

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED MARCH 31, 2002**

*J. E. Slaybaugh & Associates, Inc.*  
*Certified Public Accountant*  
*12 East Main Street*  
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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Commissioners  
Cambridge Metropolitan Housing Authority  
Cambridge, Ohio

We have reviewed the Independent Auditor's Report of the Cambridge Metropolitan Housing Authority, Guernsey County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period April 1, 2001 through March 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cambridge Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

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

JIM PETRO  
Auditor of State

December 18, 2002

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CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO

FOR THE YEAR ENDED MARCH 31, 2002

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*Lexington, Ohio 44904*

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*John E. Slaybaugh III*  
*Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Cambridge Metropolitan Housing Authority  
Cambridge, Ohio

We have audited the accompanying balance sheet of the Cambridge Metropolitan Housing Authority, Cambridge, Ohio, as of and for the year ended March 31, 2002, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. 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.

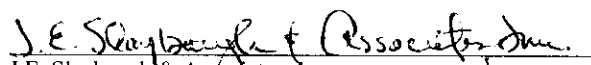
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge Metropolitan Housing Authority as of March 31, 2002, and the results of its operations and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 20, 2002, on our consideration of Cambridge Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was made for the purpose of forming an opinion on the financial statements of Cambridge Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards is required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the financial statements. The information in that Schedule has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

  
J.E. Slaybaugh & Associates, Inc.  
September 20, 2002

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
BALANCE SHEET  
FOR THE YEAR ENDED MARCH 31, 2002

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 950,549
Accounts Receivable- PHA Projects	36,813
Accounts Receivable- HUD	42,009
Accounts Receivable- Miscellaneous	23,468
Tenant Accounts Receivable- Net of \$ 1,700 Doubtful Accounts	939
Investments-Unrestricted	480,014
Inventories	2,921
Interprogram Due From	<u>10,006</u>
 Total Current Assets	 1,546,719
 Property and Equipment - Net of \$ 4,155,528 Accumulated Depreciation	 <u>5,736,043</u>
 Total Assets	 <u><u>\$ 7,282,762</u></u>

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	\$ 33,043
Accrued Wages and Payroll Taxes	12,531
Accrued Compensated Absences-Current	1,458
Accounts Payable- Other Government	27,988
Tenant Security Deposits	29,749
Deferred Revenues	225,656
Other Current Liabilities	1,347
Accrued Liabilities-Other	5,953
Interprogram Due To	<u>10,006</u>
 Total Current Liabilities	 347,731
 Noncurrent Liabilities	
Noncurrent Liabilities-Other	<u>37,666</u>
 Total Liabilities	 385,397
 <b><u>Equity</u></b>	
Contributed Capital	6,228,300
Retained Earnings	<u>669,065</u>
 Total Equity	 <u>6,897,365</u>
 Total Liabilities and Equity	 <u><u>\$ 7,282,762</u></u>

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



CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2002

<b><u>Revenue</u></b>	
HUD Grants	\$ 2,553,732
Capital Grants	\$ 321,917
Rental Income	377,761
Investment Income-Unrestricted	21,988
Other Revenue	29,074
Gain/Loss on Sale of Fixed Assets	<u>500</u>
 Total Revenue	 3,304,972
<b><u>Expenses (before depreciation)</u></b>	
Housing Assistance Payments	1,952,270
Administrative Salaries	162,641
Employee Benefits	64,060
Other Administrative Expense	108,149
Tenant Services-Salaries	32,570
Tenant Services-Other	1,062
Material and Labor-Maintenance	184,731
Contract Services	68,379
Utilities	96,362
General Expenses	18,489
Payments in Lieu of Taxes	27,988
Bad Debt- Tenant Rents	<u>2,435</u>
 Total Expenses	 2,719,136
 Income (Loss) before Depreciation & Other Costs	 585,836
Depreciation	<u>296,282</u>
 Operating Income (Loss)	 289,554
 Retained Earnings - Beginning of Year	 <u>379,511</u>
 Retained Earnings - End of Year	 <u>669,065</u>
 Contributed Capital - Beginning of Year	 6,226,893
Adjustments, Reclassifications - See Note 9	<u>1,407</u>
Contributed Capital - End of Year	<u>6,228,300</u>
 Total Equity - End of Year	 <u>\$ 6,897,365</u>

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2002

**Cash Flows from Operating Activities**

Operating Income (Loss)	\$ 289,554
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	296,282
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	97
Accounts Receivable- PHA Projects	(36,813)
Accounts Receivable- HUD	(10,460)
Accounts Receivable- Other	41,172
Inventories	(630)
Prepaid Expenses	16,891
Interprogram Due From	(1,981)
Accounts Payable- Vendor	(10,470)
Accounts Payable-HUD	(20,187)
Accounts Payable- Other Governments	(451)
Accrued Wages & Taxes Payable	(19,450)
Accrued Compensated Absences	156
Tenant Security Deposits	93
Deferred Revenues	30,377
Other Current Liabilities	(4,150)
Other Accrued Liabilities	4,953
Interprogram Due To	1,981
Other Noncurrent Liabilities	8,325
Total Adjustments	295,735
Net Cash Provided By Operating Activities	585,289
 <b><u>Cash Flows from Investing Activities</u></b>	
Change in Investments	(164,007)
Net Cash Used By Investing Activities	(164,007)
 <b><u>Cash Flows from Capital and Related Financing Activities</u></b>	
Change in Property and Equipment	(199,031)
Net Cash Provided by Capital and Related Financing Activities	(199,031)
Increase (Decrease) In Cash and Cash Equivalents	222,251
Cash and Cash Equivalents - Beginning of Year	728,298
Cash and Cash Equivalents - End of Year	\$ 950,549

Non-Cash Transactions - As a result of prior year adjustments, non-cash transactions were required to reconcile the financial position.

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2002

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

**Reporting Entity**

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

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

These criteria were considered in determining the reporting entity.

**Basis of Accounting**

The accompanying combined financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

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 Financial Accounting Standards Board 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.

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2002

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Tenant Receivables - Recognition of Bad Debts**

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

**Property and Equipment**

Property and Equipment is recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred.

Useful Lives

Buildings	40 Years
Land & Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years
Computers	3 Years

Depreciation is recorded on the straight-line method.

**Capitalization of Interest**

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

**Investments**

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

**Accounting and Reporting for Nonexchange Transactions**

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

**NOTE 2 - CASH AND INVESTMENTS**

**Cash**

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

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2002

**NOTE 2 - CASH AND INVESTMENTS, continued**

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The Authority's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

The following show the Authority's deposits (bank balances) in each category:

Category 1. . . \$ 453,364 was covered by federal depository insurance.  
Category 2. . . \$ 998,871 was covered by specific collateral pledged by the  
financial institution in the name of the Authority.

Book Balances at March 31, 2002, were as follows:

	Cash	Investment	Total
Public Housing	\$ 418,987	\$ 226,865	\$ 645,852
Section 8 Vouchers	451,497	253,149	704,646
Section 8 Mod Rehab	80,065		80,065
Total	<u>\$ 950,549</u>	<u>\$ 480,014</u>	<u>\$ 1,430,563</u>

**Investments**

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
 CAMBRIDGE, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2002

**NOTE 2 - CASH AND INVESTMENTS, continued**

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name.

The Authority'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 - PROPERTY AND EQUIPMENT**

A summary of property and equipment at March 31, 2002, by class is as follows:

Land	\$ 393,177
Buildings and Building Improvements	8,926,377
Leasehold Improvements	381,337
Furniture, Equipment- Administrative	<u>190,680</u>
 Total	 9,891,571
 Less Accumulated Depreciation	 <u>(4,155,528)</u>
 Net Property and Equipment	 <u>\$5,736,043</u>

**NOTE 4 - ADMINISTRATIVE FEE**

The Authority receives an "administrative fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the Section 8 Housing Assistance Payments (HAP) Programs. The fee is a percentage of a HUD determined base rate for each unit per month under HAP contracts. The rates are as follows:

Vouchers	
	Units per month x \$ 39.25/unit- April through September
	Units per month x \$40.60/unit - October through March

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
 CAMBRIDGE, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2002

**NOTE 5 - DEFINED PENSION PLANS AND POSTRETIREMENT BENEFITS**

The employees of the Authority are covered by the Public Employees Retirement System of Ohio (PERS), a statewide cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report. Interested parties may obtain a copy by making a written request to 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2001 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to PERS, for the years ending March 31 were as follows:

	Contribution	%
3/31/02	\$ 48,818	13.55%
3/31/01	\$ 43,037	13.55%
3/31/00	\$ 53,572	13.55%

All required contributions were made prior to each of those fiscal year ends.

PERS of Ohio provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care 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. The Ohio Revised Code provides statutory authority for employee and employer contributions.

The number of active contributing participants was 401,339 as of December 31, 2000.

The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 1999. 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 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.

Expenditures for OPEB during the year ended December 31, 2000, were \$ 559,606,294. As of December 31, 2000, the unaudited estimated net assets available for future OPEB payments were \$ 10,805,500,000. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$ 12,473,600 and \$ 1,668,100, respectively. The number of benefit recipients eligible for OPEB at December 31, 2000 was 122,343.

PERS reallocated employer contributions from 4.2 percent to 4.3 percent at the beginning of 2000 to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for this reason. The portion of Office contributions that were used to fund post-employment benefits can be determined by multiplying actual employer contributions by .4038.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
 CAMBRIDGE, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED MARCH 31, 2002

**NOTE 6 - COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will not be carried forward without approval of the Executive Director.

At March 31, 2002, \$ 1,458 was accrued by the Authority for unused vacation time.

**NOTE 7 - INSURANCE**

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.

The Authority participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP.

The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

**NOTE 8 - CONTINGENCIES**

**Litigation and Claims**

In the normal course of operations, the Authority may be subject to litigation and claims. At March 31, 2002 the Authority was involved in no matters which management believes would have a material effect on the financial statements.

**NOTE 9 - RECLASSIFICATIONS**

The following reclassifications were recorded for the period ending March 31, 2002.

Public Housing		
	Transfer CIAP 99 Assets	\$ 169,488
	Transfer CIAP 97 Assets	7,269
CIAP	Transfer CIAP 99 Assets	(169,488)
	Transfer CIAP 97 Assets	(7,269)
	Correction of Beginning Balance	(6,136)
Vouchers	Transfer Certs Equity	381,689
	Correction of Beginning Balance	7,098
Certificates	Transfer Equity to Vouchers	(381,689)
Mod Rehab	Audit Adjust	445
		<u>\$ 1,407</u>



CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
 CAMBRIDGE, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED MARCH 31, 2002

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>		
<b>Direct Programs:</b>		
Low Rent Public Housing Program	14.850	\$ <u>235,485</u>
Public Housing- Comprehensive Improvement Assistance Program	14.852     *	<u>38,412</u>
Capital Fund	14.872	<u>283,505</u>
 <b>Section 8 Tenant Based Cluster:</b>		
Section 8 Moderate Rehab Program	14.856	141,450
Section 8 Housing Choice Voucher Program	14.871	<u>2,176,797</u>
Sub-Total		<u>2,318,247</u>
 <b>Total Federal Assistance</b>		 <b>\$ <u>2,875,649</u></b>

\* The Authority received funds under this grant and per REAC instructions must be included using the CFDA # for this program.

NOTE: This schedule has been prepared on the accrual basis of accounting.

*See Independent Auditors' Report*

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Supplemental Financial Data Schedule**

Balance Sheet

As of March 31, 2002

	Low Rent Public Housing	Section 8 Housing Vouchers	Section 8 Mod Rehab	Capital Fund	<u>TOTAL</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash-unrestricted	\$ 379,760	\$ 202,768	\$ 67,966		\$ 650,494
Cash-restricted for payment of current liab.		211,063	12,099		223,162
Cash-other restricted	642	37,666			38,308
Cash-tenant security deposits	38,585				38,585
Total cash	<u>418,987</u>	<u>451,497</u>	<u>80,065</u>		<u>950,549</u>
<b>Accounts and notes receivables</b>					
Accounts receivable-PHA projects		29,878	6,935		36,813
Accounts receivable-HUD other projects		30,000		12,009	42,009
Accounts receivable-miscellaneous	23,468				23,468
Accounts receivable-tenants-dwelling rent	2,639				2,639
Allowance for doubtful accounts-dwelling rent	<u>(1,700)</u>				<u>(1,700)</u>
Total receivables, net of allowances for uncollectibles	<u>24,407</u>	<u>59,878</u>	<u>6,935</u>	<u>12,009</u>	<u>103,229</u>
<b>Current Investments</b>					
Investments-Unrestricted	226,865	253,149			480,014
Inventories	2,921				2,921
Interprogram due from	10,006				10,006
Total investments	<u>239,792</u>	<u>253,149</u>			<u>492,941</u>
Total current assets	<u>683,186</u>	<u>764,524</u>	<u>87,000</u>	<u>12,009</u>	<u>1,546,719</u>
<b>Noncurrent assets</b>					
Land	393,177				393,177
Buildings	8,708,867			217,510	8,926,377
Furniture, equipment and machinery-admin.	190,680				190,680
Leasehold improvements	381,337				381,337
Accumulated depreciation	<u>(4,155,527)</u>			<u>(1)</u>	<u>(4,155,528)</u>
Total fixed assets, net of accum. depreciation	<u>5,518,534</u>			<u>217,509</u>	<u>5,736,043</u>
<b>Total assets</b>	<u>\$ 6,201,720</u>	<u>\$ 764,524</u>	<u>\$ 87,000</u>	<u>\$ 229,518</u>	<u>\$ 7,282,762</u>

See Independent Auditors' Report

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**  
**Supplemental Financial Data Schedule**

**Balance Sheet**  
**As of March 31, 2002**

	Low Rent Public Housing	Section 8 Housing Vouchers	Section 8 Mod Rehab	Capital Fund	Comprehensive Improvement Assistance	TOTAL
	<u>14,850</u>	<u>14,871</u>	<u>14,856</u>	<u>14,872</u>	<u>14,852</u>	<u>58,303</u>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Accounts payable < 90 days	\$ 26,355	\$ 1,406	\$ 4,113	\$ 1,169	\$ -	\$ 33,043
Accrued wages/payroll taxes payable	6,470	5,053	175	833	-	12,531
Accrued compensated absences-current	1,027	431	-	-	-	1,458
Accounts payable-other government	27,988	-	-	-	-	27,988
Tenant Security Deposits	29,749	-	-	-	-	29,749
Deferred Revenues	2,494	211,063	12,099	-	-	225,656
Other current liabilities	1,347	-	-	-	-	1,347
Accrued liabilities-other	5,953	-	-	-	-	5,953
Interprogram due to	-	-	-	10,006	-	10,006
<b>Total current liabilities</b>	<u>101,383</u>	<u>217,953</u>	<u>16,387</u>	<u>12,008</u>	<u>-</u>	<u>347,731</u>
<b>Non-current liabilities</b>						
Noncurrent liabilities-other	-	37,666	-	-	-	37,666
<b>Total non-current liabilities</b>	<u>-</u>	<u>37,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,666</u>
<b>Total Liabilities</b>	<u>101,383</u>	<u>255,619</u>	<u>16,387</u>	<u>12,008</u>	<u>-</u>	<u>385,397</u>
<b>Equity</b>						
Net HUD PHA contributions	6,217,088	7,098	445	10,938	(7,269)	6,228,300
Undesignated fund balance/retained earnings	(116,751)	501,807	70,168	206,572	7,269	689,065
<b>Total equity</b>	<u>6,100,337</u>	<u>508,905</u>	<u>70,613</u>	<u>217,510</u>	<u>-</u>	<u>6,897,365</u>
<b>Total liabilities &amp; equity</b>	<u>\$ 6,201,720</u>	<u>\$ 764,524</u>	<u>\$ 87,000</u>	<u>\$ 229,518</u>	<u>\$ -</u>	<u>\$ 7,282,762</u>

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM  
FOR THE YEAR ENDED MARCH 31, 2002

	Low rent Public Housing Program	Comprehensive Improvement Assistance Program	Section 8 Housing Voucher Program	Section 8 Mod Rehab Program	Capital Fund Program	Total
<b>REVENUE</b>						
HUD Grants	\$ 235,485		\$ 2,176,797	\$ 141,450		\$ 2,553,732
Capital Grants		\$ 38,412			\$ 283,505	321,917
Rental Income	377,761					377,761
Investment Income-Unrestricted	12,134		9,522	332		21,988
Other Revenue	26,085		2,989			29,074
Gain/Loss on Sale of Fixed Assets	500	-	-	-	-	500
<b>Total Revenue</b>	<b>651,965</b>	<b>38,412</b>	<b>2,189,308</b>	<b>141,782</b>	<b>283,505</b>	<b>3,304,972</b>
<b>EXPENSES</b>						
Housing Assistance Payments			1,834,121	118,149		1,952,270
Administrative Salaries	72,622	4,346	63,775	4,493	17,405	162,641
Employee Benefits	35,398	956	22,153	1,103	4,450	64,060
Other Administrative Expense	54,952		43,266	3,053	6,878	108,149
Tenant Services-Salaries	7,620		24,950			32,570
Tenant Services-Other	1,062					1,062
Material and Labor-Maintenance	130,695	24,400	2,327	164	27,145	184,731
Contract Services	45,883	1,441			21,055	68,379
Utilities	96,362					96,362
General Expenses	9,369		9,085	35		18,489
Payments in Lieu of Taxes	27,988					27,988
Bad Debt- Tenant Rents	2,435	-	-	-	-	2,435
<b>Total Expenses</b>	<b>484,386</b>	<b>31,143</b>	<b>1,999,677</b>	<b>126,997</b>	<b>76,933</b>	<b>2,719,136</b>
<b>Income (Loss) before</b>						
Depreciation & Other Costs	167,579	7,269	189,631	14,785	206,572	585,836
Depreciation	296,282	-	-	-	-	296,282
<b>Operating Income (Loss)</b>	<b>\$ (128,703)</b>	<b>\$ 7,269</b>	<b>\$ 189,631</b>	<b>\$ 14,785</b>	<b>\$ 206,572</b>	<b>\$ 289,554</b>

*See Independent Auditors' Report*

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO  
SCHEDULE OF ACTIVITY  
FOR THE YEAR ENDED MARCH 31, 2002

The PHA had 823 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing Program	174
Section 8 Moderate Rehab Program	46
Section 8 Housing Vouchers Program	<u>603</u>
TOTAL	<u>823</u>

**REPORT ON PRIOR YEAR AUDIT FINDINGS**

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

*See Independent Auditors' Report*

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO

ACTUAL MODERNIZATION COST CERTIFICATION

At March 31, 2002

1. The Actual Modernization Grant Costs are as follows:

	CIAP Project <u>OH16-913-99</u>	Capital Fund Project <u>OH-50100</u>
Funds Approved	\$ 310,695	\$ 295,126
Funds Expended	<u>310,695</u>	<u>295,126</u>
Excess (Deficiency) of Funds Approved	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 310,695	\$ 295,126
Funds Expended	<u>310,695</u>	<u>295,126</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>

2. The Distribution of Costs as shown on the Schedule/Report of Modernization/Capital Fund Expenditures submitted to HUD for approval are in agreement with the Authority's records.

3. All Modernization/Capital Fund Costs have been paid and all related liabilities have been discharged through payment

**See Independent Auditors' Report**

*J. E. Slaybaugh & Associates, Inc.  
12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCP*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S 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 Commissioners  
Cambridge Metropolitan Housing Authority  
Cambridge, Ohio

We have audited the financial statements of Cambridge Metropolitan Housing Authority, Cambridge, Ohio, as of and for the year ended March 31, 2002, and have issued our report thereon dated September 20, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Cambridge Metropolitan Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cambridge Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties

  
J.E. Slaybaugh & Associates, Inc.  
September 20, 2002

*J. E. Slaybaugh & Associates, Inc.  
12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Cambridge Metropolitan Housing Authority  
Cambridge, Ohio

Compliance

We have audited the compliance of Cambridge Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2002. Cambridge Metropolitan Housing Authority's major federal programs are 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 each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Cambridge Metropolitan Housing 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* and the provisions of the *Public and Indian Housing Compliance Supplement*. 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 Cambridge Metropolitan Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cambridge Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Cambridge Metropolitan Housing Authority 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 March 31, 2002.

Internal Control Over Compliance

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



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

  
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J.E. Slaybaugh & Associates, Inc.  
September 20, 2002

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY  
CAMBRIDGE, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARCH 31, 2002

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Cambridge Metropolitan Housing Authority.
2. There were no reportable conditions in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance material to the financial statements disclosed by the audit.
4. There were no reportable conditions in the internal control over major programs disclosed by the audit.
5. The auditor has issued an unqualified opinion on compliance for major programs for Cambridge Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:  

Tenant Based Section 8 Cluster
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Cambridge Metropolitan Housing Authority qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH GAGAS

1. None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS

1. None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY**

**GUERNSEY 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  
JANUARY 2, 2003**