

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**of the**

**Crawford Metropolitan Housing Authority**

**March 31, 2002**





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

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Board of Directors  
Crawford Metropolitan Housing Authority  
P.O. Box 1029  
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We have reviewed the Independent Auditor's Report of the Crawford Metropolitan Housing Authority, Crawford County, prepared by Wilson, Shannon & Snow, Inc., for the audit period April 1, 2001 to March 31, 2002. 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 Crawford Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 31, 2002

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CRAWFORD METROPOLITAN HOUSING AUTHORITY  
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Board of Directors  
Crawford Metropolitan Housing Authority  
Galion, Ohio

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general-purpose financial statements of Crawford Metropolitan Housing Authority, Crawford County, (the Authority) as of and for the year ended March 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these general-purpose 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 general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2002 and the results of its operations and the cash flows of its proprietary fund type activities 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 June 18, 2002 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 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**

Ten West Locust Street

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Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations and cash flows of the Authority in conformity with accounting principles generally accepted in the United States. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects, in relation to the financial statements taken as a whole.

The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Wilson, Shannon & Snow, Inc.*

Newark, Ohio  
June 18, 2002

Crawford Metropolitan Housing Authority

Balance Sheet  
March 31, 2002

Assets

Cash and Cash Equivalents	\$	98,190
Accounts Receivable - HUD		55,794
Accounts Receivable - Fraud Recovery		1,625
Prepaid Expenses and Other Assets		725

Total Current Assets 156,334

Furniture and Equipment - Net of \$ 17,026  
Accumulated Depreciation

2,371

Total Assets \$ 158,705

Liabilities and Equity

Accounts Payable	\$	4,686
Accrued Wages and Payroll Taxes		853
Accrued Compensated Absences		4,400
Deferred Revenue		93,823

Total Current Liabilities 103,762

Other Noncurrent Liabilities 1,625

Total Equity and Other Credits 53,318

Total Liabilities and Equity \$ 158,705

*The notes to the general-purpose financial statements are an integral part of this statement.*



Crawford Metropolitan Housing Authority

Statement of Revenues, Expenses  
and Changes in Equity  
Year Ended March 31, 2002

Revenue	
HUD Grants	\$ 1,108,008
Other Income	<u>308</u>
Total Revenue	1,108,316
Operating Expenses	
Housing Assistance Payments	\$ 974,409
Administrative Salaries	40,069
Employee Benefits	3,174
Other Administrative Expense	51,957
Material and Labor - Maintenance	1,990
Depreciation	892
General Expenses	<u>3,132</u>
Total Expenses	<u>1,075,623</u>
Operating Income	32,693
Other Income	
Interest Earnings	<u>1,890</u>
Net Income	34,583
Equity at beginning of year, as previously reported	17,461
Prior Period Adjustment - Note 7	<u>1,274</u>
Equity at beginning of year, as restated	<u>18,735</u>
Equity at end of year	<u>\$ 53,318</u>

*The notes to the general-purpose financial statements are an integral part of this statement.*

Crawford Metropolitan Housing Authority

Statement of Cash Flows  
Year Ended March 31, 2002

Cash flows from operating activities:	
Net Income for the year	\$ 34,583
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation Expense	892
Changes in assets and liabilities:	
Accounts Receivable	(56,316)
Investments	15,000
Prepaid Expenses	937
Accounts Payable	(39,265)
Accrued Wages and Payroll Taxes	(226)
Accrued Compensated Absences	(8,388)
Deferred Revenues	2,144
HUD Advance	950
	<hr/>
Net Cash Provided By Operating Activities	(49,689)
Cash and cash equivalents at beginning of year	<hr/> 147,879
Cash and cash equivalents at end of year	<hr/> <hr/> \$ 98,190

*The notes to the general-purpose financial statements are an integral part of this statement.*

**Crawford Metropolitan Housing Authority**  
**Notes to the General-Purpose Financial Statements**  
**March 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

The general-purpose financial statements of the Crawford 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 general-purpose financial statements comply with the provisions of GASB Statement 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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

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

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

**Crawford Metropolitan Housing Authority**  
**Notes to the General-Purpose Financial Statements - Continued**  
**March 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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 program. 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 Types:*

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

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

Measurement Focus/Basis of Accounting

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

Fixed Assets

Fixed 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 asset life, are not capitalized. The following are the useful lives used for depreciation purposes:

**Crawford Metropolitan Housing Authority**  
**Notes to the General-Purpose Financial Statements - Continued**  
**March 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Fixed Asset - Continued

Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Computer hardware	3
Computer software	3

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. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

Budgetary Accounting

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

**Crawford Metropolitan Housing Authority**  
**Notes to the General-Purpose Financial Statements - Continued**  
**March 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Estimates

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Reporting for Nonexchange Transactions

For the fiscal year ended March 31, 2002, the Authority has implemented GASB Statement 33 "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement 36 "Recipient Reporting for Certain Shared Nonexchange Revenues." At April 1, 2001, there was no effect on fund equity as result of implementing GASB 33 and GASB 36.

**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.

Cash and cash equivalents included in the Authority's cash position at March 31, 2002 are as follows:

Demand deposits:	
Bank balance - Checking	\$ 99,631
Items-in-transit	<u>(1,466)</u>
Carrying balance	<u><u>\$ 98,165</u></u>

Of the year-end cash balance, \$98,165 was covered by federal depository insurance, \$25 was maintained in petty cash funds.

**Crawford Metropolitan Housing Authority**  
**Notes to the General-Purpose Financial Statements - Continued**  
**March 31, 2002**

**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 2002, the Authority contracted with Northland Insurance Company for public officials and employment practices liability; and United Ohio Insurance for general insurance, property, fire, electronic equipment, automobile insurance, and additional blanket liability insurance.

Public officials liability and employment practices liability insurance covered by Northland Insurance Company each carries a \$1,000 deductible. Insurance covered by United Ohio Insurance each carries a \$250 deductible.

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

**4. FIXED ASSETS**

The following is a summary of fixed assets at March 31, 2002:

Furniture and Equipment	\$ 19,397
Accumulated Depreciation	<u>(17,026)</u>
NET FIXED ASSETS	<u><u>\$ 2,371</u></u>

**5. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

All employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employee Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Authority was required to contribute 13.55 percent through June 30. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Authority's required contributions to PERS for the years ended 2000, 2001 and 2002 were \$6,220, \$5,048, and \$5,395 respectively.

**Crawford Metropolitan Housing Authority**  
**Notes to the General-Purpose Financial Statements - Continued**  
**March 31, 2002**

**6. POSTRETIREMENT EMPLOYEE BENEFITS**

PERS 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 PERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB). A portion of each employer's PERS contribution is set aside for the funding of postretirement health care. The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to PERS. The number of active contributing participants was 411,076 as of December 31, 2000.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2000. 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.

As of December 31, 2000, the unaudited estimated net assets available for future OPEB payments were \$11,735,900,000. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$14,364,600,000 and \$2,628,700,000, respectively. The number of benefit recipients eligible for OPEB at December 31, 2000 was 122,343.

PERS reallocated employer contributions from 4.2 percent to 4.3 percent at the beginning of 2000 to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for this reason.

**7. PRIOR PERIOD ADJUSTMENT**

The beginning contributed capital account in the amount of \$3,887 has been reclassified into retained earnings as the Authority has no record of contributed assets. In addition, beginning equity was also adjusted by an additional \$1,274 to account for fiscal year 2001 adjustments required by HUD.



**Crawford Metropolitan Housing Authority**

**Balance Sheet  
FDS Schedule Submitted to HUD**

**March 31, 2002**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.855 Rental VoucherProgram</b>	<b>14.857 Rental Certificates Program</b>	<b>14.871 Housing Choice Vouchers Program</b>	<b>Total</b>
	Current Assets				
	Cash				
111	Cash - Unrestricted	\$ -	\$ 7,176	\$ 91,014	\$ 98,190
100	Total Cash	-	7,176	91,014	98,190
	Accounts Receivable				
122	Accounts Receivable - HUD	-	9,642	46,152	55,794
128	Fraud Recovery	-	-	1,625	1,625
120	Total Accounts Receivable	-	9,642	47,777	57,419
	Investments and Other Assets				
142	Prepaid Expenses and Other Assets	-	-	725	725
	Total Investments and Other Assets	-	-	725	725
150	Total Current Assets	-	16,818	139,516	156,334
	Noncurrent assets				
	Fixed Assets				
164	Furniture and Equipment - Administration	-	4,618	14,779	19,397
166	Accumulated Depreciation	-	(4,474)	(12,552)	(17,026)
160	Total Fixed Assets, net of accumulated depreciation	-	144	2,227	2,371
180	Total Noncurrent Assets	-	144	2,227	2,371
190	Total Assets	\$ -	\$ 16,962	\$ 141,743	\$ 158,705

**Crawford Metropolitan Housing Authority**

**Balance Sheet  
FDS Schedule Submitted to HUD**

**March 31, 2002**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.855 Rental Voucher Program</b>	<b>14.857 Rental Certificates Program</b>	<b>14.871 Housing Choice Vouchers Program</b>	<b>Total</b>
	Current Liabilities				
312	Accounts Payable	\$ -	\$ -	\$ 4,686	\$ 4,686
321	Accrued Wages and Payroll Taxes	-	-	853	853
322	Accrued Compensated Absences	-	765	3,635	4,400
342	Deferred Revenue	-	-	93,823	93,823
310	Total Current Liabilities	-	765	102,997	103,762
353	Non-Current Liabilities - Other	-	-	1,625	1,625
350	Total Non-Current Liabilities	-	-	1,625	1,625
300	Total Liabilities	-	765	104,622	105,387
	Equity				
504	Net HUD PHA Contributions	-	-	2,369	2,369
512	Undesignated Fund Balance/Retained Earnings	-	16,197	34,752	50,949
	Total Equity	-	16,197	37,121	53,318
600	Total Liabilities and Equity	\$ -	\$ 16,962	\$ 141,743	\$ 158,705

Crawford Metropolitan Housing Authority

Statement of Revenues, Expenses and Changes in Retained Earnings  
FDS Schedule Submitted to HUD

Year ended March 31, 2002

FDS Line Item No.	Account Description	14.855 Rental Voucher Program	14.857 Rental Certificates Program	14.871 Housing Choice Vouchers Program	Total
Revenue					
706	HUD Grants	\$ -	\$ 186,840	\$ 921,168	\$ 1,108,008
711	Investment Income - Unrestricted	-	331	1,559	1,890
714	Fraud Recovery	-	-	308	308
	Total Revenue	-	187,171	923,035	1,110,206
Expenses					
911	Administrative Salaries	-	7,020	33,049	40,069
912	Auditing fees	-	2,442	2,443	4,885
914	Compensated Absences	-	(4,054)	(5,608)	(9,662)
915	Employee Benefit Contribution - Administrative	-	2,249	10,587	12,836
916	Other Operating - Administrative	-	8,247	38,825	47,072
943	Ordinary Maintenance and Operation - Contract Costs	-	349	1,641	1,990
961	Insurance Premiums	-	549	2,583	3,132
	Total Operating Expenses	-	16,802	83,520	100,322
970	Excess Operating Revenue Over Operating Expenses	-	170,369	839,515	1,009,884
Other Expenses					
973	Housing Assistance Payments	-	162,206	812,203	974,409
974	Depreciation Expense	-	131	761	892
	Total Other Expenses	-	162,337	812,964	975,301
900	Total Expenses	-	179,139	896,484	1,075,623
1000	Excess of Revenues over Expenses	-	8,032	26,551	34,583
1103	Retained Earnings at Beginning of Year	5,885	7,689	-	13,574
	Contributed Capital at Beginning of Year	3,886	1	-	3,887
1104	Prior Period Adjustment & Transfer of Equity	(9,771)	475	10,570	1,274
	Ending Equity	\$ -	\$ 16,197	\$ 37,121	\$ 53,318

**Crawford Metropolitan Housing Authority**

**Schedule of Federal Awards Expenditures  
Year Ended March 31, 2002**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures For The Year Ended</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<b><u>Section 8 Cluster:</u></b>		
Section 8 Certificate Program	14.857	\$ 183,062
Housing Choice Vouchers Program	14.871	<u>901,332</u>
Total Federal Award Expenditures		<u><u>\$ 1,084,394</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**Crawford Metropolitan Housing Authority**  
**Notes to the Schedule of Federal Awards Expenditures**  
**March 31, 2002**

1. The accompanying schedule of federal awards expenditures is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting.



## **Report On Compliance And On Internal Control Required By Government Auditing Standards**

Board of Directors  
Crawford Metropolitan Housing Authority  
Galion, Ohio

We have audited the general-purpose financial statements of Crawford Metropolitan Housing Authority, Crawford County, (the Authority) as of and for the year ended March 31, 2002 and have issued our report thereon dated June 18, 2002. 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 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 the 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.

*Wilson, Shannon & Snow, Inc.*

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This report is intended solely for the information and use of the board of directors, management, the 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
June 18, 2002



**Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133**

Board of Directors  
Crawford Metropolitan Housing Authority  
Galion, Ohio

**Compliance**

We have audited the compliance of Crawford Metropolitan Housing Authority, Crawford County, (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 are applicable to each of its major federal programs for the year ended March 31, 2002. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on 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 on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2002.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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## Internal Control Over Compliance

The management of the 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 the 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 directors, management, the 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
June 18, 2002

**Crawford Metropolitan Housing Authority**

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505

March 31, 2002

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Section 8 Cluster/14.857 & 14.871
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None were noted

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

None were noted





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**

**CRAWFORD 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  
AUGUST 20, 2002**