Fund Type:

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

Enterprise Fund – The Authority is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets. The statement of cash flows provides information about how the Authority finances and meets cash flow needs.

The Authority accounts for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Measurement Focus/Basis of Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the assets life, are not capitalized. The capitalization threshold used by the Authority is $500. The following are the useful lives used for depreciation purposes:

Description	Estimated Useful Lives - Years
Furniture	7
Equipment	7
Computer hardware	3
Computer software	3
Vehicles	5

Cash and Cash Equivalents

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

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a current liability.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount reported as restricted net assets at fiscal year end represents the amounts restricted by HUD for future Housing Assistance Payments. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Authority first applies restricted net assets. The Authority did not have net assets restricted by enabling legislation at June 30, 2009.

Estimates

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

Prepaid Items

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Housing Assistance Payment equity balances of $163,225.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are for Housing and Urban Development Grants and other revenues. Operating expenses are necessary costs to provide goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as nonoperating revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts Receivable

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

All monies are deposited into banks as determined by the Authority. Funds are deposited in interest bearing accounts. Security shall be furnished for all accounts in the Authority's name.

Cash and cash equivalents included in the Authority's cash position at June 30, 2009 are as follows:

	Checking	Savings	Total
Demand deposits:			
Bank balance	$79,336	$332,285	$411,621
Items-in-transit	(14,986)	-	(14,986)
Carrying balance	$64,350	$332,285	$396,635

In addition, the Authority maintains $25 in petty cash funds. Of the fiscal year-end cash balance, $250,000 was covered by federal deposit insurance, and $161,621 was secured by pledges securities held by a third party trustee.

Based on the Authority having only demand deposits at June 30, 2009, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(CONTINUED)

3. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year 2009, the Authority purchased commercial insurance for vehicle, health, generally liability, building contents, and real property insurance.

Vehicle insurance carries a $100 comprehensive deductible and $250 collision deductible. Property insurance carries a $250 deductible. The deductible for general liability and electronic data processing insurance are $250 each. The deductible for public officials' liability insurance is $2,500.

Settled claims have not exceeded this coverage in any of the last three fiscal years. There has been no significant reduction in coverage from last year.

4. CAPITAL ASSETS

The following is a summary of capital assets at June 30, 2009:

	Balance at July 1, 2008	Additions	Disposals	Balance at June 30, 2009
Governmental Activities - Cost				
Furniture, fixture, and equipment	$ 18,951	$ 2,946	$ -	$ 21,897
Vehicles	9,060	-	-	9,060
Total at cost	28,011	2,946	-	30,957
Less: accumulated depreciation				
Furniture, fixture, and equipment	(18,574)	(495)	-	(19,069)
Vehicles	(8,357)	(204)	-	(8,561)
Total accumulated depreciation	(26,931)	(699)	-	(27,630)
Capital assets, net	$ 1,080	$ 2,247	$ -	$ 3,327

5. DEFINED BENEFIT PENSION PLANS

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

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

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

Funding Policy **–** The Authority and covered employees contribute at actuarially determined rates for fiscal years 2009, 14% and 10%, respectively, of covered employee payroll to OPERS. The Authority's contributions to OPERS for the years ended June 30, 2009, 2008, and 207 were $12,508, $16,653, and $21,065, respectively. Required contributions are equal to 100% of the dollar amount billed for all three years. The Board of the Authority has elected to pay the employees' portion of OPERS which totaled $10,005 for fiscal year 2009.

Other Postretirement Benefits **–** OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available under OPERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB). The portion of employer contributions, for all employees, allocated to health care was 7.00% in 2008 for all employees. The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to OPERS.

5. DEFINED BENEFIT PENSION PLANS - CONTINUED

Employer contributions are advance-funded on an actuarially determined basis and are determined by state statute. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

Employer contributions made to fund post-employment benefits were approximately $6,250.

The assumptions and calculations used below were based on the System's latest Actuarial Review performed as of December 31, 2007 (latest actuarial review). An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actual gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2007 was 6.5 percent.

OPERS (assuming the number of active employees remains constant) assumes an annual increase of 4.00% compounded annually for the base portion of an individual's pay increase. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.3%.

Health care costs were assumed to increase at a projected wage inflation rate plus an additional factor ranging from .50% to 5% for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase 4% (the projected wage inflation rate).

As of December 31, 2007, the audited estimated net assets available for OPEB were $12.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were $29.8 billion and $17 billion, respectively.

The Health Care Preservation Fund (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. Member and employer contribution rates increased as January 1, 2008, which allow additional funds to be allocated to the health care plan.

6. COMPENSATED ABSENCES

The following is a summary of compensated absences at June 30, 2009:

Balance at July 1, 2008	Additions	Deductions	Balance at June 30, 2009	Due in One Year
$7,631	$3,508	($7,631)	$3,508	$1,000

7. CONTINGENT LIABILITIES

A. Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts could have a material adverse effect on the overall financial position of the Authority at June 30, 2009.

B. Litigation

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

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2009

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	14.181 Supportive Housing for Persons with Disabilities	14.239 Home Investment Partnership Program	Total
	Current Assets				
	Cash				
111	Cash - Unrestricted	$ 170,179	$ 62,854	$ 402	$ 233,435
113	Cash - Other Restricted	140,275	22,950	-	163,225
100	Total Cash	310,454	85,804	402	396,660
	Accounts Receivable				
125	Miscellaneous	4,409	-	-	4,409
128	Fraud Recovery	18,583	-	-	18,583
128.1	Allowance for Doubtful Accounts	(18,037)	-	-	(18,037)
120	Total Receivables, Net of Allowance for Doubtful Accounts	4,955	-	-	4,955
	Other Assets				
142	Prepaid Items	5,746	-	-	5,746
150	Total Current Assets	321,155	85,804	402	407,361
	Noncurrent Assets				
	Capital Assets				
164	Furniture and Equipment - Administration	30,957	-	-	30,957
166	Accumulated Depreciation	(27,630)	-	-	(27,630)
160	Total Capital Assets net of accumulated depreciation	3,327	-	-	3,327
180	Total Noncurrent Assets	3,327	-	-	3,327
190	Total Assets	$ 324,482	$ 85,804	$ 402	$ 410,688

NOTE FOR REAC REPORTING: The accompanying statements have been prepared in accordance with the format as required for HUD's electronic filing REAC system. The format and classifications of various line items may differ from those used in the preparation of the financial statements presented in acordance with accounting pricniples generally accepted in the United States of America.

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
JUNE 30, 2009
(Continued)

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	14.181 Supportive Housing for Persons with Disabilities	14.239 Home Investment Partnership Program	Total
	Current Liabilities				
312	Accounts Payable	$ 4,160	$ -	$ -	$ 4,160
321	Accrued Wages and Payroll Taxes	1,591	-	-	1,591
322	Accrued Compensated Absences - Current	1,000	-	-	1,000
331	Accounts Payable - HUD PHA Programs	6,514	62,854	-	69,368
333	Accounts Payable - Other Government	-	-	402	402
310	Total Current Liabilities	13,265	62,854	402	76,521
	Non-Current Liabilities				
354	Accrued Compensationd Absences-Non-Current	2,508	-	-	2,508
350	Total Non-Current Liabilities	2,508	-	-	2,508
300	Total Liabilities	15,773	62,854	402	79,029
	Net Assets				
508.1	Invested in Capital Assets	3,327	-	-	3,327
511.1	Restricted Net Assets	140,275	22,950	-	163,225
512.1	Unrestricted Net Assets	165,107	-	-	165,107
	Total Net Assets	308,709	22,950	-	331,659
600	Total Liabilities and Net Assets	$ 324,482	$ 85,804	$ 402	$ 410,688

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers	14.181 Supportive Housing for Persons with Disabilities	14.228 Community Development Block Grant	14.239 Home Investment Partnership Program	Total
	Revenue					
70600-010	Housing Assistance Payment Revenues	$ 2,151,934	$ -	$ -	$ -	$ 2,151,934
70600-020	Administrative Fees Revenues	289,208	-	-	-	289,208
70600-060	All Other Fees	2,000	-	-	-	2,000
70600	HUD PHA Operating Grants	2,443,142	$ 302,999	$ 4,345	$ 43,447	2,793,933
71100	Investment Income - Unrestricted	2,578	-	-	-	2,578
71400-010	Housing Assistance Payments	4,398	-	-	-	4,398
71400-020	Administrative Fees	4,398	-	-	-	4,398
71400	Fraud Recovery	8,796	-	-	-	8,796
71500	Other Revenue	253	-	-	-	253
72000	Investment Income - Restricted	3,287	-	-	-	3,287
70000	Total Revenue	2,458,056	302,999	4,345	43,447	2,808,847
	Expenses					
91100	Administrative Salaries	73,419	24,356	2,607	-	100,382
91200	Auditing Fees	4,360	-	-	-	4,360
91400	Advertising and Marketing	1,722	-	-	-	1,722
91500	Employee Benefit Contribution - Administrative	44,379	13,505	663	-	58,547
91600	Office Expenses	50,727	-	409	-	51,136
91700	Legal Expense	1,794	-	-	-	1,794
91800	Travel	1,513	-	-	-	1,513
91900	Other	79,314	2,732	666	-	82,712
91000	Total Operating - Administrative	257,228	40,593	4,345	-	302,166
94200	Ordinary Maintenance and Operations - Materials and Other	18,979	-	-	-	18,979
94000	Total Maintenance and Operations	18,979	-	-	-	18,979
96120	Liability Insurance	6,546	-	-	-	6,546
96130	Workmen's Compensation	1,310	-	-	-	1,310
96100	Total Insurance Premiums	7,856	-	-	-	7,856
96900	Total Operating Expenses	284,063	40,593	4,345	-	329,001
97000	Excess Operating Revenue Over Operating Expenses	2,173,993	262,406	-	43,447	2,479,846
	Other Expenses					
97300	Housing Assistance Payments	2,323,464	325,259	-	43,447	2,692,170
97400	Depreciation Expense	699	-	-	-	699
97500	Fraud Losses	4,000	-	-	-	4,000
	Total Other Expenses	2,328,163	325,259	-	43,447	2,696,869
90000	Total Expenses	2,612,226	365,852	4,345	43,447	3,025,870
10000	Excess of Revenues under Expenses	(154,170)	(62,853)	-	-	(217,023)
11030	Beginning Net Assets	462,879	85,803	-	-	548,682
11170	Administrative Fee Equity	168,434	-	-	-	168,434
11180	Housing Assistance Payment Equity	140,275	-	-	-	140,275
	Total Ending Net Assets	$ 308,709	$ 22,950	$ -	$ -	$ 331,659

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

STATEMENT OF CHANGES IN EQUITY BALANCES
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

FDS Line Item No.	Account Description	14.871 Housing Choice Vouchers		
11170-001	Administrative Fee Equity - Beginning Balance			$ 156,759
11170-010	Administrative Fee Revenue	$ 291,208		
11170-040	Investment Income	2,578		
11170-045	Fraud Recovery Revenue	4,398		
11170-050	Other Revenue	253		
11170-060	Total Administrative Fee Revenues		298,437	
11170-080	Total Operating Expenses	284,063		
11170-090	Depreciation	699		
11170-100	Other Expenses	2,000		
	Admin Portion of Fraud Losses - related to bad debt expense for fraud recovery accounts receivable.			
11170-110	Total Expenses		286,762	
11170-002	Net Administrative Fee			11,675
11170-003	Administrative Fee Equity - Ending Balance			168,434
11170	Administrative Fee Equity			$ 168,434
11180-001	Housing Assistance Payments Equity - Beginning Balance			$ 306,120
11180-010	Housing Assistance Payment Revenues	2,151,934		
11180-015	Fraud Recovery Revenue	4,398		
11180-025	Investment Income	3,287		
11180-030	Total Housing Assistance Payments Revenues		2,159,619	
11180-080	Housing Assistance Payments	2,323,464		
11180-090	Other Expenses	2,000		
	HAP Portion of Fraud Losses - related to bad debt expense for fraud recovery accounts receivable.			
11180-100	Total Housing Assistance Payments Expenses		2,325,464	
11180-002	Net Housing Assistance Payments			(165,845)
11180-003	Housing Assistance Payments Equity - Ending Balance			140,275
11180	Housing Assistance Payments Equity			$ 140,275

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor / Pass Through Grantor Program Title	Pass-Through Number	CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Supportive Housing for Persons with Disabilities	N/A	14.181	$ 302,999
Section 8 Housing Choice Vouchers	N/A	14.871	2,443,142
Passed through the City of Marion:			
Community Development Block Grants/State's Program	N/A	14.228	4,345
Home Investment Partnership Program	N/A	14.239	43,447
Total Federal Awards Expenditures			$ 2,793,933

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Marion Metropolitan Housing Authority
P.O. Box 1029
Mansfield, Ohio 44901

We have audited the financial statements of the Marion Metropolitan Housing Authority, Marion County, Ohio (the Authority) as of and for the fiscal year ended June 30, 2009, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the applicable accounting basis, such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Authority's internal control will not prevent or detect a material financial statement misstatement.

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

Wilson, Shannon & Snow, Inc.
CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 15, 2009

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

Board of Directors
Marion Metropolitan Housing Authority
P.O. Box 1029
Mansfield, Ohio 44901

Compliance

We have audited the compliance of the Marion Metropolitan Housing Authority, Marion County, Ohio (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the fiscal year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the Authority'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; and 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the 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 of the Authority's compliance with those requirements.

In our opinion, the Marion Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that apply to its major federal program for the fiscal year ended June 30, 2009.

Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Wilson, Shannon & Snow, Inc.
CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect a more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Authority's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the Board of Directors, management, the Auditor of State, federal awarding agencies, pass-through entities, and other members of the Authority. It is not intended to be and should not be used by anyone other than these specified parties.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
December 15, 2009

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other significant deficiencies conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material non-compliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Section 8 Housing Choice Vouchers/CFDA #14.871
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

MARION METROPOLITAN HOUSING AUTHORITY
MARION COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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.

Mary Taylor, CPA
Auditor of State

METROPOLITAN HOUSING AUTHORITY

MARION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 16, 2010

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us