

Coshocton Metropolitan Housing Authority

General Purpose Financial Statements

For the Year Ended June 30, 2002



**Auditor of State
Betty Montgomery**

Board of Directors
Coshocton Metropolitan Housing Authority
836 Magnolia Street
Coshocton, Ohio 43812

We have reviewed the Independent Auditor's Report of the Coshocton Metropolitan Housing Authority, Coshocton County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period July 1, 2001 to June 30, 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 Coshocton Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

April 9, 2003

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COSHOCOTON METROPOLITAN HOUSING AUTHORITY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2002

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SALVATORE CONSIGLIO, CPA, INC. E-mail: sconsiglio@aol.com

Independent Auditors' Report

Board of Directors Coshocton Metropolitan Housing Authority	Regional Inspector General of Audit Department of Housing and Urban Development
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I have audited the accompanying general purpose financial statements of Coshocton Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Coshocton Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Coshocton Metropolitan Housing Authority, Ohio, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United State of America.

Member of American Institute of Certified Public Accountants
Ohio Society of Certified Public Accountants

In accordance with *Government Auditing Standards*, I have also issued a report dated January 24, 2003, on my consideration of Coshocton Metropolitan Housing Authority, Ohio's internal control over financial reporting and my 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 result of my audit.

My Audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Coshocton Metropolitan Housing Authority, Ohio. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the general purpose financial statements. The combining financial data schedule ("FDS") is presented for purposes additional analysis as required by the Department of Housing and Urban Development 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 basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.



Salvatore Consiglio, CPA, Inc.

January 24, 2003

Coshocton Metropolitan Housing Authority
 Combined Balance Sheet
 Proprietary Fund Type
 Enterprise Fund
 June 30, 2002

ASSETS

Cash and Cash Equivalents	\$211,186
Investment	26,019
Receivables - net of allowance	384,207
Inventories - net of allowance	5,500
Deferred charges and other assets	71,725
TOTAL CURRENT ASSETS	<u>698,637</u>
Fixed Assets - net of accumulated depreciation	<u>4,142,830</u>
TOTAL ASSETS	<u><u>\$4,841,467</u></u>

LIABILITIES AND EQUITY

LIABILITES:	
Accounts Payable	\$56,030
Intergovernmental Payables	314,061
Accrued Expenses	1,405
Accrued Wages and Payroll Taxes Payable	24,096
Tenant Security Deposit	27,982
Deferred Credits and Other Liabilities	56,460
TOTAL CURRENT LIABILITES	<u>480,034</u>
Noncurrent Liabilities	
Other long-term liabilities	<u>751,588</u>
TOTAL NONCURRENT LIABILITES	<u>751,588</u>
TOTAL LIABILITES	<u>1,231,622</u>
EQUITY:	
Contributed Capital	4,345,961
Retained Earning	<u>(736,116)</u>
TOTAL EQUITY	<u>3,609,845</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$4,841,467</u></u>

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Coshocton Metropolitan Housing Authority
 Combined Statement of Revenue, Expenses and Change in Equity
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended June 30, 2002

REVENUE

Tenant Rental Revenue	\$241,405
Program Grants/Subsidies	1,453,388
Interest	3,391
Other Income	7,319
	1,705,503
TOTAL REVENUE	1,705,503

EXPENSES

Administrative Expenses	349,874
Utilities Expenses	50,947
Maintenance	192,118
General Expenses	69,701
Housing Assistance Payments	840,048
Depreciation	260,235
Other Expense	500
Interest	18,777
	1,782,200
TOTAL EXPENSES	1,782,200
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER)	
TOTAL EXPENSES	(76,697)
Beginning Equity	3,656,618
Prior Period Adjustments	29,924
	3,686,542
ENDING EQUITY	\$3,609,845

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Coshocton Metropolitan Housing Authority
 Combined Statement of Cash Flows
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended June 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Operating Income/(Loss)	(\$76,697)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	260,235
- (Increases) Decreases in Accounts Receivable	3,942
- Increases (Decreases) Accounts Payable	(169,401)
- (Increases) Decreases in Prepaid Assets	(59,682)
- Prior Period Adjustment	(4,139)
	30,955
Total Adjustments	30,955
NET CASH PROVIDED BY OPERATING ACTIVITIES	(45,742)
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of Investments	(26,019)
Purchases of Assets	(184,230)
	(210,249)
NET CASH USED IN INVESTING ACTIVITIES	(210,249)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(255,991)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	467,177
CASH AND CASH EQUIVALENTS - END OF YEAR	\$211,186

The accompanying notes to the general purpose financial statements are an integral part of these statements.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Coshocton Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Coshocton Metropolitan Housing 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 provision of Governmental Accounting Standards Board (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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Fund Accounting

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

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending June 30, 2002 totaled \$3,391.

Fixed Assets

Fixed assets are stated at cost and depreciation is computed using the straight line method over an 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.

Cash and Cash Equivalents

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

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 absence 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

COSHOCTON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Capital Contributions

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

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.

Estimates

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

NOTE 2: CASH AND INVESTMENTS

Deposits – The PHA deposits are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the PHA or by its agent in the PHA's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the PHA's name.

Category 3 – Uncollateralized.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002
 (CONTINUED)

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits, categorized by level of risk, are:

<u>DESCRIPTION</u>	<u>BANK BALANCE</u>	<u>CATEGORY</u>			<u>CARRYING AMOUNT</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Cash and Cash Equivalents	\$231,582	\$231,582	\$ -0-	\$ -0-	\$211,186
Investments	26,019	26,019	-0-	-0-	26,019
Total Deposits	<u>\$257,601</u>	<u>\$257,601</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$237,205</u>

Investments - HUD Handbook 7475.1 Chapter 4, Section 1 authorizes the PHA to make investments in:

- Direct Obligations of the Federal Government;
- Obligations of Federal Government Agencies;
- Securities of Government-Sponsored Agencies; and
- Demand and Savings Deposits and Certificates of Deposit.

The PHA investments are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured, registered, or securities held by the PHA or its agent in the PHA’s name.

Category 2 – Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the PHA’s name.

Category 3 – Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the PHA’s name.

The PHA’s nonnegotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply.

NOTE 3: NOTE TO 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.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002
 (CONTINUED)

NOTE 4: 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 fiscal year ending June 30, 2002 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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.

NOTE 5: FIXED ASSETS

The following is a summary:

Land	\$ 438,538
Buildings	6,916,540
Furniture and Equipment	<u>255,080</u>
 Total Fixed Assets	 7,610,158
Accumulated Depreciation	<u>(3,467,328)</u>
 Net Fixed Assets	 <u><u>\$4,142,830</u></u>

The following is a summary of changes:

	<u>Balance</u> <u>06/30/01</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>06/30/02</u>
Land	\$438,538	\$ -0-	\$ -0-	\$438,538
Buildings	6,734,159	182,381	-0-	6,916,540
Furniture and Equipment	<u>253,231</u>	<u>1,849</u>	<u>-0-</u>	<u>255,080</u>
 Total Fixed Assets	 <u>\$7,425,928</u>	 <u>\$184,230</u>	 <u>\$ -0-</u>	 <u>\$7,610,158</u>

The depreciation expense for the year ended June 30, 2002 was \$260,235.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002
(CONTINUED)

**NOTE 6: 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. Chapter 145 of the Ohio Revised Code establishes benefits. 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. The employer contribution rate was 13.55 percent of covered payroll. The Authority's required contributions to PERS for the years ended June 30, 2002, 2001 and 2000 were \$48,291, \$45,951, and \$37,091, respectively. The full amount has been contributed for 2001 and 2000. Eighty-six percent has been contributed for 2002, with the remainder being reported as a liability with the enterprise fund.

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

The Public Retirement System of Ohio (PERS) provides post-retirement 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 coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by State statute. The Ohio Revised Code provides the statutory authority requiring public employers to fund pension and post retirement health cares through their contributions to PERS. The portion of employer contributions rate used to fund health care for 2002 and 2001 was 4.3 percent of cover payroll.

The significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent

COSHOCTON METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2002
(CONTINUED)

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES
RETIREMENT SYSTEM** (Continued)

compounded annually for inflation (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

Benefits are advance-funded using the entry age normal cost method. The number of active contributing participants was 411,076. The actuarial value of PERS of Ohio net assets available for OPEB at December 31, 2000 was \$11,735.9 million. The actuarially accrued liability and the unfounded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

NOTE 8: PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$29,924 was necessary to properly state beginning equity balance. The adjustment was as follows:

- Adjustment for a receivable from HUD for correction to the administration fees earned for the Voucher Program fiscal year ended June 30, 2001 of \$3,068.
- Reclassification of 2001 expenses to be applied against Capital Fund Program of \$26,856.

NOTE 9: LONG-TERM DEBT

The Authority is obligated on a mortgage payable to the United States Department of Agriculture-Rural Development, which matures in November 2040. The date of the loan was October 30, 1990 for the amount of \$744,314 with an interest rate of 9%. Rural Development requires monthly installments of \$1,579. This monthly installment represents a discounted amount. The note is secured by the property.

COSHOCTON METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2002
 (CONTINUED)

NOTE 9: LONG-TERM DEBT (Continued)

The note is amortized as follows:

06/30/03	\$1,800
06/30/04	1,900
06/30/05	2,100
06/30/06	2,230
06/30/07	2,450
All other	718,388
Total	\$728,868

NOTE 10: CONTINGENCIES

Litigations and Claims

In the normal course of operations the PHA may be subject to litigation and claims. At June 30, 2002 the PHA was involved in such matters. While the outcome of these matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

Inspector General Audit

The Office of the Inspector General has conducted an audit of Coshocton Metropolitan Housing Authority. The findings of the Inspector General's audit have not been released as of the date of this report. Management anticipates that there will be findings that will result in claims or assessments which are unknown at this time.

Coshocton Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
ASSETS:										
CURRENT ASSETS:										
Cash:										
111	Cash – unrestricted	\$0	\$26,288	\$0	\$0	\$12,052	\$13,741	\$74,836	\$0	\$126,917
113	Cash – other restricted	0	79,368	0	0	0	0	0	0	79,368
114	Cash - Tenant Security Deposits	0	4,901	0	0	0	0	0	0	4,901
100	Total cash	0	110,557	0	0	12,052	13,741	74,836	0	211,186
Accounts and notes receivables:										
121	Accounts Receivable - PHA Projects	0	0	121,765	0	0	0	0	0	121,765
125	Accounts receivable – miscellaneous	181,569	0	9,285	0	0	0	64,843	0	255,697
126	Accounts receivable – tenant dwelling rent	0	0	55,180	0	0	0	0	0	55,180
126.2	Allowance for doubtful accounts	0	0	(48,500)	0	0	0	0	0	(48,500)
129	Accrued interest receivable	0	0	65	0	0	0	0	0	65
120	Total receivables, net of allowances for doubtful accounts	181,569	0	137,795	0	0	0	64,843	0	384,207
131	Investments – unrestricted	0	12,019	11,092	0	0	0	0	0	23,111
132	Investments restricted	0	0	0	0	2,908	0	0	0	2,908
142	Prepaid expenses and other assets	546	2,006	66,303	0	0	0	2,870	0	71,725
143	Inventories	0	0	5,500	0	0	0	0	0	5,500
143.1	Allowance for Obsolete Inv.	0	0	0	0	0	0	0	0	0
150	TOTAL CURRENT ASSETS	182,115	124,582	220,690	0	14,960	13,741	142,549	0	698,637
NONCURRENT ASSETS:										
Fixed assets										
161	Land	0	0	438,538	0	0	0	0	0	438,538
162	Buildings	0	747,518	6,169,022	0	0	0	0	0	6,916,540

Coshocton Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
163	Furniture, Equipment & Machinery - Dwellings	0	0	50,990	0	0	0	0	0	50,990
164	Furniture, Equipment & Machinery - Admin	4,480	4,307	164,821	0	0	0	30,482	0	204,090
165	Leasehold Improvements	0	0	0	0	0	0	0	0	0
166	Accumulated Depreciation	(4,480)	(197,515)	(3,234,851)	0	0	0	(30,482)	0	(3,467,328)
160	Total Fixed Assets, Net Accumulated Depreciation	0	554,310	3,588,520	0	0	0	0	0	4,142,830
180	TOTAL NONCURRENT ASSETS	0	554,310	3,588,520	0	0	0	0	0	4,142,830
190	TOTAL ASSETS	\$182,115	\$678,892	\$3,809,210	\$0	\$14,960	\$13,741	\$142,549	\$0	\$4,841,467
LIABILITIES & EQUITY:										
LIABILITIES										
CURRENT LIABILITIES										
312	Accounts Payable <=90 Days	\$0	\$0	\$56,030	\$0	\$0	\$0	\$0	\$0	\$56,030
321	Accrued Wage/Payroll Taxes Payable	0	0	16,577	0	0	0	0	0	16,577
322	Accrued Compensated Absences - Current Portion	0	0	5,194	0	0	0	2,325	0	7,519
325	Accrued Interest Payable	0	1,405	0	0	0	0	0	0	1,405
331	Accounts Payable - HUD PHA Programs	139,445	0	0	0	0	0	5,291	0	144,736

Coshocton Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
332	Accounts Payable - PHA Projects	18,575	22,200	0	0	0	0	80,990	0	121,765
333	Accounts Payable - Other Government	0	7,673	39,887	0	0	0	0	0	47,560
341	Tenant Security Deposits	0	3,698	24,284	0	0	0	0	0	27,982
342	Deferred Revenues	0	0	16,071	0	14,960	13,741	1,657	0	46,429
345	Other current liabilities	0	0	8,281	0	0	0	0	0	8,281
348	Loan Liability Current	0	1,750	0	0	0	0	0	0	1,750
310	Total Current Liabilities	158,020	36,726	166,324	0	14,960	13,741	90,263	0	480,034
354	Accrued Compensated Absences - Non Current	0	2,090	15,401	0	0	0	6,979	0	24,470
355	Loan Liability - Non Current	0	727,118	0	0	0	0	0	0	727,118
350	Total Non current Liabilities	0	729,208	15,401	0	0	0	6,979	0	751,588
300	TOTAL LIABILITIES	158,020	765,934	181,725	0	14,960	13,741	97,242	0	1,231,622
EQUITY:										
Contributed Capital										
504	Net HUD PHA Contributions	0	0	4,070,830	0	0	0	275,131	0	4,345,961
508	Total Contributed Capital	0	0	4,070,830	0	0	0	275,131	0	4,345,961
511	Total Reserved Fund Balance	0	0	0	0	0	0	0	0	0

Coshocton Metropolitan Housing Authority
Combining Balance Sheet
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
512	Undesignated Fund Balance/Retained Earnings	24,095	(87,042)	(443,345)	0	0	0	(229,824)	0	(736,116)
513	TOTAL EQUITY/NET ASSETS	24,095	(87,042)	3,627,485	0	0	0	45,307	0	3,609,845
600	TOTAL LIABILITIES AND EQUITY	\$182,115	\$678,892	\$3,809,210	\$0	\$14,960	\$13,741	\$142,549	\$0	\$4,841,467

Coshocton Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change in Equity
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
REVENUE:										
703	Net Tenant Rental Revenue	\$0	\$38,138	\$203,267	\$0	\$0	\$0	\$0	\$0	\$241,405
705	Total Tenant Revenue	0	38,138	203,267	0	0	0	0	0	241,405
706	HUD PHA Operating Grants	251,898	0	232,765	0	5,860	0	722,191	0	1,212,714
706.1	Capital Grant	0	0	0	22,903	0	0	0	186,051	208,954
708	Other Government Grants	0	31,720	0	0	0	0	0	0	31,720
711	Investment Income - Unrestricted	350	933	1,625	0	0	0	483	0	3,391
714	Fraud Recovery	0	0	0	0	0	0	353	0	353
715	Other Revenue	0	1,370	550	0	0	0	5,046	0	6,966
700	TOTAL REVENUE	252,248	72,161	438,207	22,903	5,860	0	728,073	186,051	1,705,503
EXPENSES										
Administrative										
911	Administrative Salaries	10,034	0	61,599	793	5,860	0	52,678	20,343	151,307
912	Auditing fees	0	1,500	193	0	0	0	0	0	1,693
915	Employee benefit contributions - Admin	2,936	0	21,176	0	0	0	15,415	0	39,527
916	Other Operating - Administrative	4,593	34,411	94,223	0	0	0	24,120	0	157,347
Utilities:										
931	Water	0	1,788	34,707	0	0	0	0	0	36,495
932	Electricity	0	2,239	8,473	0	0	0	0	0	10,712
933	Gas	0	115	3,625	0	0	0	0	0	3,740

Coshocton Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change in Equity
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
	Ordinary Maintenance & Operations									
941	Ordinary Maintenance & Operations - Labor	0	0	68,678	0	0	0	0	0	68,678
942	Ordinary Maintenance & Operations - Materials & Other	0	0	28,510	0	0	0	0	0	28,510
943	Ordinary Maintenance & Operations - Contract Costs	0	6,074	65,244	0	0	0	0	0	71,318
945	Emp. Benefit Contribution - Ordinary Maintenance	0	0	23,612	0	0	0	0	0	23,612
	General expenses:									
961	Insurance Premiums	1,485	930	25,564	0	0	0	7,795	0	35,774
962	Other General Expenses	0	0	1,500	0	0	0	0	0	1,500
963	Payments in Lieu of taxes	0	3,400	15,646	0	0	0	0	0	19,046
964	Bad Debt - Tenant Rents	0	0	6,781	0	0	0	0	0	6,781
967	Interest Expense	0	18,648	129	0	0	0	0	0	18,777
968	Severance Expense	0	0	6,600	0	0	0	0	0	6,600
969	TOTAL OPERATING EXPENSES	19,048	69,105	466,260	793	5,860	0	100,008	20,343	681,417
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	233,200	3,056	(28,053)	22,110	0	0	628,065	165,708	1,024,086

Coshocton Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change in Equity
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
972	Casualty Losses - Non-Capitalized	0	0	500	0	0	0	0	0	500
973	Housing Assistance Payments	230,506	0	0	0	0	0	609,542	0	840,048
974	Depreciation Expense	0	19,549	240,686	0	0	0	0	0	260,235
900	TOTAL EXPENSES	<u>249,554</u>	<u>88,654</u>	<u>707,446</u>	<u>793</u>	<u>5,860</u>	<u>0</u>	<u>709,550</u>	<u>20,343</u>	<u>1,782,200</u>
1001	Operating Transfers In	0	0	0	0	0	0	0	0	0
1002	Operating Transfers Out	0	0	0	0	0	0	0	0	0
1010	Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) EXPENSES	<u>2,694</u>	<u>(16,493)</u>	<u>(269,239)</u>	<u>22,110</u>	<u>0</u>	<u>0</u>	<u>18,523</u>	<u>165,708</u>	<u>(76,697)</u>
1101	Capital Outlays Enterprise Fund	0	0	0	0	0	0	0	0	0
1102	Debt Principal Payments - Enterprise Funds	0	0	0	0	0	0	0	0	0
1103	Beginning Equity	(264,380)	(70,549)	3,682,050	0	0	0	309,497	0	3,656,618
1104	Prior Period Adjustments, Equity Transfers & Correction of Errors	285,781	0	214,674	(22,110)	0	0	(282,713)	(165,708)	29,924
	ENDING RETAINED EARNINGS	<u>\$24,095</u>	<u>(\$87,042)</u>	<u>\$3,627,485</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$45,307</u>	<u>\$0</u>	<u>\$3,609,845</u>

Coshocton Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change in Equity
FDS Schedule Submitted To REAC
Proprietary Fund Type – Enterprise Fund
June 30, 2002

FDS Line Item No.	Account Description	Sect.8 New Construction	Rural Housing & Economic Development	Low Rent Public Housing	Comp. Improve. Assist Prg.	Drug Elimination Program	Anti-Drug Grant	Housing Choice Vouchers	Capital Fund Program	TOTAL
MEMO ACCOUNT INFORMATION										
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$0	\$0	\$0	\$0	\$733,791	\$0	\$733,791
1114	Porata Maximum Annual Contributions	0	0	0	0	0	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	0	0	0	0	0	0	62,784	0	62,784
1116	Total Annual Contributions Available	\$0	\$0	\$0	\$0	\$0	\$0	\$796,575	\$0	\$796,575
1120	Unit Months Available	1,200	276	1,572	0	0	0	3,012	0	6,060
1121	Number of Unit Months leased	1,200	276	1,465	0	0	0	2,878	0	5,819

Coshocton Metropolitan Housing Authority
 Schedule of Expenditures of Federal Award
 For the Year Ended June 30, 2002

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
N/C S/R Section 8 Programs	14.182	\$251,898
Rural Housing & Economic Development	14.250	31,720
Low Rent Public Housing	14.850a	232,765
Public Housing Comprehensive Improvement Assistance Program	14.852	22,903
Public and Indian Housing Drug Elimination Program	14.854	5,860
Housing Choice Vouchers	14.871	722,191
Public Housing Capital Fund Program	14.872	<u>186,051</u>
Total Federal Awards		<u><u>\$1,453,388</u></u>

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SALVATORE CONSIGLIO, CPA, INC. E-mail: sconsiglio@aol.com

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

Board of Directors
Coshocton Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

I have audited the general purpose financial statements of the Coshocton Metropolitan Housing Authority, Ohio, as of and for the year ended June 30, 2002, and have issued my report thereon dated January 24, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United State 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 Coshocton Metropolitan Housing Authority, Ohio's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Coshocton Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I have considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Coshocton Metropolitan Housing Authority ability

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to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items GAS-2002-1 through GAS-2002-2.

A material weakness is a condition in which the design or operation of one or more of the internal component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that none of the reportable conditions described above are a material weakness. I also noted other matters involving the internal control over financial reporting that I have reported to management of the Coshocton Metropolitan Housing Authority, Ohio, in a separate letter dated January 24, 2003.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other that these specified parties.



Salvatore Consiglio, CPA, Inc.

January 24, 2003

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SALVATORE CONSIGLIO, CPA, INC. E-mail: sconsiglio@aol.com

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

Board of Directors
Coshocton Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

I have audited the compliance of the Coshocton Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. Coshocton Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Coshocton Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Coshocton Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Coshocton Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Coshocton Metropolitan Housing Authority, Ohio's compliance with those requirements.

As described in item FED-2002-1 in the accompanying schedule of findings and questioned costs, Coshocton Metropolitan Housing Authority, Ohio, did not comply with requirements regarding Cash Management that are applicable to its CIAP, Drug Elimination, and the New Approach Anti-Drug Grants. Compliance with such requirements is necessary, in my opinion, for Coshocton Metropolitan Housing Authority, Ohio, to comply with requirements applicable to that program.

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In my opinion, except for the noncompliance described in the preceding paragraph, Coshocton Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

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

I noted certain matters involving the internal control over compliance and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect Coshocton Metropolitan Housing Authority, Ohio's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items FED-2002-2.

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. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Salvatore Consiglio, CPA, Inc.

January 24, 2003

Coshocton Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 June 30, 2002

1. SUMMARY OF AUDITOR'S RESULTS
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Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	Yes
Major Programs (list):	CFDA #14.871 Housing Choice Voucher Program
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

Coshocton Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505
June 30, 2002

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

FINDING NUMBER

GAS-2002 -1

Financial Reporting

The result of audit procedures revealed several errors in reporting the unaudited submission to REAC. This resulted in several audit adjustments. Errors in reporting may have an affect on the REAC financial scoring on the PHA.

Recommendation:

Due care must be exercise in preparing reports. The PHA should utilize the crossover chart account that REAC provided in preparing the financial reports submitted at year end.

PHA Response:

Corrections will be implemented.

FINDING NUMBER

GAS-2002 -2

Depreciation Schedule

The PHA was not able to provide the depreciation schedule for the Section 8 and Housing Choice Voucher Program. The total assets of \$34,962 are fully depreciated therefore resulting in no material effect on the financial statements. In addition, there was an immaterial variance of \$2,317 between the depreciation schedule and the assets reported on the Financial Data Schedule (FDS) for the rest of the programs.

Recommendation:

The PHA must reconstruct the depreciation schedule for the Section 8 and Housing Choice Voucher Program. The \$2,317 should be reconciled.

PHA Response:

Depreciation schedule will be created and the variance will be reconciled.

Coshocton Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 June 30, 2002

3. FINDINGS REALTED TO FEDERAL AWARDS
--

FINDING NUMBER	FED-2002-1
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Cash Management

An analysis over Grant Revenue revealed errors between the financial statements and the amount drawn from LOCCS for the CIAP, Drug Elimination and the New Approach Anti-Drug Grants. The variances are as follows:

GRANT	FDS	LOCCS	CAUSE
Comprehensive Improvement Assistance Program	\$22,903	\$0	The \$22,903 was drawn from LOCCS in prior year. The expenditure was incurred in current year.
Drug Elimination Grant	\$5,860	\$0	\$20,820 was drawn in prior year. Only \$5,860 of the \$20,820 was expended as of June 30, 2002. The remaining balance of \$14,960 is reported as deferred revenue.
New Approach Anti-Drug Grants	\$0	\$0	\$13,741 was drawn in prior year. No expenditure has been incurred against these funds drawn. As of June 30, 2002, the \$13,741 is reported as deferred revenue.

Funds should only be drawn for immediate needs.

Recommendation:

A cash management system must be implemented. Federal funds should only be drawn for actual expenses incurred and ready to be paid.

PHA Response:

These drawn were made by previous administration. Funds are now only drawn for immediate needs.

Coshocton Metropolitan Housing Authority
Schedule of Findings and Questioned Costs
OMB Circular A-133 § .505
June 30, 2002

FINDING NUMBER	FED-2002-2
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RECORD RETENTION

A review of 24 Housing Choice Voucher and 20 Public Housing Tenant files revealed that three of the files were missing (2 Voucher and 1 Public Housing).

24 CFR 982.158 requires that the PHA maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit.

No explanation was provided as to why these files could not be located.

Recommendation:

The PHA must establish a record retention policy in compliance with HUD regulations. No records shall be destroyed without proper authorization.

PHA Response:

A record retention policy will be implemented.

Coshocton Metropolitan Housing Authority
Schedule of Prior Audit Findings
June 30, 2002

The audit report for the fiscal year ending June 30, 2001 contained not audit finding.



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COSHOCTON METROPOLITAN HOUSING AUTHORITY

COSHOCTON 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
MAY 8, 2003**