

**AUDITED BASIC FINANCIAL STATEMENTS**  
**OF THE**  
**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**APRIL 1, 2006 - MARCH 31, 2007**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Crawford Metropolitan Housing Authority, Crawford County, prepared by Wilson, Shannon & Snow, Inc., for the audit period April 1, 2006 through March 31, 2007. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 19, 2007

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CRAWFORD METROPOLITAN HOUSING AUTHORITY  
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Board of Directors  
Crawford Metropolitan Housing Authority  
645 West Harding Way  
Galion, Ohio 44833

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Crawford Metropolitan Housing Authority, Crawford County, Ohio (the Authority) as of and for the fiscal year ended March 31, 2007, 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Crawford Metropolitan Housing Authority, Crawford County, as of March 31, 2007 and the changes in financial position and its cash flows thereof for the fiscal 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 August 31, 2007 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
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Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Federal Awards Expenditures as 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, as required by the U.S. Department of Housing and Urban Development are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such schedules have been subjected to auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Wilson, Shannon & Sons, Inc." The signature is written in a cursive, slightly slanted style.

Newark, Ohio  
August 31, 2007

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Crawford Metropolitan Housing Authority's (the Authority's) 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 2007, the Authority's net assets increased by \$12,538 (or 4.61%). Since the Authority engages only in business-type activities, the increase is all in the category of business-type net assets. Net Assets for fiscal year 2006 were \$272,115 and net assets for fiscal year 2007 were \$284,653.
  
- The revenue increased by \$9,312 (or .68%) during fiscal year 2007, and was \$1,379,895 and \$1,389,207 for fiscal year 2006 and fiscal year 2007, respectively.
  
- The total expenses of the Authority increased by \$37,431 (or 2.79%). Total expenses were \$1,339,238 and \$1,376,669 for fiscal year 2006 and fiscal year 2007, respectively.



**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**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”:

<p><b>MD&amp;A</b></p> <p>~ Management’s Discussion And Analysis –pgs 3-10 ~</p>
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<p><b>Basic Financial Statements</b></p> <p>~ Basic Financial Statements – pgs 11-13 ~ ~ Notes to the Basic Financial Statements – pg 14~</p>
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<p><b>Other Required Supplementary Information</b></p> <p>~ Required Supplementary Information - none~ (Other than MD&amp;A)</p>
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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.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**Authority-Wide Financial Statements**

The Authority-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”, formerly known 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 (formerly 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 Fund 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 Fund 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, and from capital and related financing activities.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**The Authority's Fund**

The Authority consists exclusively of 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.

Business-Type Fund

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 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.

**Statement of Net Assets**

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

**STATEMENT OF NET ASSETS**

	<u>2007</u>	<u>2006</u>
Current and Other Assets	\$ 324,742	\$ 305,982
Capital Assets	<u>196</u>	<u>1,218</u>
Total Assets	<u>324,938</u>	<u>307,200</u>
Current Liabilities	6,167	5,060
Non-Current Liabilities	<u>34,118</u>	<u>30,025</u>
Total Liabilities	<u>40,285</u>	<u>35,085</u>
Net Assets:		
Invested in Capital Assets	196	1,218
Restricted	185,846	-
Unrestricted	<u>98,611</u>	<u>270,897</u>
Total Net Assets	<u>\$ 284,653</u>	<u>\$ 272,115</u>

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**Major Factors Affecting the Statement of Net Assets**

Current and other assets increased by \$18,760 in fiscal year 2007. This difference mostly represents the current year surplus which increased current assets (primarily cash and investments). Liabilities increased by \$5,200 in fiscal year 2007 due to an increase in non-current liabilities for fraud recovery. This account increased as a result of technology employed by the Authority to capture unreported income in a more timely manner; as a result, they are able to identify and make claim to unreported income penalties due to the Authority.

Capital assets decreased during fiscal year 2007 from \$1,218 to \$196. The decrease is attributed to the current year depreciation of \$1,022. For more detail see "Capital Assets and Debt Administration" on page 9.

**CHANGE OF UNRESTRICTED NET ASSETS**

Unrestricted Net Assets March 31, 2006		\$ 270,897
Results of Operations	\$ 12,538	
Adjustments:		
Depreciation (1)	1,022	
Adjusted Results from Operations		13,560
Amount Restricted for Housing Assistance Payments (2)		(143,397)
Amount of Administration Fee Equity Restricted (3)		<u>(42,449)</u>
Unrestricted Net Assets March 31, 2007		\$ <u>98,611</u>

- (1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets.
- (2) Due to reporting changes implemented by the U.S. Department of Housing and Urban Development, the Authority must begin tracking excess funding under the Housing Choice Voucher Program within Net Assets and excess funding must be divided into excess funding of Housing Assistance Payments and excess funding of Administration Fee. Whereas the excess received for Administration Fee is considered unrestricted, the excess funding of Housing Assistance Payments may only be used to cover future unfunded Housing Assistance Payments or be recaptured by HUD and is therefore considered restricted.
- (3) The amount represents the portion of Net Assets related to Administration Fee which is restricted due to potential recapture of funds by HUD.

Since both of these amounts were previously reported as Unrestricted Net Assets, the amount reported as Restricted for fiscal year 2007 has been broken out of the prior year Unrestricted Net Asset amount.

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**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.

	<u>2007</u>	<u>2006</u>
Revenues		
HUD PHA Operating Grants	\$ 1,372,753	\$ 1,371,452
Interest	2,981	3,013
Other Revenues	<u>13,473</u>	<u>5,430</u>
Total Revenue	<u>1,389,207</u>	<u>1,379,895</u>
Expenses		
Administrative Salaries and Benefits	142,229	141,895
Material and Labor - Maintenance	1,987	2,748
General	7,987	7,833
Housing Assistance Payments	1,223,444	1,185,262
Depreciation	<u>1,022</u>	<u>1,500</u>
Total Expenses	<u>1,376,669</u>	<u>1,339,238</u>
Net Increase	\$ <u><u>12,538</u></u>	\$ <u><u>40,657</u></u>

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

HUD PHA Operating Grants and Housing Assistance Payments increased slightly because of a higher leasing rate than last year.

The \$12,538 surplus is made up of an \$8,733 increase to restricted HAP funds and a \$3,805 surplus from administrative operations.

Administrative expenses increase was caused by an additional contract cost for inspections, a raise in wages given to all employees, and an increase in health insurance costs.

Most other expenses increased moderately due to inflation.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of March 31, 2007, the Authority had \$196 invested in capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions and depreciation).

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

	Business-Type <u>Activities</u>	
	<u>2007</u>	<u>2006</u>
Equipment – Administrative	\$ 21,478	\$ 21,478
Accumulated Depreciation	( <u>21,282</u> )	( <u>20,260</u> )
Total	\$ <u><u>196</u></u>	\$ <u><u>1,218</u></u>

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 <u>Activities</u>
Beginning Balance	\$ 1,218
Depreciation	( <u>1,022</u> )
Ending Balance	\$ <u><u>196</u></u>

There were no major additions or disposals during fiscal year 2007.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(UNAUDITED)**

**Debt Outstanding**

As of March 31, 2007, 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 Crawford Metropolitan Housing Authority, at (419) 526-1622. Specific requests may be submitted to the Authority at P.O. Box 1029, Mansfield, OH 44901.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**STATEMENTS OF NET ASSETS**  
**MARCH 31, 2007**

**Assets**

Current Assets

Cash and Cash Equivalents	\$ 277,521
Accounts Receivable	198
Investment	20,000
Prepaid Items	<u>3,051</u>

Total Current Assets 300,770

Non-Current Assets

Accounts Receivable -Fraud Recovery	23,972
Capital Assets:	
Furniture and Equipment	21,478
Accumulated Depreciation	<u>(21,282)</u>
Total Capital Assets	<u>196</u>

Total Non-Current Assets 24,168

**Total Assets** 324,938

**Liabilities**

Current Liabilities

Accounts Payable	2,705
Accrued Wages and Payroll Taxes	925
Accrued Compensated Absences	<u>2,537</u>

Total Current Liabilities 6,167

Non-Current Liabilities

Accrued Compensated Absences	10,146
Other Non-Current Liabilities	<u>23,972</u>

Total Non-Current Liabilities 34,118

**Total Liabilities** 40,285

**Net Assets**

Invested in Capital Assets	196
Restricted	185,846
Unrestricted	<u>98,611</u>

**Total Net Assets** \$ 284,653

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



**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<b>Operating Revenues</b>		
HUD Grants	\$	1,372,753
Other Revenues		<u>13,473</u>
<b>Total Operating Revenue</b>		<u>1,386,226</u>
<b>Operating Expenses</b>		
Housing Assistance Payments	\$	1,223,444
Administrative Salaries		53,931
Employee Benefits		24,107
Other Administrative Expense		64,191
Material and Labor - Maintenance		1,987
Depreciation		1,022
General		<u>7,987</u>
<b>Total Operating Expenses</b>		<u>1,376,669</u>
Operating Income		<u>9,557</u>
<b>Nonoperating Revenues</b>		
Interest		<u>2,981</u>
Change in Net Assets		12,538
Net Assets at April 1, 2006		<u>272,115</u>
<b>Net Assets at March 31, 2007</b>	<b>\$</b>	<b><u><u>284,653</u></u></b>

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

**Cash flows from operating activities:**

Cash received from HUD	\$ 1,306,894
Cash received from other sources	13,473
Cash payments to employees for services	(78,002)
Cash payments for good or services - HUD	(1,157,585)
Cash payments for goods or services	(75,498)
	9,282

Net cash provided by operating activities

9,282

**Cash flows from investing activities:**

Interest	2,981
	2,981

Net cash provided by investing activities

2,981

Net change in cash and cash equivalents

12,263

Cash and cash equivalents at April 1, 2006

265,258

**Cash and cash equivalents at March 31, 2007**

**\$ 277,521**

**Cash flows from operating activities:**

Operating income	\$ 9,557
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	1,022
Changes in assets and liabilities	
Increase in accounts receivable	(4,940)
Increase in prepaid items	(1,557)
Increase in accounts payable	285
Increase in accrued wages and payroll taxes	36
Increase in other liabilities	4,879
	4,879

**Net cash provided by operating activities**

**\$ 9,282**

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Summary of Significant Accounting Policies

The basic 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 generally 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.

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 BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**  
**(CONTINUED)**

**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 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 fund 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 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 after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

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 following are the useful lives used for depreciation purposes:

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
 (CONTINUED)**

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

Capital Assets - Continued

<u>Description</u>	<u>Estimated Useful Life - Years</u>
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. 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.

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 and amounts from Administration Fee which may be recaptured by HUD. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Authority first applies restricted net assets. There are no net assets restricted by enabling legislation.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**  
**(CONTINUED)**

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

Estimates

The preparation of the basic 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.

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.

Accounts Receivable

Management considers all accounts receivable (excluding the fraud recovery receivable) to be collected in full. Receivables are presented as gross on the balance sheet.

**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 a non-interest bearing account. Security shall be furnished for all accounts in the Authority's name.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**  
**(CONTINUED)**

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS - CONTINUED**

Cash and cash equivalents included in the Authority's cash position at March 31, 2007 are as follows:

Demand deposits:

Bank balance - Checking	\$ 281,750
Items-in-transit	<u>(4,254)</u>
Carrying balance	\$ <u>277,496</u>

Of the fiscal year-end cash balance, \$100,000 was covered by federal deposit insurance and the remaining balance of \$181,750 was covered by pledged securities held by a third-party trustee maintaining collateral for all public funds on deposit. In addition, \$25 was maintained in petty cash funds which is included in cash and cash equivalents presented on the statement of net assets.

At March 31, 2007, the Authority owned a certificate of deposit with a carrying value of \$20,000. This amount was fully insured by federal deposit insurance.

Based on the Authority having only demand deposits at March 31, 2007, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

**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 2007, the Authority contracted with Tudor 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 Tudor Insurance Company each carries a \$5,000 deductible. Insurance covered by United Ohio Insurance each carries a \$500 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.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(CONTINUED)**

**4. CAPITAL ASSETS**

The following is a summary of capital assets at March 31, 2007:

	<u>Balance at April 1, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at March 31, 2006</u>
Furniture and equipment	\$ 21,478	\$ -	\$ -	\$ 21,478
Accumulated depreciation	(20,260)	(1,022)	-	(21,282)
Total capital assets, net	\$ <u>1,218</u>	\$ <u>(1,022)</u>	\$ <u>-</u>	\$ <u>196</u>

**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: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Pension Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution 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-PERS (7377).

**Funding Policy** – The Authority and covered employees contribute at actuarially determined rates for 2006, 13.7% and 9%, respectively, of covered employee payroll to OPERS. The Authority’s contributions to OPERS for the years ended December 31, 2007, 2006, and 2005 were \$7,409, \$6,819, and \$7,206, respectively. Required contributions are equal to 100% of the dollar amount billed. The Board of the Authority has elected to pay the employees’ portion of OPERS.

**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). A portion (4.5%) of each employer’s OPERS 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 OPERS.



**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**  
**(CONTINUED)**

**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 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804.

The assumptions and calculations used below were based on the System's latest Actuarial Review performed as of December 31, 2005 (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 2005 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 6% for the next 9 years. In subsequent years (10 and beyond), health care costs were assumed to increase 4% (the projected wage inflation rate).

As of December 31, 2005, the audited estimated net assets available for OPEB were \$11.1 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Fund (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OEPRS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**6. RELATED PARTY TRANSACTIONS**

The Authority has one resident board member who receives housing assistance payments. For fiscal year 2007, indirect housing assistance payments to a landlord on behalf of this member totaled \$3,606. These transactions were handled at arms-length. The board member went through the approval and recertification process in accordance with HUD guidelines.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2007  
(CONTINUED)**

**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 or excess reserve balances. 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 March 31, 2007.

**B. Litigation**

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**FDS SCHEDULE SUBMITTED TO HUD**  
**MARCH 31, 2007**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.871 Housing Choice Vouchers Program</b>
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 277,521
100	Total Cash	<u>277,521</u>
	Accounts Receivable	
129	Accrued Interest Receivable	<u>198</u>
120	Total Accounts Receivable	<u>198</u>
	Investments and Other Assets	
131	Investments - Unrestricted	20,000
142	Prepaid Items and Other Assets	<u>3,051</u>
	Total Investments and Other Assets	<u>23,051</u>
150	Total Current Assets	<u>300,770</u>
	Non-Current Assets	
128	Fraud Recovery	23,972
	Capital Assets	
164	Furniture and Equipment - Administration	21,478
166	Accumulated Depreciation	<u>(21,282)</u>
160	Total Capital Assets, net of accumulated depreciation	<u>196</u>
180	Total Non-Current Assets	<u>24,168</u>
190	Total Assets	<u>\$ 324,938</u>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**FDS SCHEDULE SUBMITTED TO HUD**  
**MARCH 31, 2007**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.871 Housing Choice Vouchers Program</b>
	Current Liabilities	
312	Accounts Payable	\$ 2,705
321	Accrued Wages and Payroll Taxes	925
322	Accrued Compensated Absences	2,537
		<hr/>
310	Total Current Liabilities	6,167
		<hr/>
354	Accrued Compensated Absences - Non-Current	10,146
353	Non-Current Liabilities - Other	23,972
		<hr/>
350	Total Non-Current Liabilities	34,118
		<hr/>
300	Total Liabilities	40,285
		<hr/>
	Net Assets	
508.1	Invested in Capital Assets	196
511.1	Restricted Net Assets	185,846
512.1	Unrestricted Net Assets	98,611
	Total Net Assets	284,653
		<hr/>
600	Total Liabilities and Net Assets	\$ 324,938
		<hr/> <hr/>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FDS SCHEDULE SUBMITTED TO HUD**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.871 Housing Choice Vouchers Program</b>	
	Revenues		
706-010	Housing Assistance Payment Revenues	\$ 1,224,674	
706-020	Administrative Fees Revenues	<u>148,079</u>	
706	HUD PHA Operating Grants		1,372,753
711-010	Investment Income Unrestricted - Housing Assistance Payments	1,155	
711-020	Investment Income Unrestricted - Administrative Fees	<u>1,826</u>	
711	Investment Income - Unrestricted		2,981
714-010	Fraud Recovery Housing Assistance Payments	6,348	
714-020	Fraud Recovery Administrative Fee	<u>6,213</u>	
714	Fraud Recovery		12,561
715	Other Revenue		<u>912</u>
	Total Revenues		<u>1,389,207</u>
	Expenses		
911	Administrative Salaries		53,931
912	Auditing Fees		6,456
914	Compensated Absences		18
915	Employee Benefit Contribution - Administrative		24,089
916	Other Operating - Administrative		57,735
942	Ordinary Maintenance and Operation - Materials and Other		1,987
961	Insurance Premiums		<u>7,987</u>
969	Total Operating Expenses		<u>152,203</u>
970	Excess Operating Revenues Over Operating Expenses		<u>1,237,004</u>
	Other Expenses		
973	Housing Assistance Payments		1,223,444
974	Depreciation		<u>1,022</u>
	Total Other Expenses		<u>1,224,466</u>
900	Total Expenses		<u>1,376,669</u>
1000	Excess of Revenues over Expenses		12,538
1103	Net Assets at Beginning of Year		<u>272,115</u>
	Net Assets at End of Year		<u>\$ 284,653</u>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY BALANCES**  
**FDS SCHEDULE SUBMITTED TO HUD**  
**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<b>FDS Line Item No.</b>	<b>Account Description</b>	<b>14.871 Housing Choice Vouchers Program</b>	
1117-001	Administrative Fee Equity - Beginning Balance		\$ 137,451
1117-010	Administrative Fee Revenue	148,079	
1117-040	Investment Income	1,826	
1117-045	Fraud Recovery Revenue	6,213	
1117-050	Other Revenue	912	
1117-060	Total Admin Fee Revenues		157,030
1117-080	Total Operating Expenses	152,203	
1117-090	Depreciation	1,022	
1117-110	Total Expenses		153,225
1117-002	Net Administrative Fee		3,805
1117-003	Administrative Fee Equity - Ending Balance		141,256
1117	Administrative Fee Equity		<u>\$ 141,256</u>
1118-001	Housing Assistance Payments Equity - Beginning Balance		\$ 134,664
1118-010	Housing Assistance Payment Revenues	1,224,674	
1118-015	Fraud Recovery Revenue	6,348	
1118-025	Investment Income	1,155	
1118-030	Total Housing Assistance Payments Revenues		1,232,177
1118-080	Housing Assistance Payments	1,157,585	
1118-090	Other Expenses	65,859	
1118-100	Total Housing Assistance Payments Expenses		1,223,444
1118-002	Net Housing Assistance Payments		8,733
1118-003	Housing Assistance Payments Equity - Ending Balance		143,397
1118	Housing Assistance Payments Equity		<u>\$ 143,397</u>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
 FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

<u>Federal Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
Section 8 Housing Choice Vouchers	14.871	\$ 1,372,753
Total Federal Award Expenditures		<u>\$ 1,372,753</u>

Notes to the Federal Schedule

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.



**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  
Crawford Metropolitan Housing Authority  
645 West Harding Way  
Galion, Ohio 44833

We have audited the financial statements of the Crawford Metropolitan Housing Authority, Crawford County, Ohio (the Authority) as of and for the fiscal year ended March 31, 2007 and have issued our report thereon dated August 31, 2007. 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.

**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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion 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 the normal course of 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 generally accepted accounting principles such that there is more than a remote likelihood that a misstatement will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 deficiencies in internal control 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 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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

*Wilson, Shuman & Sons, Inc.*

Newark, Ohio  
August 31, 2007



**Report on Compliance with Requirements Applicable to Its Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

Board of Directors  
Crawford Metropolitan Housing Authority  
645 West Harding Way  
Galion, Ohio 44833

**Compliance**

We have audited the compliance of the Crawford Metropolitan Housing Authority, Crawford 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 are applicable to its major federal program for the fiscal year ended March 31, 2007. 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 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 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 Crawford Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended March 31, 2007.

*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

### **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, 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.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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.

This report is intended 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 entity and is not intended to be and should not be used by anyone other than these specified parties.

*Wilson, Sherman & Snow, Inc.*

Newark, Ohio  
August 31, 2007

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

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

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY  
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

**FOR THE FISCAL YEAR ENDED MARCH 31, 2007**

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

None were noted

**3. FINDINGS FOR FEDERAL AWARDS**

None were noted





**Mary Taylor, CPA**  
Auditor of State

**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**  
**NOVEMBER 8, 2007**