

Ironton Metropolitan Housing Authority

Lawrence County

Single Audit

October 1, 2001 Through September 30, 2002

Fiscal Year Audited Under GAGAS: 2002

BALESTRA & COMPANY

(A division of Harr & Scherer, CPAs, Inc.)

CERTIFIED PUBLIC ACCOUNTANTS

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**Auditor of State
Betty Montgomery**

Board of Commissioners
Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, OH 45638

We have reviewed the Independent Auditor's Report of the Ironton Metropolitan Housing Authority, Lawrence County, prepared by Balestra & Company, for the audit period October 1, 2001 through September 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

April 9, 2003

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IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
FOR THE YEAR ENDED SEPTEMBER 30, 2002

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Ohio Society of Certified Public Accountants

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Ironton Metropolitan Housing Authority
720 Washington Street
Ironton, Ohio 45638

INDEPENDENT AUDITORS= REPORT

We have audited the accompanying general purpose financial statements of Ironton Metropolitan Housing Authority, Lawrence County, as of and for the year ended September 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Ironton Metropolitan Housing Authority's management. Our responsibility is to express an opinion on the general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ironton Metropolitan Housing Authority, as of September 30, 2002, and the results of its operations and 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 our report dated February 3, 2003 on our consideration of the Ironton Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Ironton Metropolitan Housing Authority, taken as a whole. The supplemental financial data is presented for additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Ironton Metropolitan Housing Authority
Independent Auditors=Report
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The accompanying schedule of federal awards expenditures is presented for purpose of additional analysis as 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Balestra & Company

Balestra & Company

February 3, 2003

IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
COMBINED BALANCE SHEET - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>ENTERPRISE</u>
<i>Assets</i>	
Current Assets:	
Cash - Unrestricted	\$1,349,902
Accounts Receivable:	
HUD Other Projects	12,860
Tenants - Dwelling Rents, net of allowance for doubtful accounts	3,045
Other Government	5,998
Accrued interest receivable	1,114
Interprogram Due From	33,322
Prepaid Expenses and Other Assets	<u>18,974</u>
Total Current Assets:	1,425,215
Noncurrent Assets:	
Fixed Assets:	
Land	500,242
Building	7,681,296
Furniture, Equipment & Machinery - Dwellings	257,991
Furniture, Equipment & Machinery - Administration	173,264
Construction in Progress	647,302
Accumulated Depreciation	<u>(5,049,727)</u>
Fixed Assets, Net of Accumulated Depreciation	<u>4,210,368</u>
Total Noncurrent Assets:	<u>4,210,368</u>
<i>Total Assets</i>	<u><u>\$5,635,583</u></u>
<i>Liabilities</i>	
Current Liabilities:	
Accrued Wages/Payroll Taxes Payable	\$191
Accounts Payable:	
<= 90 Days Past Due	35,385
Compensated Absences	23,343
Tenant Security Deposits	40,998
Interprogram Due To	33,322
Intergovernmental Payable	<u>29,926</u>
Total Current Liabilities:	<u>163,165</u>
Long Term Liabilities:	
Compensated Absences	<u>35,124</u>
Total Long Term Liabilities:	35,124
<i>Total Liabilities</i>	198,289
<i>Equity</i>	
Contributed Capital:	
Net HUD PHA Contributions	3,101,196
Other Contributions	<u>7,550</u>
Total Contributed Capital	3,108,746
Retained Earnings:	
Unreserved	<u>2,328,548</u>
<i>Total Equity</i>	<u>5,437,294</u>
<i>Total Liabilities and Equity</i>	<u><u>\$5,635,583</u></u>

See accompanying notes to the general purpose financial statements

IRONTON METROPOLITAN HOUSING AUTHORITY
 IRONTON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>ENTERPRISE</u>
<i>Revenues</i>	
Tenant Revenues:	
Net Tenant Rental Revenue	\$531,046
Tenant Revenue - Other	13,079
Total Tenant Revenue	544,125
HUD PHA Grants/Capital Grants	961,911
Investment Income - Unrestricted	20,924
Other Revenue	40,536
Total Revenue	1,567,496
<i>Expenses</i>	
Administrative:	
Administrative Salaries	133,545
Auditing Fees	8,772
Employee Benefit Contributions	56,089
Compensated Absences	11,719
Other Operating	31,591
Total Administrative	241,716
Tenant Services:	
Tenant Services - Salaries	2,239
Tenant Services- Other	5,907
Total Tenant Services	8,146
Utilities:	
Water	91,598
Electricity	103,052
Gas	40,586
Total Utilities	235,236
Ordinary Maintenance & Operation:	
Labor	131,979
Materials and Other	30,532
Contract Costs	143,492
Housing Assistance Payments	170,389
Employee Benefit Contributions	48,280
Total Ordinary Maintenance & Operation	524,672
General Expenses:	
Insurance Premiums	26,541
Payments in Lieu of Taxes	29,926
Bad Debt - Tenant Rents	11,441
Total General Expenses	67,908
Total Operating Expenses	1,077,678
Excess Operating Revenue over Operating Expenses	489,818
Other Expenses:	
Depreciation Expense	268,908
Total Other Expenses	268,908
Excess of Operating Revenue Over Other Expenses	220,910
Retained Earnings, Beginning of the Year- (Restated-See Note 13)	2,107,638
Retained Earnings, End of Year	2,328,548
Contributed Capital at Beginning of Year- (Restated-See Note 13)	3,108,746
Contributed Capital at End of Year	3,108,746
Total Fund Equity at End of Year	\$5,437,294

See accompanying notes to the general purpose financial statements

IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Operating Income	\$ 489,818
Adjustments to reconcile net gain/(loss) to net cash provided by operating activities	
(Increase) Decrease In:	
Accounts Receivable	(16,705)
Prepaid Expenses and Other Assets	(4,543)
Interest Receivable	598
Interprogram Due from	(31,446)
Increase (Decrease) In:	
Accounts Payable	(35,806)
Accrued Wages/Payroll Taxes Payable	(17,157)
Compensated Absences	55,194
Tenant Security Deposits	(39)
Interprogram Due to	31,446
Intergovernmental Payable	4,204
Depreciation Expense	<u>268,908</u>
Net Cash Provided By Operating Activities	<u>744,472</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Equipment Purchases	(427,728)
Modernization Improvements	<u>(196,446)</u>
Net Cash Used By Capital Financing Activities	<u>(624,174)</u>
 Net Increase (Decrease) In Cash	 120,298
 Cash At The Beginning Of Year	 <u>1,229,604</u>
Cash At End Of Year	<u>\$ 1,349,902</u>

See accompanying notes to the general purpose financial statements

IRONTON METROPOLITAN HOUSING AUTHORITY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2002

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY

The Ironton Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code.

The Ironton Metropolitan Housing Authority was established for the purpose of engaging the development, acquisition, and administrative activities of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction, and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

DESCRIPTION OF PROGRAMS:

A. PUBLIC HOUSING PROGRAM

The public housing program is designed to provide low-cost housing within Lawrence County. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

B. MODERNIZATION PROGRAMS

Substantially all additions to land, structures, and equipment are accomplished through modernization programs (included in the financial statements under the public housing program). Modernization funds replace or materially upgrade deteriorated portions of existing Authority property.

C. HOUSING ASSISTANCE PAYMENTS PROGRAM - SECTION 8

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

REPORTING ENTITY

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the Authority are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Authority. For the Authority, this includes general operations, public housing, Section 8, and modernization programs. Component units are legally separate organizations for which the Authority is financially accountable.

IRONTON METROPOLITAN HOUSING AUTHORITY

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

1. DESCRIPTION OF THE HOUSING AUTHORITY AND REPORTING ENTITY (Continued)

REPORTING ENTITY (Continued)

The Authority is financially accountable for an organization if the Authority appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization or (2) the Authority is legally entitled to or can otherwise access the organization's resources; (3) the Authority is legally obligated or has assumed responsibility to finance the deficits of, or provide fiscal support to, the organization; (4) the Authority is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Authority in that the Authority approves the budget, the levying of taxes or issuance of debt. The Authority did not have any component units or other related organizations in 2002.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION - FUND ACCOUNTING

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

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, 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.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. For financial statement presentation purposes, the various funds of the Authority are grouped into the following fund type:

IRONTON METROPOLITAN HOUSING AUTHORITY

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. BASIS OF PRESENTATION - FUND ACCOUNTING (Continued)

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

Enterprise Funds - The enterprise funds are used to account for operations 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services of the general public on a continuing basis be financed or recovered primarily through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type income statements represent increases (e.g. revenues and other financing sources) and decreases (e.g. expenditures and other financing uses) in net total assets.

C. BASIS OF ACCOUNTING

Proprietary fund types use accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and measurable and expenses are recorded at the time liabilities are incurred, if measurable.

D. BUDGETARY DATA

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds deposited in checking accounts. Cash equivalents are stated at cost, which approximates market value.

The Authority has investments in the form of certificates of deposits. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

IRONTON METROPOLITAN HOUSING AUTHORITY

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS (Continued)

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the Authority with an original maturity of three months or less at the time they are purchased by the Authority are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. PROPERTY, PLANT AND EQUIPMENT

The fixed asset values initially were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not available, estimated historical costs were developed. Donated fixed assets are capitalized at estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost.

Enterprise Fund Fixed Assets: Fixed assets reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Building Improvements	20 years
Furniture and Fixtures	5-10 years
Equipment and Machinery	3-10 years

Fixed assets acquired from resources externally restricted for capital acquisition (e.g. capital grants) are recorded as revenue in the benefiting proprietary fund. Depreciation on these assets is recorded as an expense.

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond September 30, 2002, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

IRONTON METROPOLITAN HOUSING AUTHORITY

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. COMPENSATED ABSENCES

In 1999, the Authority implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and by those employees for whom it is probable will become eligible to receive payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end.

In proprietary funds, compensated absences are expensed when earned. The entire amount of compensated absences is reported as a fund liability.

I. TAX LIABILITY

The Authority is by law exempt from all federal, state, and local taxes and assessments. The Authority has elected to pay a Payment in Lieu of Taxes (PILOT) based principally on a percentage of tenant dwelling income received from HUD-assisted programs.

J. INTERGOVERNMENTAL REVENUES

Grants, entitlements or shared revenues received for enterprise fund operating purposes are recognized in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as revenue.

K. CONTRIBUTED CAPITAL

Contributed capital represents resources from other governments and private sources to the extent they exceed the cost, which have been provided to the enterprise funds and are not subject to repayment. All other fund equity amounts pertaining to the enterprise funds have been classified as retained earnings. As of September 30, 2002 the Authority's contributed capital consisted of fixed assets purchased with funding from the federal government, and the forgiven long term debt and the related interest from HUD.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and accompanying notes. Accordingly, actual results could differ from those estimates.

IRONTON METROPOLITAN HOUSING AUTHORITY

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

3. CASH AND INVESTMENTS

The Governmental Accounting Standards Board has established three (3) risk categories for deposits. Category 1 includes deposits insured or collateralized with securities held by the Authority or by its agent in the Authority's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. Category 3 includes uncollateralized deposits. This includes any bank balance that is collateralized with securities held by the pledging institution or its trust department or agent but not in the Authority's name.

All deposits are carried at cost. As of September 30, 2002, the bank balances of the Authority's cash were \$1,376,346. Of the bank balances, \$300,000 was insured by FDIC insurance. The remaining balance of \$1,076,346 was classified as Category 1 for deposits.

HUD Handbook 7475.1, Chapter 4, section 1, authorized the PHA to make investments in direct obligations of the Federal Government, obligation of Federal Government Agencies, securities of Government-sponsored Agencies and demand and savings deposits and certificates of deposits.

The Authority had only checking accounts and certificates of deposit on hand and classified all as cash. As of September 30, 2002, the book balance was \$1,349,902.

4. RECEIVABLES

Receivables at September 30, 2002 consisted of accounts receivable from tenants for rent and materials, miscellaneous receivables which includes late charges and utilities owed to the Authority by the tenants and HUD Project funding.

5. FIXED ASSETS

A summary of the Proprietary Fund Types fixed assets as of September 30, 2002, follows:

	Balance at <u>09/30/02</u>
Land	\$ 500,242
Building	7,681,296
Furniture, Equipment & Machinery-Dwellings	257,991
Furniture, Equipment & Machinery-Administration	173,264
Leasehold Improvements	<u>647,302</u>
Total Assets	9,260,095
Accumulated Depreciation	<u>(5,049,727)</u>
Net Value of Assets	<u>\$4,210,368</u>

IRONTON METROPOLITAN HOUSING AUTHORITY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2002

6. DEFINED BENEFIT PENSION PLAN

PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN

All Ironton Metropolitan Housing Authority's full time employees participate in the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 42315-4562 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates effective for 2002 were 8.5% of their salary. The 2002 employer contribution rate relating to employees 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. As of September 30, 2002, the Authority had no outstanding amounts owed to PERS. The Authority's contribution to PERS for the years ending September 30, 2000, 2001 and 2002 were \$35,508, \$37,590 and \$37,302 respectively which are equal to the required contributions for each year.

7. POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement service is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The portion of the 2002 employer contribution rate for local government employer units was 13.55% of covered payroll and 5% was the portion used to fund health care for the year.

The health inflation and significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the OPERS of Ohio's latest actuarial review performed as of December 31, 2001. OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

The number of active contributing participants was 402,041. \$11.6 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2001. The actuarially accrued liability and the unfunded actuarial liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

IRONTON METROPOLITAN HOUSING AUTHORITY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

7. POSTEMPLOYMENT BENEFITS (Continued)

In December 2001, the Board adopted the Health Care Choices Plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year cliff eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Accounts.

8. OTHER EMPLOYEE BENEFITS

Compensated Absences: Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy credits vacation on the employee's anniversary date. Vacation time can be carried over for one year, but must be taken in the year following the year earned. Employees are paid for earned, unused vacation leave at the time of termination.

Sick leave is earned at a rate of 4.60 hours per pay period (2 weeks). Employees who retire are paid for their earned, unused sick leave hours up to a maximum of 30 days, or the full balance may be transferred to another governmental agency. Such payment shall be based on the employee's rate of pay at the time of retirement. At September 30, 2002 the current amount of unpaid compensated absences was \$23,343 and the noncurrent amount was \$35,124.

9. SEGMENT INFORMATION

Financial segment information as of and for the year ended September 30, 2002, for the Enterprise Funds presented is as follows:

	Section 8 Voucher	Public Housing	CIAP	Capital Fund	Total Enterprise Funds
Operating Revenues	\$204,284	\$1,039,565	\$197,141	\$126,506	\$1,567,496
Operating Expenses	203,840	864,454	695	8,689	1,077,678
Depreciation Expense	520	268,388	0	0	268,908
Operating Gain (Loss)	444	175,111	196,446	117,817	498,818
Contributed Capital	0	3,108,746	0	0	3,108,746
Total Assets	299,540	4,688,051	526,035	121,957	5,635,583
Total Liabilities	36,725	160,874	0	690	198,289
Total Equity	\$262,815	\$4,527,177	\$526,035	\$121,267	\$5,437,294

IRONTON METROPOLITAN HOUSING AUTHORITY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

10. CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Authority's management believes disallowances, if any, will be immaterial.

11. ECONOMIC DEPENDENCY

The Authority is economically dependent on receiving operating subsidies from the U.S. Department of Housing and Urban Development (HUD).

12. RISK MANAGEMENT

The Authority maintains comprehensive liability insurance coverage with private carriers. Coverage provided by this private carrier is as follows:

Property	\$8,000,000
General Liability	
Per occurrence	1,000,000
Aggregate	2,000,000

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

Health, Dental, Vision, and Life insurance is offered to Authority employees through a commercial insurance company, McNelly, Patrick & Associates.

13. RESTATEMENT OF FUND EQUITY

The correction of accounting errors in the prior year required that certain adjustments be recorded to the October 1, 2001 beginning retained earnings balance as previously recorded. The restatements to the opening retained earnings and contributed capital balances are as follows:

Fund	Beginning Retained Earnings	Adjustment	Restated Retained Earnings
CIAP	\$439,873	(\$110,284)	\$329,589
Public Housing	\$608,046	\$903,662	\$1,511,708
CFP	\$0	\$3,450	\$3,450
Section 8	\$264,859	(\$1,968)	\$262,891

Fund	Beginning Contributed Capital	Adjustment	Restated Contributed Capital
CIAP	\$365,962	(\$365,962)	\$0
Public Housing	\$3,550,900	\$442,154	\$3,108,746

IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
COMBINED BALANCE SHEET - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	Section 8	Public Housing	Comprehensive Improvement Assistance Program	Capital Fund	ENTERPRISE
Assets					
Current Assets:					
Cash - Unrestricted	\$279,478	\$1,070,424	\$0	\$0	\$1,349,902
Accounts Receivable:					
HUD Other Projects	12,170	0	0	690	12,860
Tenants - Dwelling Rents, net of allowance for doubtful accounts	0	3,045	0	0	3,045
Other Government	5,998				5,998
Accrued interest receivable	1,114	0	0	0	1,114
Interprogram Due From	0	33,322	0	0	33,322
Prepaid Expenses and Other Assets	0	18,974	0	0	18,974
Total Current Assets:	<u>298,760</u>	<u>1,125,765</u>	<u>0</u>	<u>690</u>	<u>1,425,215</u>
Noncurrent Assets:					
Fixed Assets:					
Land	0	500,242	0	0	500,242
Building	0	7,681,296	0	0	7,681,296
Furniture, Equipment & Machinery - Dwellings	0	257,991	0	0	257,991
Furniture, Equipment & Machinery - Administration	1,560	171,704	0	0	173,264
Construction in Progress	0	0	526,035	121,267	647,302
Accumulated Depreciation	(780)	(5,048,947)	0	0	(5,049,727)
Fixed Assets, Net of Accumulated Depreciation	<u>780</u>	<u>3,562,286</u>	<u>526,035</u>	<u>121,267</u>	<u>4,210,368</u>
Total Noncurrent Assets:	<u>780</u>	<u>3,562,286</u>	<u>526,035</u>	<u>121,267</u>	<u>4,210,368</u>
Total Assets	<u>\$299,540</u>	<u>\$4,688,051</u>	<u>\$526,035</u>	<u>\$121,957</u>	<u>\$5,635,583</u>
Liabilities					
Current Liabilities:					
Accrued Wages/Payroll Taxes Payable	\$0	\$191	\$0	\$0	\$191
Accounts Payable:					
<= 90 Days Past Due	0	35,385	0	0	35,385
Compensated Absences	1,634	21,709	0	0	23,343
Tenant Security Deposits	0	40,998	0	0	40,998
Interprogram Due To	32,632	0	0	690	33,322
Intergovernmental Payable	0	29,926	0	0	29,926
Total Current Liabilities:	<u>34,266</u>	<u>128,209</u>	<u>0</u>	<u>690</u>	<u>163,165</u>
Long Term Liabilities:					
Compensated Absences	2,459	32,665	0	0	35,124
Total Long Term Liabilities:	<u>2,459</u>	<u>32,665</u>	<u>0</u>	<u>0</u>	<u>35,124</u>
Total Liabilities	<u>36,725</u>	<u>160,874</u>	<u>0</u>	<u>690</u>	<u>198,289</u>
Equity					
Contributed Capital:					
Net HUD PHA Contributions	0	3,101,196	0	0	3,101,196
Other Contributions	0	7,550	0	0	7,550
Total Contributed Capital	<u>0</u>	<u>3,108,746</u>	<u>0</u>	<u>0</u>	<u>3,108,746</u>
Retained Earnings:					
Unreserved	262,815	1,418,431	526,035	121,267	2,328,548
Total Equity	<u>262,815</u>	<u>4,527,177</u>	<u>526,035</u>	<u>121,267</u>	<u>5,437,294</u>
Total Liabilities and Equity	<u>\$299,540</u>	<u>\$4,688,051</u>	<u>\$526,035</u>	<u>\$121,957</u>	<u>\$5,635,583</u>

IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	Section 8 Voucher	Public Housing	Comprehensive Improvement Assistance Program	Capital Fund	ENTERPRISE
<i>Revenues</i>					
Tenant Revenues:					
Net Tenant Rental Revenue	\$0	\$531,046	\$0	\$0	\$531,046
Tenant Revenue - Other	<u>0</u>	<u>13,079</u>	<u>0</u>	<u>0</u>	<u>13,079</u>
Total Tenant Revenue	0	544,125	0	0	544,125
HUD PHA Grants/Capital Grants	201,933	436,331	197,141	126,506	961,911
Investment Income - Unrestricted	1,582	19,342	0	0	20,924
Other Revenue	<u>769</u>	<u>39,767</u>	<u>0</u>	<u>0</u>	<u>40,536</u>
Total Revenue	204,284	1,039,565	197,141	126,506	1,567,496
<i>Expenses</i>					
Administrative:					
Administrative Salaries	14,240	111,033	695	7,577	133,545
Auditing Fees	1,100	7,672	0	0	8,772
Employee Benefit Contributions	15,472	40,617	0	0	56,089
Compensated Absences	819	10,900	0	0	11,719
Other Operating	<u>1,820</u>	<u>28,659</u>	<u>0</u>	<u>1,112</u>	<u>31,591</u>
Total Administrative	33,451	198,881	695	8,689	241,716
Tenant Services:					
Tenant Services - Salaries	0	2,239	0	0	2,239
Tenant Services- Other	<u>0</u>	<u>5,907</u>	<u>0</u>	<u>0</u>	<u>5,907</u>
Total Tenant Services	0	8,146	0	0	8,146
Utilities:					
Water	0	91,598	0	0	91,598
Electricity	0	103,052	0	0	103,052
Gas	<u>0</u>	<u>40,586</u>	<u>0</u>	<u>0</u>	<u>40,586</u>
Total Utilities	0	235,236	0	0	235,236
Ordinary Maintenance & Operation:					
Labor	0	131,979	0	0	131,979
Materials and Other	0	30,532	0	0	30,532
Contract Costs	0	143,492	0	0	143,492
Housing Assistance Payments	170,389	0	0	0	170,389
Employee Benefit Contributions	<u>0</u>	<u>48,280</u>	<u>0</u>	<u>0</u>	<u>48,280</u>
Total Ordinary Maintenance & Operation	170,389	354,283	0	0	524,672
General Expenses:					
Insurance Premiums	0	26,541	0	0	26,541
Payments in Lieu of Taxes	0	29,926	0	0	29,926
Bad Debt - Tenant Rents	0	11,441	0	0	11,441
Total General Expenses	<u>0</u>	<u>67,908</u>	<u>0</u>	<u>0</u>	<u>67,908</u>
Total Operating Expenses	203,840	864,454	695	8,689	1,077,678
Excess Operating Revenue over Operating Expenses	444	175,111	196,446	117,817	489,818
Other Expenses:					
Depreciation Expense	<u>520</u>	<u>268,388</u>	<u>0</u>	<u>0</u>	<u>268,908</u>
Total Other Expenses	520	268,388	0	0	268,908
Excess of Operating Revenue Over Other Expenses	(76)	(93,277)	196,446	117,817	220,910
Retained Earnings, Beginning of the Year- (Restated-See Note 13)	<u>262,891</u>	<u>1,511,708</u>	<u>329,589</u>	<u>3,450</u>	<u>2,107,638</u>
Retained Earnings, End of Year	<u>262,815</u>	<u>1,418,431</u>	<u>526,035</u>	<u>121,267</u>	<u>2,328,548</u>
Contributed Capital at Beginning of Year- (Restated-See Note 13)	<u>0</u>	<u>3,108,746</u>	<u>0</u>	<u>0</u>	<u>3,108,746</u>
Contributed Capital at End of Year	<u>0</u>	<u>3,108,746</u>	<u>0</u>	<u>0</u>	<u>3,108,746</u>
Total Fund Equity at End of Year	<u>\$262,815</u>	<u>\$4,527,177</u>	<u>\$526,035</u>	<u>\$121,267</u>	<u>\$5,437,294</u>

IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	<u>Voucher</u>	<u>Housing</u>	<u>CIAP</u>	<u>CFP</u>	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Operating Income	\$ 444	\$ 175,111	\$ 196,446	\$ 117,817	\$ 489,818
Adjustments to reconcile net gain/(loss) to net cash provided by operating activities					
(Increase) Decrease In:					
Accounts Receivable	(16,509)	(1,382)	1,876	(690)	(16,705)
Prepaid Expenses and Other Assets	0	(4,543)	0	0	(4,543)
Interest Receivable	598	0	0	0	598
Interprogram Due from	1,008	(32,454)	0	0	(31,446)
Increase (Decrease) In:					
Accounts Payable	(6,984)	(28,822)	0	0	(35,806)
Accrued Wages/Payroll Taxes Payable	0	(17,157)	0	0	(17,157)
Compensated Absences	820	54,374	0	0	55,194
Tenant Security Deposits	0	(39)	0	0	(39)
Interprogram Due to	32,632	0	(1,876)	690	31,446
Intergovernmental Payable	0	4,204	0	0	4,204
Depreciation Expense	520	268,388	0	0	268,908
Net Cash Provided By Operating Activities	<u>12,529</u>	<u>417,680</u>	<u>196,446</u>	<u>117,817</u>	<u>744,472</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Equipment Purchases	0	(309,911)	0	(117,817)	(427,728)
Modernization Improvements	0	0	(196,446)	0	(196,446)
Net Cash Used By Capital Financing Activities	<u>0</u>	<u>(309,911)</u>	<u>(196,446)</u>	<u>(117,817)</u>	<u>(624,174)</u>
Net Increase (Decrease) In Cash	12,529	107,769	0	0	120,298
Cash At The Beginning Of Year	266,949	962,655	0	0	1,229,604
Cash At End Of Year	<u>\$ 279,478</u>	<u>\$ 1,070,424</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,349,902</u>

See accompanying notes to the general purpose financial statements

IRONTON METROPOLITAN HOUSING AUTHORITY
 IRONTON, OHIO
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 FOR THE YEAR ENDED SEPTEMBER 30, 2002

<u>FROM U.S. DEPARTMENT OF HUD DIRECT PROGRAMS</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Public and Indian Housing Program	14.850a	\$436,331
Public Housing- Comprehensive Improvement Assistance Program	14.852	197,141
Public Housing Capital Fund	14.872	126,506
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation	14.856	<u>201,933</u>
TOTAL - ALL PROGRAMS		<u><u>\$961,911</u></u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

IRONTON METROPOLITAN HOUSING AUTHORITY
IRONTON, OHIO
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

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

We have audited the financial statements of the Ironton Metropolitan Housing Authority, Lawrence County, as of and for the year ended September 30, 2002, and have issued our report thereon dated February 3, 2003. 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 Ironton 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 and 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*. However, we noted a certain immaterial instance of noncompliance, which we have reported to the management of Ironton Metropolitan Housing Authority in a separate letter dated February 3, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ironton 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 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 solely for the information and use of the audit committee, management, members of the Board, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Balestra & Company
Balestra & Company
February 3, 2003

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

Compliance

We have audited the compliance of Ironton 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 its major federal program for the year ended September 30, 2002. Ironton Metropolitan Housing Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Ironton Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Ironton 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the Public and Indian Housing Compliance Supplement dated June 1995. 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 Ironton 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 Ironton Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Ironton Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2002. However, we noted a certain immaterial instance of noncompliance, which we have reported to the management of Ironton Metropolitan Housing Authority in a separate letter dated February 3, 2003.

Internal Control Over Compliance

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

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

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

Balestra & Company

Balestra & Company
February 3, 2003

IRONTON METROPOLITAN HOUSING AUTHORITY

IRONTON, OHIO
YEAR ENDING SEPTEMBER 30, 2002

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

1. SUMMARY OF AUDITOR-S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Public and Indian Housing Program CFDA # 14.850
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

IRONTON METROPOLITAN HOUSING AUTHORITY

IRONTON, OHIO
FOR THE YEAR ENDED SEPTEMBER 30, 2002

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

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

Finding Number	None
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

IRONTON METROPOLITAN HOUSING AUTHORITY

IRONTON, OHIO
FOR THE YEAR ENDED SEPTEMBER 30, 2002

SUMMARY OF ACTIVITIES

At the close of fiscal year ended September 30, 2002, the Ironton Metropolitan Housing Authority had the following operations management:

	<u>Units</u>
<u>Public Housing</u>	
Owned	259
<u>Section 8</u>	
Existing	<u>78</u>
TOTAL	<u>337</u>

Prior Audit Findings

No prior audit findings.

ACTUAL MODERNIZATION COST CERTIFICATE

MODERNIZATION PROJECT NUMBER: OH16-PO19-707

Original Funds Approved:	\$580,721
Funds Disbursed:	\$580,721
Funds Expended (Actual Modernization Cost)	\$509,105
Amount to be Recaptured:	Not Applicable
Excess of Funds Disbursed:	Not Applicable



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IRONTON METROPOLITAN HOUSING AUTHORITY

LAWRENCE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 8, 2003**