

**MONROE METROPOLITAN HOUSING AUTHORITY  
WOODSFIELD, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2003**





**Auditor of State  
Betty Montgomery**

Board of Directors  
Monroe Metropolitan Housing Authority  
Woodsfield, OH 43793

We have reviewed the Independent Auditor's Report of the Monroe Metropolitan Housing Authority, Monroe County, prepared by James G. Zupka, CPA, Inc, for the audit period July 1, 2002 through June 30, 2003. 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 Monroe Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

November 6, 2003

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MONROE METROPOLITAN HOUSING AUTHORITY  
WOODSFIELD, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2003

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*Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Monroe Metropolitan Housing Authority  
Woodsfield, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying financial statements of the Monroe Metropolitan Housing Authority as of and for the year ended June 30, 2003, which collectively comprise the Authority's financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Monroe Metropolitan Housing 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 Monroe Metropolitan Housing Authority as of June 30, 2003, and the changes in equity 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 October 22, 2003 on our consideration of the Monroe 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 financial statements of the Authority taken as a whole. The supplemental Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the financial statements of the Monroe Metropolitan Housing Authority. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

October 22, 2003

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James G. Zupka  
Certified Public Accountant



MONROE METROPOLITAN HOUSING AUTHORITY  
WOODSFIELD, OHIO  
BALANCE SHEET  
JUNE 30, 2003

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 53,362
Accounts Receivable - PHA Projects	10,455
Tenant Accounts Receivable	<u>3,271</u>
<b>Total Current Assets</b>	<b><u>67,088</u></b>

**Restricted Assets**

Cash and Cash Equivalents - Restricted:	
FSS Escrow	<u>22,820</u>
<b>Total Restricted Assets</b>	<b><u>22,820</u></b>

<b>TOTAL ASSETS</b>	<b>\$ 89,908</b>
	<b>=====</b>

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	<u>\$ 56,905</u>
<b>Total Current Liabilities</b>	<b><u>56,905</u></b>

**Noncurrent Liabilities**

FSS Program Liability	<u>22,820</u>
<b>Total Noncurrent Liabilities</b>	<b><u>22,820</u></b>

<b>TOTAL LIABILITIES</b>	<b><u>79,725</u></b>
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**Equity**

Retained Earnings	<u>10,183</u>
<b>Total Equity</b>	<b><u>10,183</u></b>

<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 89,908</b>
	<b>=====</b>

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

MONROE METROPOLITAN HOUSING AUTHORITY  
WOODSFIELD, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2003

<b><u>Operating Revenues</u></b>	
HUD Grants	\$ 631,395
<b>Total Operating Revenues</b>	<u>631,395</u>
 <b><u>Operating Expenses</u></b>	
Housing Assistance Payments	537,151
Outside Management Fees	91,077
Audit Fees	<u>3,167</u>
Total Operating Expenses before Depreciation	<u>631,395</u>
 <b>Operating Income</b>	 <u>0</u>
 <b><u>Non-Operating Revenues (Expenses)</u></b>	
Interest Income	<u>146</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>146</u>
 Net Income	 146
 Total Equity - Beginning of Year	 11,988
Prior Period Adjustment	<u>(1,951)</u>
 <b>Total Equity - End of Year</b>	 \$ 10,183 <u><u>=====</u></u>

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

MONROE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2003

**Cash Flows from Operating Activities**

Cash Received from HUD	\$ 637,272
Cash Received from Tenants	109
Cash Received for FSS Program	7,008
Cash Payments for Housing Assistance	(537,151)
Cash Payments for Administrative Expenses	<u>(80,946)</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>26,292</u></b>

**Cash Flows from Investing Activities**

Interest Received	<u>146</u>
<b>Net Cash Provided by Investing Activities</b>	<b><u>146</u></b>

Net Increase in Cash and Cash Equivalents	26,438
Cash and Cash Equivalents, Beginning	<u>49,744</u>

**Cash and Cash Equivalents, Ending** **\$ 76,182**  
=====

**Reconciliation of Operating Income to Net Cash Provided by Operating Activities**

Operating Income	\$ 0
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) Decrease in:	
Accounts Receivable - HUD	5,877
Tenant Accounts Receivable	109
Prepaid Expenses	2,658
(Increase) Decrease in:	
Accounts Payable	10,640
FSS Program Liability	<u>7,008</u>

**Net Cash Provided by Operating Activities** **\$ 26,292**  
=====

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

MONROE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003

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

**Organization and Reporting Entity**

The Monroe Metropolitan Housing Authority (the 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 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 Presentation**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority has elected to apply the provisions of Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989 that do not conflict with GASB pronouncements. The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

MONROE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003  
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Basis of Presentation** (Continued)

The Authority's financial statements consist of a balance sheet, a statement of revenues, expenses, and changes in equity, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in equity, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**Measurement Focus and Basis of Accounting**

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the balance sheet. The statement of revenues, expenses and changes in equity presents increases (i.e., revenues) and decreases (i.e., expenses) in net total equity. The statement of cash flows provides information about how the Authority finances and meets the cash flows needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America 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 the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MONROE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003  
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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.

NOTE 2: **DEPOSITS AND INVESTMENTS**

**Cash**

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

- A. 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.
- B. 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.
- C. 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.

Governmental Accounting Standards Board Statement No. 3 (GASB No. 3) has established custodial credit risk categories for deposits and investments as follows:

**Deposits**

- |            |  |
|------------|--|
| Category 1 | Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.   |
| Category 2 | Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.                                     |
| Category 3 | Uncollateralized as defined by the GASB (securities pledged with the pledging financial institution's trust department or agent, but not in the Authority's name). |

MONROE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003  
(CONTINUED)

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

**Deposits** (Continued)

The carrying amount of the Authority's deposits was \$76,182 at June 30, 2003. The corresponding bank balances were \$79,512.

The entire amount of \$79,512 was covered by federal depository insurance.

**Investments**

HUD, State Statute, and Board resolutions authorize the Authority to invest in obligations of the U. S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, 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 confirmation of transfer from the custodian.

The Authority did not have any investments at June 30, 2003.

NOTE 3: **RESTRICTED ASSETS**

The Authority's assets restricted as to purpose are as follows:

Family Self Sufficiency (FSS) Program Escrow	\$ 22,820
	=====

The FSS Program is designed to promote employment and increase savings among families receiving Section 8 vouchers or living in public housing.

MONROE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003  
(CONTINUED)

NOTE 4: **RISK MANAGEMENT**

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-five (35) Ohio housing authorities, of which Monroe is one. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 5: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 6: **MANAGEMENT AGREEMENT**

The Monroe Metropolitan Housing Authority (the Authority) entered into a housing management agreement with the Cambridge Metropolitan Housing Authority (Cambridge) on August 27, 1990. Pursuant to the agreement Cambridge provides all management services to the Authority in order that the Authority shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the Authority has executed or may, from time to time, execute with HUD. As compensation for these services, the Authority transfers to Cambridge the monthly earned administrative fees as determinable by the Department of Housing and Urban Development. Total administrative fees earned for the fiscal year ended June 30, 2003 were \$91,077 which included Hard-to-House fees earned of \$2,175.



Monroe Metropolitan Housing Authority  
Supplemental Financial Data Schedule  
Balance Sheet by Program  
As of June 30, 2003

Line Item No.	Account Description	Housing Choice Vouchers
<b>ASSETS</b>		
<b>Current Assets:</b>		
111	Cash - Unrestricted	\$53,362
113	Cash - Other Restricted	\$22,820
100	Total Cash	\$76,182
121	Accounts Receivable - PHA Projects	\$10,455
126	Accounts Receivable - Tenants - Dwelling Rents	\$4,577
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(\$1,306)
120	Total Receivables, net of allowances for doubtful accounts	\$13,726
150	Total Current Assets	\$89,908
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0
180	Total Non-Current Assets	\$0
190	Total Assets	\$89,908
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
312	Accounts Payable <= 90 Days	\$56,905
310	Total Current Liabilities	\$56,905
<b>Noncurrent Liabilities:</b>		
353	Noncurrent Liabilities - Other	\$22,820
350	Total Noncurrent Liabilities	\$22,820
300	Total Liabilities	\$79,725
508	Total Contributed Capital	\$0
511	Total Reserved Fund Balance	\$0
512	Undesignated Fund Balance/Retained Earnings	\$10,183
513	Total Equity/Net Assets	\$10,183
600	Total Liabilities and Equity/Net Assets	\$89,908

Monroe Metropolitan Housing Authority  
Financial Data Schedule  
Statement of Revenues, Expenses and Change in Equity by Program  
For the year ended June 30, 2003

Line Item No.	Account Description	Housing Choice Vouchers
<b>REVENUE</b>		
706	HUD PHA Operating Grants	\$631,395
711	Investment Income - Unrestricted	\$146
700	Total Revenue	\$631,541
<b>EXPENSES</b>		
912	Auditing Fees	\$3,167
913	Outside Management Fees	\$91,077
969	Total Operating Expenses	\$94,244
970	Excess Operating Revenue over Operating Expenses	\$537,297
973	Housing Assistance Payments	\$537,151
900	Total Expenses	\$631,395
1010	Total Other Financing Sources (Uses)	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$146
1102	Debt Principal Payments - Enterprise Funds	\$0
1103	Beginning Equity	\$11,988
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	(\$1,951)
1113	Maximum Annual Contributions Commitment (Per ACC)	\$574,865
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0
1115	Contingency Reserve, ACC Program Reserve	\$131,954
1116	Total Annual Contributions Available	\$706,819
1120	Unit Months Available	2,148
1121	Number of Unit Months Leased	2,129

MONROE METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2003

<b>Federal Grantor/ Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>		
<b>Direct Programs:</b>		
<b><u>Section 8 Programs</u></b>		
Section 8 Tenant Based Program:		
Section 8 Housing Choice Voucher Program	14.871	\$ 631,395
		_____
<b>Total Federal Assistance</b>		<b>\$ 631,395</b>
		=====

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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**

Board of Directors  
Monroe Metropolitan Housing Authority  
Woodsfield, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the financial statements of the Monroe Metropolitan Housing Authority as of and for the year ended June 30, 2003, and have issued our report thereon dated October 22, 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 the Monroe 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 Monroe 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 solely for the information and use of the Board of Directors, management, Auditor of State, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

October 22, 2003

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James G. Zupka  
Certified Public Accountant

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
Monroe Metropolitan Housing Authority  
Woodsfield, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

We have audited the compliance of the Monroe Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended June 30, 2003. Monroe 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 the Monroe Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Monroe 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*. 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 material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Monroe 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 Monroe Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Monroe 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 June 30, 2003.

### **Internal Control Over Compliance**

The management of the Monroe 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 Monroe 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 Board of Directors, management, Auditor of State, and Federal Awarding Agencies and is not intended to be used by anyone other than these specified parties.

October 22, 2003

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James G. Zupka  
Certified Public Accountant

MONROE METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 JUNE 30, 2003

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

2003(i)	Type of Financial Statement Opinion	Unqualified
2003(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2003(ii)	Were there any other reportable control weakness conditions reported at the financial statements level (GAGAS)?	No
2003(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2003(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2003(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2003(v)	Type of Major Program's Compliance Opinion	Unqualified
2003(vi)	Are there any reportable findings under .510?	No
2003(vii)	Major Programs (list):	Section 8 Housing Choice Voucher CFDA #14.871
2003(viii)	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: > all others
2003(ix)	Low Risk Auditee?	Yes



MONROE METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
JUNE 30, 2003  
(CONTINUED)

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

None.

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

None.





**Auditor of State  
Betty Montgomery**

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**MONROE METROPOLITAN HOUSING AUTHORITY**

**MONROE 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  
DECEMBER 4, 2003**