

Warren Metropolitan Housing Authority

Basic Financial Statements

For the Year Ended December 31, 2002





**Auditor of State  
Betty Montgomery**

Board of Directors  
Warren Metropolitan Housing Authority  
Lebanon, Ohio

We have reviewed the Independent Auditor's Report of the Warren Metropolitan Housing Authority, Warren County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2002 through December 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 Warren 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

October 21, 2003

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WARREN METROPOLITAN HOUSING AUTHORITY  
 AUDIT REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2002

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**SALVATORE CONSIGLIO, CPA, INC.**

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### **Independent Auditors' Report**

Board of Directors  
Warren Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

I have audited the accompanying basic financial statements of Warren Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the Warren Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Warren Metropolitan Housing Authority, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United State of America.

As described in Note 1 of the basic financial statements, the Authority adopted the provisions of Government Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, as of January 1, 2002. This results in a change to the Authority’s format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 6, 2003, on my consideration of Warren Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of my audit.

The Management’s Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiry of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion thereon.

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



Salvatore Consiglio, CPA, Inc.

June 6, 2003



WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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**Management's Discussion and Analysis**

As management of the Warren Metropolitan Housing Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2002. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Warren Metropolitan Housing Authority, 990 East Ridge Drive, Lebanon, OH 45036

**Financial Highlights**

- The liabilities of the Authority exceeded its assets as of December 31, 2002 by \$12,418,223 (net assets)
- The Authority's cash balance as of December 31, 2002 was \$736,041 representing a decrease of \$103,348.
- The Authority had intergovernmental revenue of \$3,190,754 in HUD operating grants and \$11,513 in HUD Capital Grants for the year ended December 31, 2002.
- The Authority net capital outlays for the year were \$266,100 for new equipment and construction in progress.

**Overview of The Financial Statements**

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's current financial resources (short-term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenue, Expenses, and Change in Net Assets – reports the Authority's operating and non-operating revenue, by major sources, along with operating and non-operating expenses and capital contributions.
- Comparison of 2002 vs. 2001 – reports the Authority's FYE 2002 operating revenue and expenses versus FYE 2001 amounts.

WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authority's finances is, "Is the Authority, as a whole, better or worse off as a result of the year's activities?"

The attached analysis of entity wide net assets, revenue, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenue and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net assets and changes in them. You can think of the Authority's net assets as the difference between what the Authority owns (assets) to what the Authority owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of the Authority.

Over time, significant changes in the Authority's net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authority's capital assets.

**Future Events (New Business)**

The Authority adopted a Low Income Public Housing operating budget for FYE December 31, 2003. This budget reflects total revenue of \$939.722 and total expenses of \$838,604.

WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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**Analysis of Entity Wide Net Assets (Statement of Net Assets)**

**Total Assets** for FYE 2001 was \$12,919,987 and at FYE 2002 the amount was \$12,835,040. This represents a net decrease of \$84,947.

**Cash** decreased by \$103,348. The decrease was due to the large amount due from HUD for the Transitional Housing Program. HUD's delay in approving the amounts caused a drain on the liquid cash available at the fiscal year end.

**Current Assets** increased by \$107,411 largely due to the increase in receivables from the Federal Government for the Transitional Housing Program.

**Capital Assets** decreased by \$192,358 due to depreciation.

**Current Liabilities** increased from \$219,441 in FYE 2001 to \$357,270 in FYE 2002. This increase of \$137,829 was largely due to the increase in receivables from the Federal Government for the Transitional Housing Program. This resulted in an inter-program payable from the Transitional Housing Program to the Public Housing Program.

**Non-current Liabilities** increased by \$1,933. This increase represents an adjustment to properly record compensated absences. Compensated absences fluctuate from year to year based on retirements and authorized leave taken by the employees during the year.

The table below illustrates our analysis.

	<u>2002</u>	<u>2001</u>	<u>Net Change</u>	<u>Variance</u>
<b>Cash</b>	\$ 736,041	\$ 839,389	\$ (103,348)	-12.31%
<b>Current Assets</b>	\$ 1,255,023	\$ 1,147,612	\$ 107,411	9.36%
<b>Capital Assets</b>	<u>11,580,017</u>	<u>11,772,375</u>	<u>(192,358)</u>	<u>-0.66%</u>
<b>Total Assets</b>	<u>12,835,040</u>	<u>12,919,987</u>	<u>(84,947)</u>	<u>-1.04%</u>
<b>Current Liabilities</b>	357,270	219,441	137,829	62.81%
<b>Non-current Liabilities</b>	<u>59,547</u>	<u>57,614</u>	<u>1,933</u>	<u>3.36%</u>
<b>Total Liabilities</b>	<u>416,817</u>	<u>277,055</u>	<u>139,762</u>	<u>50.45%</u>
<b>Net Assets in Capital Assets</b>	11,580,017	11,254,609	325,485	2.89%
<b>Unrestricted Net Assets</b>	<u>838,206</u>	<u>1,388,323</u>	<u>(550,194)</u>	<u>-39.63%</u>
<b>Total Net Assets</b>	<u>\$ 12,418,223</u>	<u>\$ 12,642,932</u>	<u>\$ (224,709)</u>	<u>-1.78%</u>

WARREN METROPOLITAN HOUSING AUTHORITY  
 MANAGEMENT DISCUSSION AND ANALYSIS  
 FYE DECEMBER 31, 2002

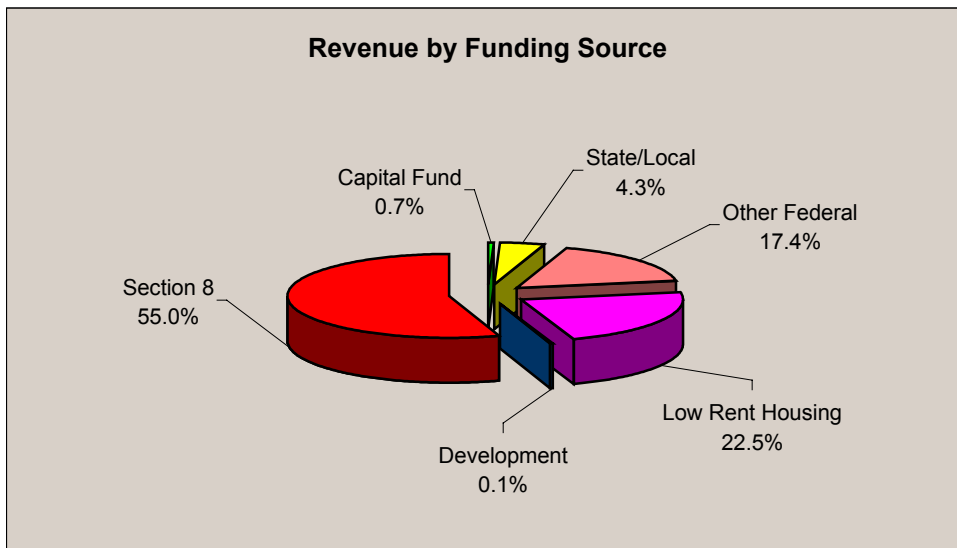
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**Analysis of Entity Wide Revenue (Statement of Activities)**

The Authority administers the following programs and the revenue generated from these programs during FYE 2002 was as follows:

<b>Low Income Public Housing</b>		<b>\$884,269</b>
<b>Section 8</b>		<b>\$2,161,164</b>
<b>Capital Fund</b>		<b>\$28,964</b>
<b>Development</b>		<b>\$5,817</b>
<b>Transitional Housing</b>		<b><u>\$848,765</u></b>
State/Local	\$167,083	
Other Federal	\$681,682	
<b>Total Revenues</b>		<b><u>\$3,928,979</u></b>

The diagram below will illustrate the percentage of revenue generated from these programs by the Authority during FYE 2002.



WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
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In FYE 2001 and FYE 2002, total revenue was \$3,715,214 and \$3,928,979 respectively. Comparatively, FYE 2002 revenue was more than FYE 2001 revenue by \$213,765. The primary result was due to the decrease amount of expenditures from grant funding.

**Total Operating Expenses** increased by 8.68% in FYE 2002 as compared to FYE 2001. However, the Authority has established that any variance of 10% or more in any specific cost category must be explained. As a result of this policy, the following is provided to assist the reader with understanding the underlying circumstances contributing to this increase.

**Administrative** expenditures increased by \$101,095 or 15.98% as compared to FYE 2001. This was due to the increase in Section 8 administrative fees earned and spent over the prior year.

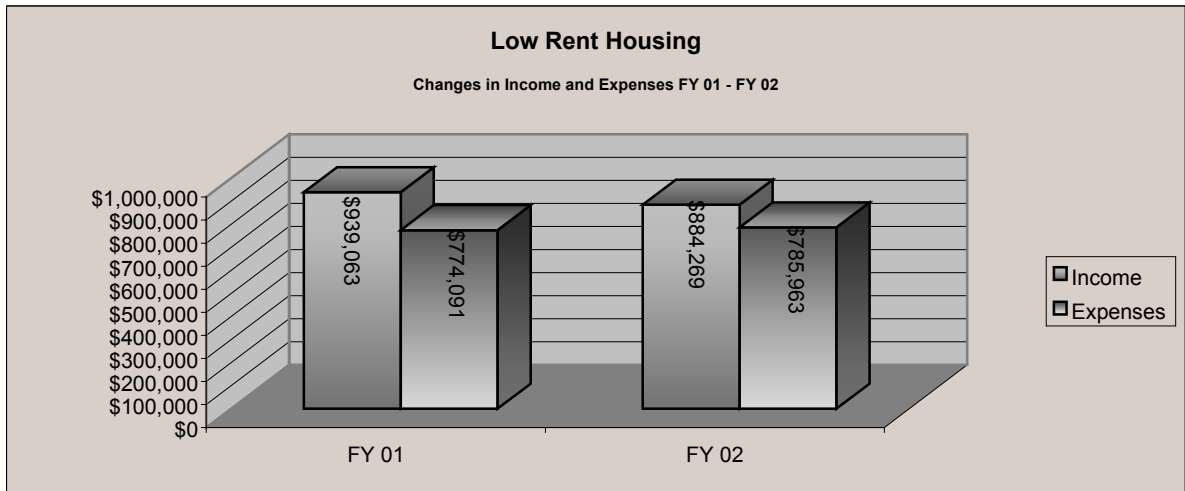
The table below illustrates the changes in the income statement:

	<u>2002</u>	<u>2001</u>	<u>Net Change</u>	<u>Variance</u>
<b>Tenant Rental Revenue</b>	\$ 400,662	\$ 349,176	\$ 51,486	14.74%
<b>HUD Subsidy</b>	3,190,754	2,588,029	602,725	23.29%
<b>Capital Grants</b>	11,513	390,945	(379,432)	-97.06%
<b>Other Government Grants</b>	157,166	142,633	14,533	10.19%
<b>Investment Income</b>	33,657	34,279	(622)	-1.81%
<b>Other Revenue</b>	<u>135,227</u>	<u>210,152</u>	<u>(74,925)</u>	<u>-35.65%</u>
<b>Total Operating Revenue</b>	3,928,979	3,715,214	213,765	5.75%
<b>Operating Expenses:</b>				
<b>Administrative</b>	733,549	632,454	101,095	15.98%
<b>Tenant Services</b>	206,644	170,182	36,462	21.43%
<b>Utilities</b>	78,843	85,911	(7,068)	-8.23%
<b>Maintenance</b>	234,911	286,683	(51,772)	-18.06%
<b>General Expenses</b>	<u>180,316</u>	<u>144,477</u>	<u>35,839</u>	<u>24.81%</u>
<b>Total Operating Expenses</b>	1,434,263	1,319,707	114,556	8.68%
<b>Extraordinary Maintenance</b>	3,945	648	3,297	508.80%
<b>Casualty Losses – Non-Cap.</b>	6,524	-	6,524	100.00%
<b>Housing Assistance Payments</b>	2,250,499	1,809,185	441,314	24.39%
<b>Depreciation</b>	<u>458,458</u>	<u>441,960</u>	<u>16,498</u>	<u>3.73%</u>
<b>Total Expenses</b>	4,153,689	3,571,500	582,189	16.30%
<b>Operating Income/(Loss)</b>	<u>(224,710)</u>	<u>143,714</u>	<u>(368,424)</u>	<u>-256.36%</u>
<b>Change in Net Assets</b>	<u>(\$224,710)</u>	<u>\$143,714</u>	<u>(\$368,424)</u>	<u>-256.36%</u>

WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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The chart below illustrates the changes in Income and Expenses for the Low Income Public Housing Program.

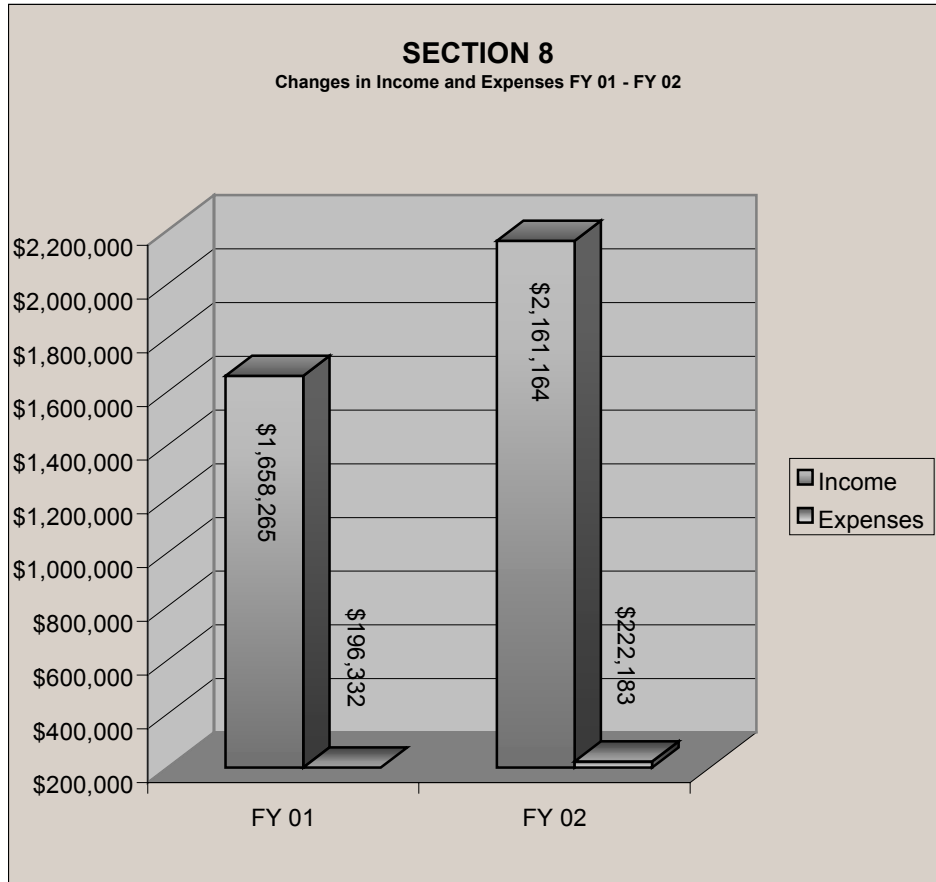


Note: Does not include Depreciation

The results of the Section 8 FYE 2002 revealed that revenue and expenses increased by over \$500,000 as compared to FYE 2001. [The increase in Housing Assistance Payments \(HAP\) and lease up substantiates the increase. In addition, the FYE 2002 increase in revenue and expenses is proportionate the FYE 2001 revenue and expenses.](#) The graph below is provided to assist with understanding this.

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MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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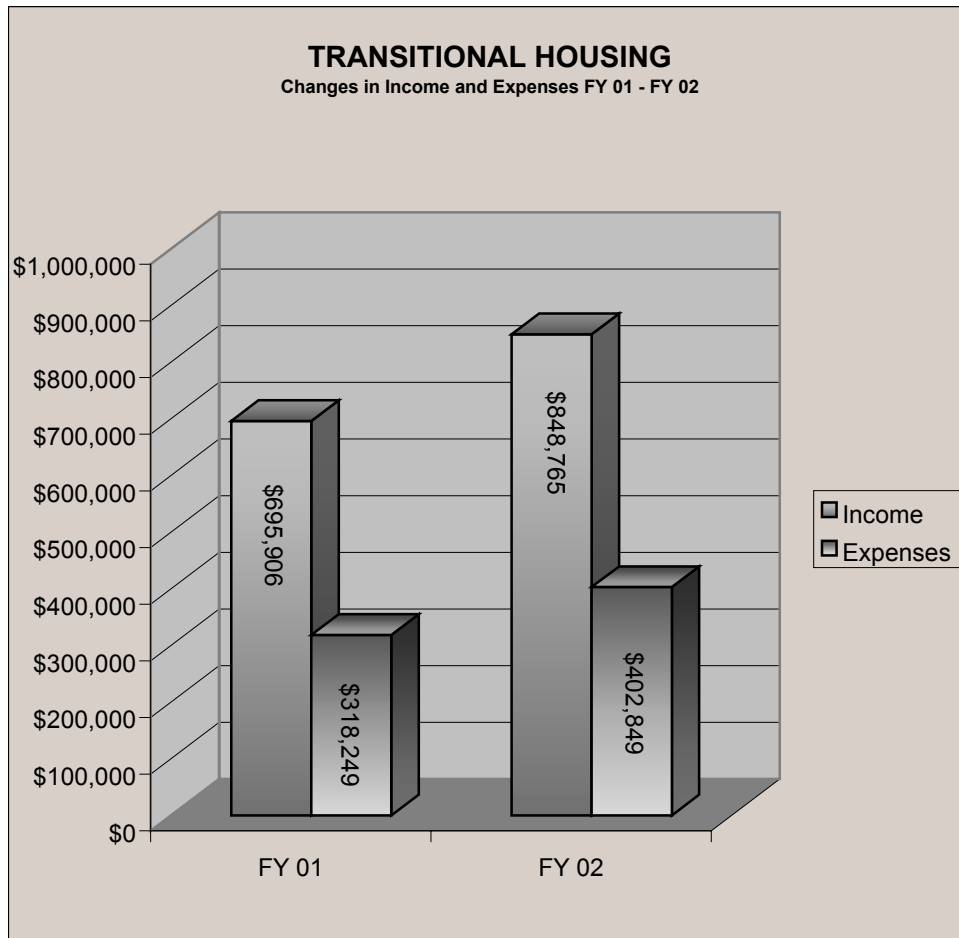


Note: Does not include Depreciation

WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
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The results of the Transitional Housing FYE 2002 revealed that revenue and expenses increased by over \$200,000 as compared to FYE 2001. The graph below is provided to assist with understanding this.



Note: Does not include Depreciation



WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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**Overview of Comparison**

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing is adopted on the basis of accounting prescribed by the Housing and Urban Development, which differs in some respects from generally accepted accounting principles. Program budgets for the Section 8 Programs are approved by the U.S. Department of Housing and Urban Development.

**Low Income Public Housing Comparison Highlights**

**Results of Operations**

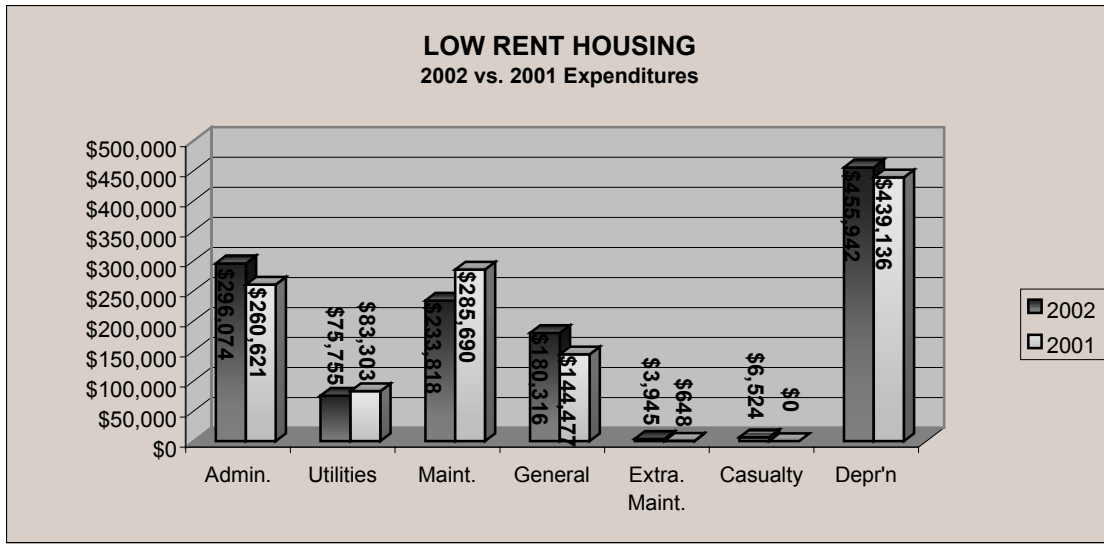
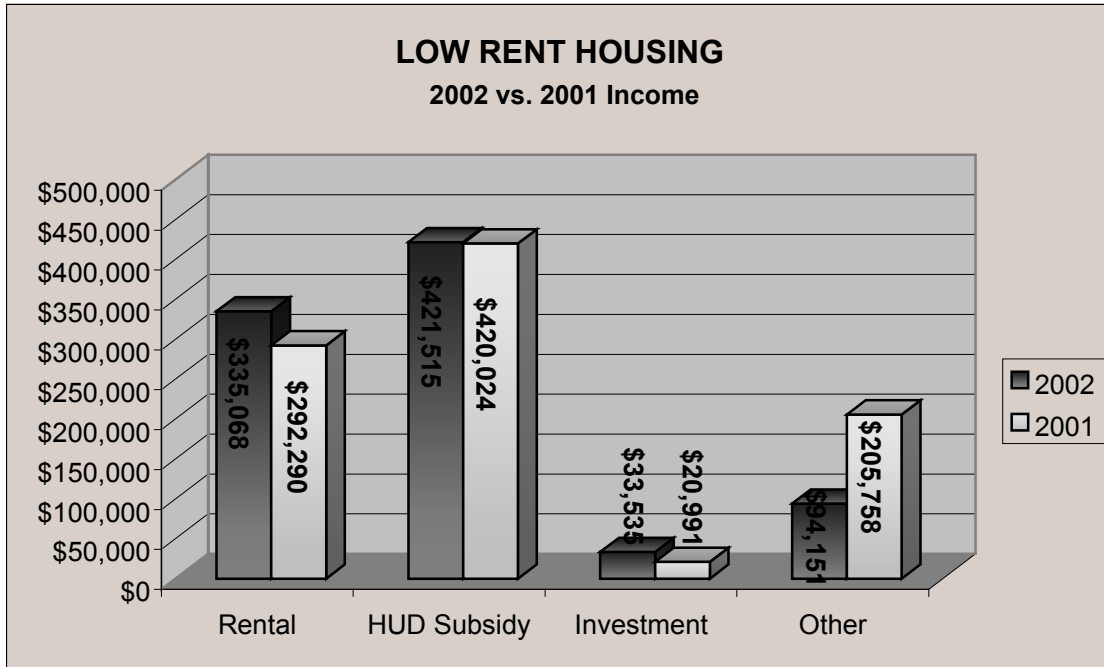
Management prepared a budget that anticipated a profit of \$79,299. The actual results of operation reflected a net gain of \$87,840.

The following table and graphs illustrate the Authority's comparison between FYE 2002 and FYE 2001.

	<u>2002</u>	<u>2001</u>	<u>Net Change</u>	<u>Variance</u>
<b>Tenant Rental Revenue</b>	\$335,068	\$ 292,290	\$ 42,778	14.64%
<b>HUD Subsidy</b>	421,515	420,024	1,491	0.35%
<b>Investment Income</b>	33,535	20,991	12,544	59.76%
<b>Other Revenue</b>	94,151	205,758	(111,607)	-54.24%
<b>    Total Operating Revenue</b>	884,269	939,063	(54,794)	-5.83%
<b>Operating Expenses:</b>				
<b>Administrative</b>	296,074	260,621	35,453	13.60%
<b>Utilities</b>	75,755	83,303	(7,548)	-9.06%
<b>Maintenance</b>	233,818	285,690	(51,872)	-18.16%
<b>General</b>	180,316	144,477	35,839	24.81%
<b>    Total Operating Expenses</b>	785,963	774,091	11,872	1.53%
<b>Extraordinary Maintenance</b>	3,945	648	3,297	508.80%
<b>Casualty Losses – Non-Cap.</b>	6,524	-	6,524	100.00%
<b>Depreciation</b>	455,942	439,136	16,806	3.83%
<b>    Total Expenses</b>	1,252,374	1,213,875	38,499	3.17%
<b>Operating Income/(Loss)</b>	<u>(\$368,105)</u>	<u>(\$274,812)</u>	<u>(\$93,293)</u>	<u>-33.95%</u>

WARREN METROPOLITAN HOUSING AUTHORITY  
 MANAGEMENT DISCUSSION AND ANALYSIS  
 FYE DECEMBER 31, 2002

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WARREN METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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**Section 8 Program Comparison Background**

The Section 8 administrative budget is determined by estimating the total dollars required (Annual Contributions Required) to administer the program for a fiscal year. Annual Contributions consist of estimates made by the Authority for HAP payments, audit costs, hard-to-house fees, and administrative fees.

HAP payments and audit costs are reimbursed to the Authority dollar for dollar. A \$75.00 fee is earned the initial month an eligible Hard-to-House family is leased up. An administrative fee is earned for every voucher leased as of the 1<sup>st</sup> day of each month.

**Section 8 Comparison Highlights**

The Authority planned on a loss of \$36,683 for the Section 8 Voucher Program. As illustrated in the table below, the Authority experienced a profit of \$79,594.

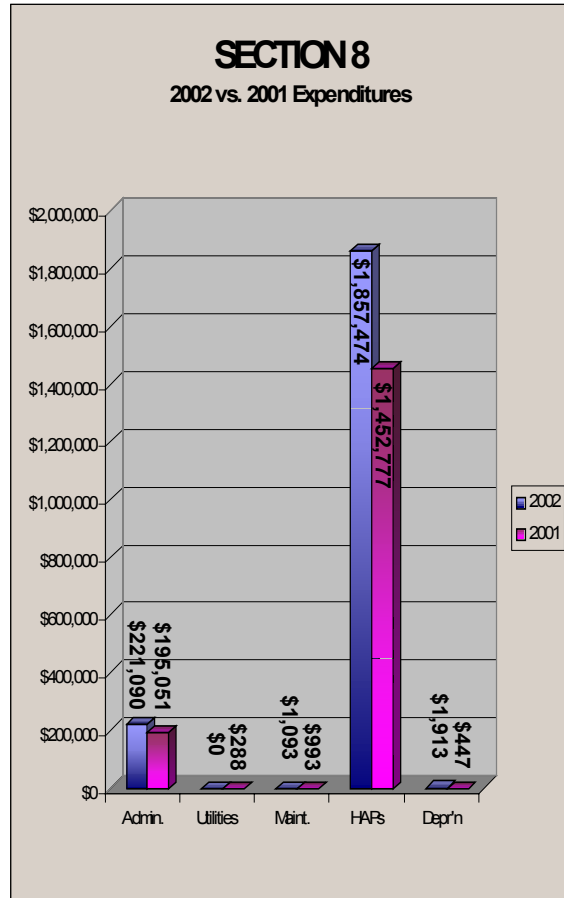
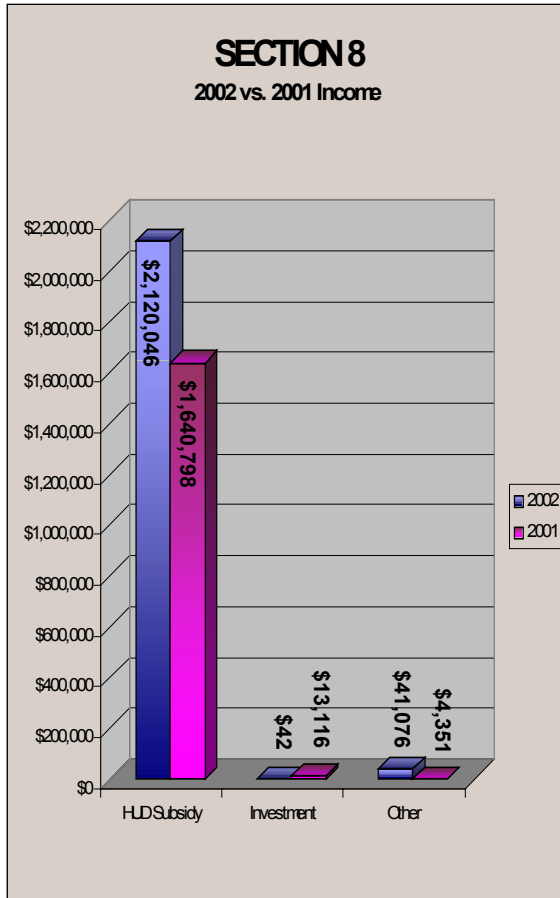
**Annual Contributions Required – Revenue**

Housing Assistance Payments exceeded last year's total by \$479,248. This result suggests that the Authority leased more units each month than what was budgeted. More importantly, the HAP payments to landlords were higher than the amount budgeted.

	<u>2002</u>	<u>2001</u>	<u>Net Change</u>	<u>Variance</u>
<b>HUD Subsidy</b>	\$2,120,046	\$1,640,798	\$ 479,248	29.21%
<b>Investment Income</b>	42	13,116	(13,074)	-99.68%
<b>Other Revenue</b>	41,076	4,351	36,725	844.06%
<b>Total Operating Revenue</b>	<u>2,161,164</u>	<u>1,658,265</u>	<u>502,899</u>	<u>30.33%</u>
<b>Operating Expenses:</b>				
<b>Administrative</b>	221,090	195,051	26,039	13.35%
<b>Utilities</b>	0	288	(288)	-100.00%
<b>Maintenance</b>	1,093	993	100	10.07%
<b>Total Operating Expenses</b>	<u>222,183</u>	<u>196,332</u>	<u>25,851</u>	<u>13.17%</u>
<b>Housing Assistance Payments</b>	1,857,474	1,452,777	404,697	27.86%
<b>Depreciation</b>	1,913	447	1,466	327.96%
<b>Total Expenses</b>	<u>2,081,570</u>	<u>1,649,556</u>	<u>432,014</u>	<u>26.19%</u>
<b>Profit/(Loss)</b>	<u>\$ 79,594</u>	<u>\$ 8,709</u>	<u>\$ 70,885</u>	<u>813.93%</u>

WARREN METROPOLITAN HOUSING AUTHORITY  
 MANAGEMENT DISCUSSION AND ANALYSIS  
 FYE DECEMBER 31, 2002

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MANAGEMENT DISCUSSION AND ANALYSIS  
FYE DECEMBER 31, 2002

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**Transitional Housing Comparison Background**

The Transitional Housing Program budget is determined by estimating the total dollars required (Annual Contributions Required) administering the program for a fiscal year and adding the perspective rental income to be earned.

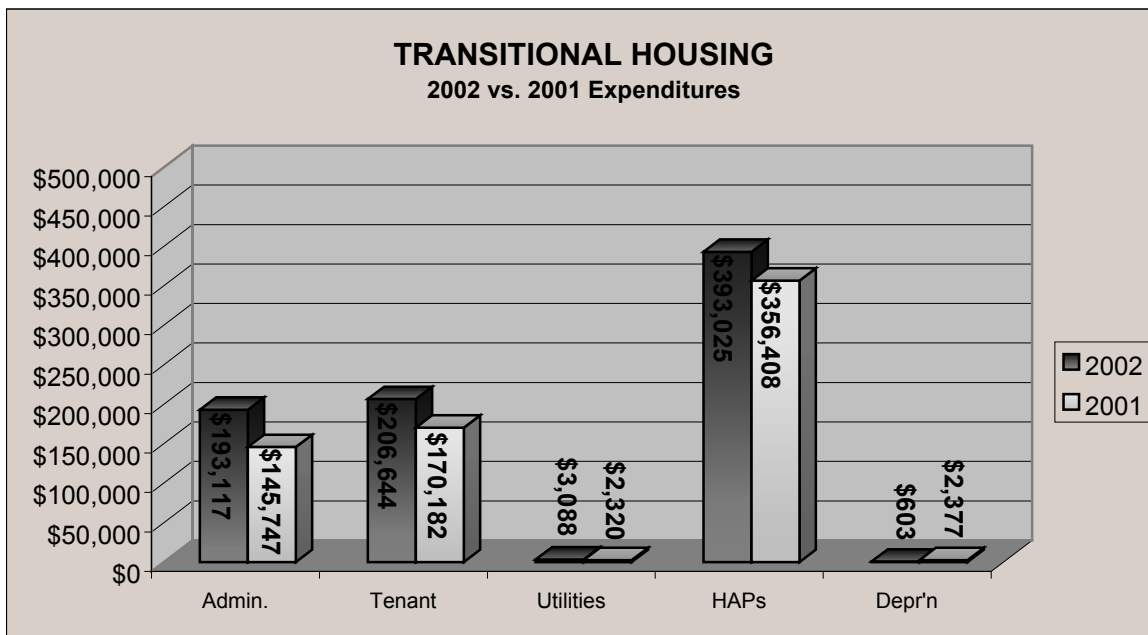
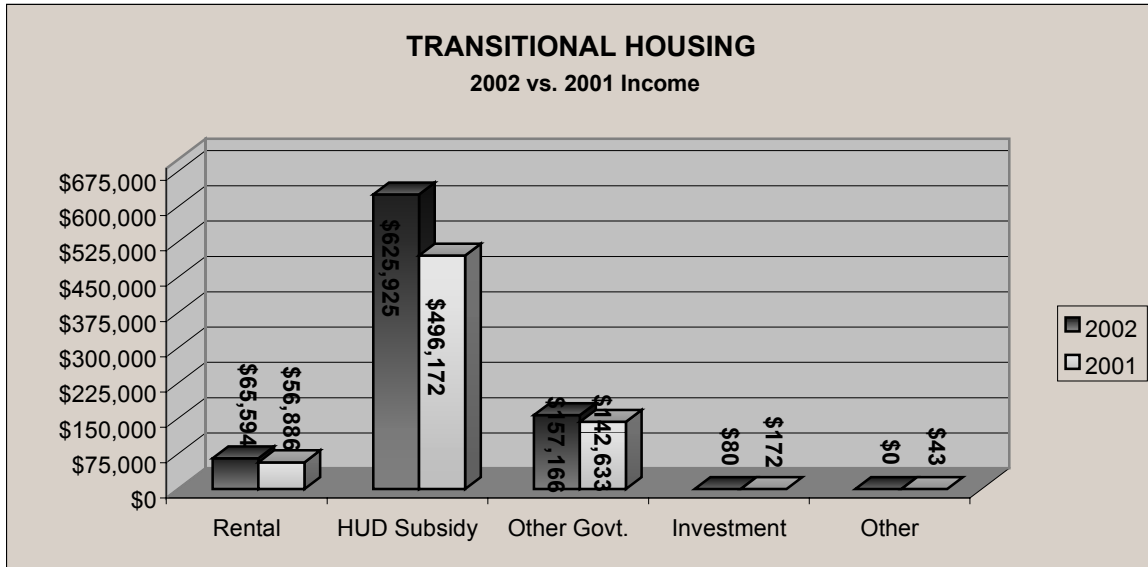
HAP payments and many administrative costs audit costs are reimbursed to the Authority dollar for dollar.

**Transitional Housing Comparison Highlights**

	<u>2002</u>	<u>2001</u>	<u>Net Change</u>	<u>Variance</u>
Tenant Rental Revenue	\$ 65,594	\$ 56,886	\$ 8,708	15.31%
HUD Subsidy	625,925	496,172	129,753	26.15%
Other Government Grants	157,166	142,633	14,533	10.19%
Investment Income	80	172	(92)	-53.49%
Other Revenue	-	43	(43)	-100.00%
<b>Total Operating Revenue</b>	<b>848,765</b>	<b>695,906</b>	<b>152,859</b>	<b>21.97%</b>
<b>Operating Expenses:</b>				
Administrative	193,117	145,747	47,370	32.50%
Tenant Services	206,644	170,182	36,617	21.43%
Utilities	3,088	2,320	768	33.10%
<b>Total Operating Expenses</b>	<b>402,849</b>	<b>318,249</b>	<b>84,600</b>	<b>26.58%</b>
Housing Assistance Payments	393,025	356,408	36,617	10.27%
Depreciation	603	2,377	(1,774)	-74.63%
<b>Total Expenses</b>	<b>796,477</b>	<b>677,034</b>	<b>119,443</b>	<b>17.64%</b>
<b>Profit/(Loss)</b>	<b>\$ 52,288</b>	<b>\$ 18,872</b>	<b>\$ 33,416</b>	<b>177.07%</b>

WARREN METROPOLITAN HOUSING AUTHORITY  
 MANAGEMENT DISCUSSION AND ANALYSIS  
 FYE DECEMBER 31, 2002

UNAUDITED



Warren Metropolitan Housing Authority  
Statement of Net Assets – By Major Program (Enterprise Fund)  
December 31, 2002

	Low Rent	Housing Choice Voucher	Transition Housing	Non Major Program	Total
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS:</b>					
Cash and Cash Equivalents	\$533,852	\$178,255	\$23,934	\$0	\$736,041
Receivables, Net	48,668	39,434	305,767	0	393,869
Prepaid Expenses and Other Assets	27,349	0	0	0	27,349
Interprogram Due From	74,387	0	23,377	0	97,764
<b>TOTAL CURRENT ASSETS</b>	<b>684,256</b>	<b>217,689</b>	<b>353,078</b>	<b>0</b>	<b>1,255,023</b>
<b>CAPITAL ASSETS:</b>					
Land	1,587,610	0	0	50,834	1,638,444
Structures and Equipment, Net	9,656,612	14,188	142	270,631	9,941,573
<b>TOTAL CAPITAL ASSETS</b>	<b>11,244,222</b>	<b>14,188</b>	<b>142</b>	<b>321,465</b>	<b>11,580,017</b>
<b>TOTAL ASSETS</b>	<b>11,928,478</b>	<b>231,877</b>	<b>353,220</b>	<b>321,465</b>	<b>12,835,040</b>
<b><u>LIABILITIES</u></b>					
<b>CURRENT LIABILITIES:</b>					
Accounts Payable	26,397	0	0	0	26,397
Accrued Liabilities	42,158	7,467	11,723	0	61,348
Intergovernmental Payables	25,509	64,126	0	0	89,635
Tenant Security Deposits	49,305	0	0	0	49,305
Deferred Revenue	741	0	318	0	1,059
Other Current Liabilities	31,762	0	0	0	31,762
Interporgram Due To	0	2,033	95,731	0	97,764
<b>TOTAL CURRENT LIABILITES</b>	<b>175,872</b>	<b>73,626</b>	<b>107,772</b>	<b>0</b>	<b>357,270</b>
<b>NONCURRENT LIABILITES:</b>					
Noncurrent Liabilities - Other	0	59,547	0	0	59,547
<b>TOTAL NONCURRENT LIABILITES</b>	<b>0</b>	<b>59,547</b>	<b>0</b>	<b>0</b>	<b>59,547</b>
<b>TOTAL LIABILITES</b>	<b>175,872</b>	<b>133,173</b>	<b>107,772</b>	<b>0</b>	<b>416,817</b>
<b><u>NET ASSETS</u></b>					
Invested in Capital Assets, Net of Related Debt	11,244,222	14,188	142	321,465	11,580,017
Unrestricted Net Assets	508,384	84,516	245,306	0	838,206
<b>TOTAL NET ASSETS</b>	<b>\$11,752,606</b>	<b>\$98,704</b>	<b>\$245,448</b>	<b>\$321,465</b>	<b>\$12,418,223</b>

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

Warren Metropolitan Housing Authority  
Statement of Revenue, Expenses and Change in Net Assets  
By Major Program (Enterprise Fund)  
For the Year Ended December 31, 2002

	Low Rent	Housing Choice Voucher	Transition Housing	Non Major Program	Total
<b><u>OPERATING REVENUE</u></b>					
Tenant Rental Revenue	\$335,068	\$0	\$65,594	\$0	\$400,662
Government Operating Grants	421,515	2,120,046	783,091	23,268	3,347,920
Other Income	94,151	41,076	0	0	135,227
<b>TOTAL REVENUE</b>	<b>850,734</b>	<b>2,161,122</b>	<b>848,685</b>	<b>23,268</b>	<b>3,883,809</b>
<b><u>EXPENSES</u></b>					
Administrative Expenses	296,074	221,090	193,117	23,268	733,549
Tenant Services	0	0	206,644	0	206,644
Utilities Expenses	75,755	0	3,088	0	78,843
Ordinary Maintenance and Operation	233,818	1,093	0	0	234,911
General Expenses	180,316	0	0	0	180,316
Housing Assistance Payments	0	1,857,474	393,025	0	2,250,499
Other Operating Expenses	10,469	0	0	0	10,469
Depreciation Expense	455,942	1,913	603	0	458,458
<b>TOTAL EXPENSES</b>	<b>1,252,374</b>	<b>2,081,570</b>	<b>796,477</b>	<b>23,268</b>	<b>4,153,689</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>(401,640)</b>	<b>79,552</b>	<b>52,208</b>	<b>0</b>	<b>(269,880)</b>
<b><u>NON-OPERATING REVENUE (EXPENSES):</u></b>					
Investment Income	33,535	42	80	0	33,657
Government Capital Grants	0	0	0	11,513	11,513
<b>NON-OPERATING REVENUE - NET</b>	<b>33,535</b>	<b>42</b>	<b>80</b>	<b>11,513</b>	<b>45,170</b>
Change In Net Assets	(368,105)	79,594	52,288	11,513	(224,710)
Beginning Net Assets	11,547,010	19,110	193,160	883,653	12,642,933
Prior Period Adjustments	573,701	0	0	(573,701)	0
<b>Ending Net Assets</b>	<b>\$11,752,606</b>	<b>\$98,704</b>	<b>\$245,448</b>	<b>\$321,465</b>	<b>\$12,418,223</b>

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



Warren Metropolitan Housing Authority  
Statement of Cash Flows – By Major Program (Enterprise Fund)  
December 31, 2002

	Low Rent	Housing Choice Voucher	Transition Housing	Non Major Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Tenant revenue received	\$325,503	\$0	\$90,468	\$0	\$415,971
Government operating grant	422,121	2,216,095	671,145	23,268	3,332,629
Other revenue received	94,151	35,592	0	0	129,743
General and administrative expenses	(863,719)	(234,270)	(389,005)	(23,268)	(1,510,262)
Housing Assistance Payments	0	(1,857,474)	(393,025)	0	(2,250,499)
Net cash provided by used in operating activities	(21,944)	159,943	(20,417)	0	117,582
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	33,535	42	80	0	33,657
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES</b>					
Capital grant received	0	0	0	11,513	11,513
Purchase of fixed assets	(239,884)	(14,703)	0	(11,513)	(266,100)
Net cash provided by used in capital and related financing activities	(239,884)	(14,703)	0	0	(254,587)
Increases (Decreases) in cash	(228,293)	145,282	(20,337)	0	(103,348)
Cash – Beginning of year	762,145	32,973	44,271	0	839,389
Cash – End of year	\$533,852	\$178,255	\$23,934	\$ 0	\$736,041
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Net operating profit (loss)	(\$401,640)	\$79,552	\$52,208	\$0	(\$269,880)
Depreciation adjustment	455,942	1,913	603	0	458,458
Decreases (Increases) in account receivable	(31,904)	24,130	(159,443)	3,659	(163,558)
Decreases in prepaid expenses	1,895	0	0	0	1,895
Decreases (Increases) in other receivable	(59,305)	0	10,209	0	(49,096)
Increases (Decreases) in accounts payable	14,986	1,939	715	(3,659)	13,981
Increases in compensated absences	1,849	1,588	5,369	0	8,806
Increases (Decreases) in other liabilities	(3,767)	50,821	69,922	0	116,976
Net cash provided from operating activities	(\$21,944)	\$159,943	(\$20,417)	\$0	\$117,582

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

WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

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

**Summary of Significant Accounting Policies**

The financial statements of the Warren Metropolitan Housing Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United State 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. The more significant of the Authority's accounting policies are described below.

In June 1999, GASB approved Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statements include the following:

- For the first time the financial statements include a Management Discussion and Analysis (MD&A) section providing analysis of the Authority's overall financial position and results of operations.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The Authority has elected to implement GASB 34 early, in the current fiscal year.

**Reporting Entity**

The Warren Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

**Basis of Presentation**

The Authority's basic financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows.

**Fund Accounting**

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

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

**Proprietary Fund Types**

Proprietary funds are used to account for the Authority's ongoing activities, which are similar to those found in the private sector. The following is the proprietary fund type:

WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

Enterprise Fund - This fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Measurement Focus/Basis of Accounting**

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20 Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Investments**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2002 totaled \$33,657.

**Fixed Assets**

Fixed assets are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized.

**Cash and Cash Equivalents**

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

**Compensated Absences**

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive

WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absence accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee. (2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets – net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

**Budgetary Accounting**

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. This budget is submitted to the Department of Housing and Urban Development and once approved is adopted by the Board of the Housing Authority.

**Estimates**

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

WARREN METROPOLITAN HOUSING AUTHORITY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2002  
 (CONTINUED)

**NOTE 2: DEPOSITS**

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

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

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

Category 3 – Uncollateralized.

Deposits, categorized by level of risk, are:

DESCRIPTION	BANK BALANCE	CATEGORY			CARRYING AMOUNT
		1	2	3	
Cash and Cash Equivalents	\$792,390	\$792,390	\$0	\$0	\$736,041
Total Deposits	\$792,390	\$792,390	\$0	\$0	\$736,041

**NOTE 3: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 2002 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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

WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

**NOTE 4: FIXED ASSETS**

The following is a summary:

Land	\$1,638,444
Buildings	14,220,765
Furniture, Machinery and Equipment	326,669
Leasehold Improvement	-0-
Construction in Progress	-0-
Total Fixed Assets	16,185,878
Accumulated Depreciation	(4,605,861)
Net Fixed Assets	\$11,580,017

The following is a summary of changes:

	<b>Balance 12/31/01</b>	<b>Adjust.</b>	<b>Additions</b>	<b>Deletion</b>	<b>Balance 12/31/02</b>
Land	\$1,638,444	\$0	\$0	\$0	\$1,638,444
Buildings	13,178,706	804,316	237,743	0	14,220,765
Furnt, Mach. and Equip.	298,312	0	28,357	0	326,669
Leasehold Improvement	0	0	0	0	0
Construction in Progress	804,316	(804,316)	0	0	0
Total Fixed Assets	\$15,919,778	(\$ 0)	\$266,100	\$0	\$16,185,878

The depreciation expense for the year ended December 31, 2002 was \$458,458.

**NOTE 5: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

All employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employee Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report, which may be obtained by writing to the Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

**NOTE 5: DEFINED BENEFIT PENSION PLANS -PUBLIC EMPLOYEES  
RETIREMENT SYSTEM** (Continued)

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The employer contribution rate was 13.55 percent of covered payroll. The Authority's required contributions to PERS for the years ended December 31, 2002, 2001 and 2000 were \$74,996, \$41,671, and \$36,340, respectively. The full amount has been contributed for 2001 and 2000. Eighty-four percent has been contributed for 2002, with the remainder being reported as a liability with the enterprise fund.

**NOTE 6: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

The Public Retirement System of Ohio (PERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by State statute. The Ohio Revised Code provides the statutory authority requiring public employers to fund pension and postretirement health care through their contributions to PERS.

**NOTE 7: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD**

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

**NOTE 8: CHANGE IN ACCOUNTING PRINCIPLES**

For the fiscal year 2002, the Authority implemented GASB 34. The implementation had no effect on the total enterprise fund equity. However, it did effect the classification of the equity. The table bellow shows the reclassification adjustment necessary:



WARREN METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

**NOTE 8: CHANGE IN ACCOUNTING PRINCIPLES** (Continued)

	Contributed Capital	Retained Earnings	Invested in Capital Assets, Net of Debt	Unrestricted Net Assets	Total
Beginning Balance	\$11,254,609	\$1,388,323	\$0	\$0	\$12,642,932
Reclassification - GASB 34	-11,254,609	-1,388,323	11,772,375	870,557	0
Restated Beginning Balance	0	0	11,772,375	870,557	12,642,932
Fixed Assets Addition	0	0	266,100	0	266,100
Unrestricted Assets used for Fixed Assets	0	0	0	-254,586	-254,586
Depreciation Expense	0	0	-458,458	0	-458,458
Current Year Income	0	0	0	222,235	222,235
Ending Net Assets	\$0	\$0	\$11,580,017	\$838,206	\$12,418,223

Warren Metropolitan Housing Authority  
Statement of Net Assets – By Non-Major Program (Enterprise Fund)  
December 31, 2002

	Development	Comprehensive Assistance Program	Capital Fund Program	Total Non-Major Programs
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS:</b>				
Cash and Cash Equivalents	\$0	\$0	\$0	\$0
Receivables, Net	0	0	0	0
Prepaid Expenses and Other Assets	0	0	0	0
Interprogram Due From	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL ASSETS:</b>				
Land	50,834	0	0	50,834
Structures and Equipment, Net	23,968	0	246,663	270,631
<b>TOTAL CAPITAL ASSETS</b>	<b>74,802</b>	<b>0</b>	<b>246,663</b>	<b>321,465</b>
<b>TOTAL ASSETS</b>				
<b><u>LIABILITIES</u></b>				
<b>CURRENT LIABILITES:</b>				
Accounts Payable	0	0	0	0
Accrued Liabilities	0	0	0	0
Intergovernmental Payables	0	0	0	0
Tenant Security Deposits	0	0	0	0
Deferred Revenue	0	0	0	0
Other Current Liabilities	0	0	0	0
Interporgram Due To	0	0	0	0
<b>TOTAL CURRENT LIABILITES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NONCURRENT LIABILITES:</b>				
Noncurrent Liabilities - Other	0	0	0	0
<b>TOTAL NONCURRENT LIABILITES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	74,802	0	246,663	321,465
Unrestricted Net Assets	0	0	0	0
<b>TOTAL NET ASSETS</b>	<b>\$74,802</b>	<b>\$ 0</b>	<b>\$246,663</b>	<b>\$321,465</b>

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

Warren Metropolitan Housing Authority  
Statement of Revenue, Expenses and Change in Net Assets  
By Non-Major Program (Enterprise Fund)  
For the Year Ended December 31, 2002

	Development	Comprehensive Assistance Program	Capital Fund Program	Total Non-Major Programs
<b><u>OPERATING REVENUE</u></b>				
Tenant Rental Revenue	\$0	\$0	\$0	\$0
Government Operating Grants	5,817	0	17,451	23,268
Other Income	0	0	0	0
<b>TOTAL REVENUE</b>	<b>5,817</b>	<b>0</b>	<b>17,451</b>	<b>23,268</b>
<b><u>EXPENSES</u></b>				
Administrative Expenses	5,817	0	17,451	23,268
Tenant Services	0	0	0	0
Utilities Expenses	0	0	0	0
Ordinary Maintenance and Operation	0	0	0	0
General Expenses	0	0	0	0
Housing Assistance Payments	0	0	0	0
Other Operating Expenses	0	0	0	0
Depreciation Expense	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>5,817</b>	<b>0</b>	<b>17,451</b>	<b>23,268</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>NON-OPERATING REVENUE</u></b>				
<b><u>(EXPENSES):</u></b>				
Investment Income	0	0	0	0
Government Capital Grants	0	0	11,513	11,513
<b>NON-OPERATING REVENUE - NET</b>	<b>0</b>	<b>0</b>	<b>11,513</b>	<b>11,513</b>
Change In Net Assets	0	0	11,513	11,513
Beginning Net Assets	74,802	573,701	235,150	883,653
Equity Transfer to Low Rent Program	0	(573,701)	0	(573,701)
<b>Ending Net Assets</b>	<b>\$74,802</b>	<b>\$ 0</b>	<b>\$246,663</b>	<b>\$321,465</b>

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

Warren Metropolitan Housing Authority  
Statement of Net Assets – By Transitional Housing Projects (Enterprise Fund)  
December 31, 2002

	HUD Supportive Housing	Department of Development Grants	Total Transitional Housing
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$20,320	\$3,614	\$23,934
Receivables, Net	286,964	18,803	305,767
Prepaid Expenses and Other Assets	0	0	0
Interprogram Due From	0	23,377	23,377
<b>TOTAL CURRENT ASSETS</b>	<b>307,284</b>	<b>45,794</b>	<b>353,078</b>
<b>CAPITAL ASSETS:</b>			
Land	0	0	0
Structures and Equipment, Net	120	22	142
<b>TOTAL CAPITAL ASSETS</b>	<b>120</b>	<b>22</b>	<b>142</b>
<b>TOTAL ASSETS</b>			
<b><u>LIABILITIES</u></b>			
<b>CURRENT LIABILITES:</b>			
Accounts Payable	0	0	0
Accrued Liabilities	9,964	1,759	11,723
Intergovernmental Payables	0	0	0
Tenant Security Deposits	0	0	0
Deferred Revenue	270	48	318
Other Current Liabilities	0	0	0
Interporgram Due To	95,731	0	95,731
<b>TOTAL CURRENT LIABILITES</b>	<b>105,965</b>	<b>1,807</b>	<b>107,772</b>
<b>NONCURRENT LIABILITES:</b>			
Noncurrent Liabilities - Other	0	0	0
<b>TOTAL NONCURRENT LIABILITES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITES</b>	<b>105,965</b>	<b>1,807</b>	<b>107,772</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	120	22	142
Unrestricted Net Assets	201,319	43,987	245,306
<b>TOTAL NET ASSETS</b>	<b>\$201,439</b>	<b>\$44,009</b>	<b>\$245,448</b>

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

Warren Metropolitan Housing Authority  
Statement of Revenue, Expenses and Change in Net Assets  
By Transitional Housing Projects (Enterprise Fund)  
For the Year Ended December 31, 2002

	HUD Supportive Housing	Department of Development Grants	Total Transitional Housing
<b><u>OPERATING REVENUE</u></b>			
Tenant Rental Revenue	\$55,689	\$9,905	\$65,594
Government Operating Grants	625,925	157,166	783,091
Other Income	0	0	0
<b>TOTAL REVENUE</b>	<b>681,614</b>	<b>167,071</b>	<b>848,685</b>
<b><u>EXPENSES</u></b>			
Administrative Expenses	159,716	33,401	193,117
Tenant Services	146,600	60,044	206,644
Utilities Expenses	2,278	810	3,088
Ordinary Maintenance and Operation	0	0	0
General Expenses	0	0	0
Housing Assistance Payments	328,504	64,521	393,025
Other Operating Expenses	0	0	0
Depreciation Expense	512	91	603
<b>TOTAL EXPENSES</b>	<b>637,610</b>	<b>158,867</b>	<b>796,477</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>44,004</b>	<b>8,204</b>	<b>52,208</b>
<b><u>NON-OPERATING REVENUE (EXPENSES):</u></b>			
Investment Income	68	12	80
Government Capital Grants	0	0	0
<b>NON-OPERATING REVENUE - NET</b>	<b>68</b>	<b>12</b>	<b>80</b>
Change In Net Assets	44,072	8,216	52,288
Beginning Net Assets	157,367	35,793	193,160
Prior Period Adjustments	0	0	0
<b>Ending Net Assets</b>	<b>\$201,439</b>	<b>\$44,009</b>	<b>\$245,448</b>

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

Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop.	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
<b>ASSETS:</b>									
CURRENT ASSETS:									
Cash:									
111	Cash - Unrestricted	\$489,500	\$ -0-	\$ -0-	\$178,255	\$ -0-	\$3,614	\$20,320	\$691,689
114	Cash - Tenant Security Deposits	44,352	-0-	-0-	-0-	-0-	-0-	-0-	44,352
100	Total Cash	533,852	-0-	-0-	178,255	-0-	3,614	20,320	736,041
122	Accounts Receivable - HUD Other Projects	27,107	-0-	-0-	-0-	-0-	18,494	285,225	330,826
125	Accounts Receivable - Miscellaneous	-0-	-0-	-0-	39,434	-0-	-0-	-0-	39,434
126	Accounts Receivable - Tenants - Dwelling Rents	29,068	-0-	-0-	-0-	-0-	309	1,739	31,116
126.1	Allowance for Doubtful Accounts - Dwelling Rents	( 11,057)	-0-	-0-	-0-	-0-	-0-	-0-	( 11,057)
126.2	Allowance for Doubtful Accounts - Other	0	-0-	-0-	-0-	-0-	-0-	-0-	-0-
128.1	Allowance for Doubtful Accounts - Fraud	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
129	Accrued Interest Receivable	3,550	-0-	-0-	-0-	-0-	-0-	-0-	3,550
120	Total Receivables, net of allowances for doubtful accounts	48,668	-0-	-0-	39,434	-0-	18,803	286,964	393,869
142	Prepaid Expenses and Other Assets	27,349	-0-	-0-	-0-	-0-	-0-	-0-	27,349
143.1	Allowance for Obsolete Inventories	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
144	Interprogram Due From	74,387	-0-	-0-	-0-	-0-	23,377	-0-	97,764
150	TOTAL CURRENT ASSETS:	684,256	-0-	-0-	217,689	-0-	45,794	307,284	1,255,023

Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop.	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
<b>NONCURRENT ASSETS:</b>									
Fixed Assets:									
161	Land	1,587,610	50,834	-0-	-0-	-0-	-0-	-0-	1,638,444
162	Buildings	13,950,134	23,968	-0-	-0-	246,663	-0-	-0-	14,220,765
163	Furniture, Equipment & Machinery - Dwellings	18,521	-0-	-0-	-0-	-0-	-0-	-0-	18,521
164	Furniture, Equipment & Machinery - Administration	245,803	-0-	-0-	22,253	-0-	6,054	34,038	308,148
166	Accumulated Depreciation	(4,557,846)	-0-	-0-	(8,065)	-0-	(6,032)	(33,918)	(4,605,861)
160	Total Fixed Assets, Net of Accumulated Depreciation	11,244,222	74,802	-0-	14,188	246,663	22	120	11,580,017
180	TOTAL NON-CURRENT ASSETS	11,244,222	74,802	-0-	14,188	246,663	22	120	11,580,017
190	<b>TOTAL ASSETS</b>	\$11,928,478	\$74,802	\$ -0-	\$231,877	\$246,663	\$45,816	\$307,404	\$12,835,040

**LIABILITIES AND EQUITY:**

**LIABILITIES**

**CURRENT LIABILITIES**

312	Accounts Payable <= 90 Days	\$26,397	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$26,397
321	Accrued Wage/Payroll Taxes Payable	31,696	-0-	-0-	3,864	-0-	787	4,455	40,802
322	Accrued Compensated Absences - Current Portion	10,462	-0-	-0-	3,603	-0-	972	5,5 09	20,546
331	Accounts Payable - HUD PHA Programs	-0-	-0-	-0-	64,126	-0-	-0-	-0-	64,126
333	Accounts Payable - Other Government	25,509	-0-	-0-	-0-	-0-	-0-	-0-	25,509
341	Tenant Security Deposits	49,305	-0-	-0-	-0-	-0-	-0-	-0-	49,305

Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop.	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
342	Deferred Revenues	741	-0-	-0-	-0-	-0-	48	270	1,059
345	Other Current Liabilities	31,762	-0-	-0-	-0-	-0-	-0-	-0-	31,762
347	Interprogram Due To	-0-	-0-	-0-	2,033	-0-	-0-	95,731	97,764
310	<b>Total Current Liabilities</b>	<b>175,872</b>	<b>-0-</b>	<b>-0-</b>	<b>73,626</b>	<b>-0-</b>	<b>1,807</b>	<b>105,965</b>	<b>357,270</b>
353	Noncurrent Liabilities - Other	-0-	-0-	-0-	59,547	-0-	-0-	-0-	59,547
350	<b>Total Noncurrent Liabilities</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>59,547</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>59,547</b>
300	<b>TOTAL LIABILITIES</b>	<b>175,872</b>	<b>-0-</b>	<b>-0-</b>	<b>133,173</b>	<b>-0-</b>	<b>1,807</b>	<b>105,965</b>	<b>416,817</b>
<b>EQUITY:</b>									
Contributed Capital:									
508	Total Contributed Capital	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
508.1	Invested in Capital Assets, Net of Related Debt	11,244,222	74,802	-0-	14,188	246,663	22	120	11,580,017
511	Total Reserved Fund Balance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
511.1	Restricted Net Assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
512.1	Unrestricted Net Assets	508,384	-0-	-0-	84,516	-0-	43,987	201,319	838,206
513	<b>TOTAL EQUITY/NET ASSETS</b>	<b>11,752,606</b>	<b>74,802</b>	<b>-0-</b>	<b>98,704</b>	<b>246,663</b>	<b>44,009</b>	<b>201,439</b>	<b>12,418,223</b>
600	<b>TOTAL LIABILITIES AND EQUITY/NET ASSETS</b>	<b>\$11,928,478</b>	<b>\$74,802</b>	<b>\$ -0-</b>	<b>\$231,877</b>	<b>\$246,663</b>	<b>\$45,816</b>	<b>\$307,404</b>	<b>\$12,835,040</b>



Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop.	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
<b>REVENUE:</b>									
703	Net Tenant Rental Revenue	\$335,068	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$9,905	\$55,689	\$400,662
705	Total Tenant Revenue	335,068	-0-	-0-	-0-	-0-	9,905	55,689	400,662
706	HUD PHA Operating Grants	421,515	5,817	-0-	2,120,046	17,451	-0-	625,925	3,190,754
706.1	Capital Grants	-0-	-0-	-0-	-0-	11,513	-0-	-0-	11,513
708	Other Government Grants	-0-	-0-	-0-	-0-	-0-	157,166	-0-	157,166
711	Investment Income - Unrestricted	33,535	-0-	-0-	42	-0-	12	68	33,657
715	Other Revenue	94,151	-0-	-0-	41,076	-0-	-0-	-0-	135,227
700	<b>TOTAL REVENUE</b>	884,269	5,817	-0-	2,161,164	28,964	167,083	681,682	3,928,979
<b>EXPENSES:</b>									
Administrative:									
911	Administrative Salaries	119,156	5,817	-0-	91,430	17,451	18,223	52,212	304,289
912	Auditing Fees	2,991	-0-	-0-	2,012	-0-	1,197	0	6,200
914	Compensated Absences	2,961	-0-	-0-	-0-	-0-	639	3,619	7,219
915	Employee Benefit Contributions - Administrative	55,656	-0-	-0-	60,803	-0-	4,858	20,726	142,043
916	Other Operating - Administrative	115,310	-0-	-0-	66,845	-0-	8,484	83,159	273,798
Tenant Services:									
921	Tenant Services - Salaries	-0-	-0-	-0-	-0-	-0-	16,573	83,802	100,375
923	Employee Benefit Contributions - Tenant Services	-0-	-0-	-0-	-0-	-0-	3,370	19,526	22,896
924	Tenant Services - Other	-0-	-0-	-0-	-0-	-0-	40,101	43,272	83,373

Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop.	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
Utilities:									
931	Water	22,263	-0-	-0-	-0-	-0-	810	2,278	25,351
932	Electricity	44,745	-0-	-0-	-0-	-0-	-0-	-0-	44,745
933	Gas	8,747	-0-	-0-	-0-	-0-	-0-	-0-	8,747
Ordinary Maintenance & Operation:									
941	Ordinary Maintenance and Operations - Labor	152,292	-0-	-0-	-0-	-0-	-0-	-0-	152,292
942	Ordinary Maintenance and Operations - Materials and Other	57,673	-0-	-0-	1,093	-0-	-0-	-0-	58,766
943	Ordinary Maintenance and Operations - Contract Costs	23,853	-0-	-0-	-0-	-0-	-0-	-0-	23,853
General Expenses:									
961	Insurance Premiums	118,169	-0-	-0-	-0-	-0-	-0-	-0-	118,169
962	Other General Expenses	481	-0-	-0-	-0-	-0-	-0-	-0-	481
963	Payments in Lieu of Taxes	25,931	-0-	-0-	-0-	-0-	-0-	-0-	25,931
964	Bad Debt - Tenant Rents	35,735	-0-	-0-	-0-	-0-	-0-	-0-	35,735
969	<b>TOTAL OPERATING EXPENSES</b>	<b>785,963</b>	<b>5,817</b>	<b>-0-</b>	<b>222,183</b>	<b>17,451</b>	<b>94,255</b>	<b>308,594</b>	<b>1,434,263</b>
970	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>98,306</b>	<b>-0-</b>	<b>-0-</b>	<b>1,938,981</b>	<b>11,513</b>	<b>72,828</b>	<b>373,088</b>	<b>2,494,716</b>

Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
971	Extraordinary Maintenance	3,945	-0-	-0-	-0-	-0-	-0-	-0-	3,945
972	Casualty Losses - Non-Capitalized	6,524	-0-	-0-	-0-	-0-	-0-	-0-	6,524
973	Housing Assistance Payments	-0-	-0-	-0-	1,857,474	-0-	64,521	328,504	2,250,499
974	Depreciation Expense	455,942	-0-	-0-	1,913	-0-	91	512	458,458
900	<b>TOTAL EXPENSES</b>	1,252,374	5,817	-0-	2,081,570	17,451	158,867	637,610	4,153,689
1010	Total Other Financing Sources (Uses)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1000	<b>EXCESS (DEFICIENCY) OF OPERATING REVENUE OVER (UNDER) EXPENSES</b>	( 368,105)	-0-	-0-	79,594	11,513	8,216	44,072	( 224,710)
1102	Debt Principal Payments - Enterprise Funds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1103	Beginning Equity	11,547,010	74,802	573,701	19,110	235,150	35,793	157,367	12,642,933
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	573,701	-0-	(573,701)	-0-	-0-	-0-	-0-	-0-
	<b>ENDING RETAINED EARNINGS</b>	\$11,752,606	\$74,802	\$ -0-	\$98,704	\$246,663	\$44,009	\$201,439	\$12,418,223

Warren Metropolitan Housing Authority  
Combining Balance Sheet  
FDS Schedule Submitted To REAC  
Proprietary Fund Type – Enterprise Fund  
December 31, 2002

Line Item No.	Account Description	Low Rent Public Housing	Develop.	Public Housing Comprehensive Improvement Assistance Program	Housing Choice Voucher Program	Public Housing Capital Fund Program	State/Local	Supportive Housing	Total
<b>MEMO ACCOUNT INFORMATION:</b>									
1113	Maximum Annual Contributions Commitment (Per ACC)	-0-	-0-	-0-	2,140,410	-0-	-0-	-0-	2,140,410
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-0-	-0-	-0-	89,012	-0-	-0-	-0-	89,012
1115	Contingency Reserve, ACC Program Reserve	-0-	-0-	-0-	395,160	-0-	-0-	-0-	395,160
1116	Total Annual Contributions Available	-0-	-0-	-0-	2,624,582	-0-	-0-	-0-	2,624,582
1120	Unit Months Available	2,304	-0-	-0-	5,400	-0-	96	600	8,400
1121	Number of Unit Months Leased	2,274	-0-	-0-	5,182	-0-	96	600	8,152

Warren Metropolitan Housing Authority  
 Schedule of Expenditures of Federal Award  
 For the Year Ended December 31, 2002

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850a	\$421,515
Development Public Housing	14,850b	5,817
Housing Choice Voucher Program	14.871	2,120,046
Public Housing Capital Fund Program	14.872	28,964
Supportive Housing by Person with Disabilities	14.181	<u>625,925</u>
 Total Expenditure of Federal Award		 <u><u>\$3,202,267</u></u>

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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  
Warren Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

I have audited the basic financial statements of the Warren Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2002, and have issued my report thereon dated June 6, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Warren Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My 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 component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the

financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

A handwritten signature in black ink that reads "Salvatore Consiglio". The signature is written in a cursive style and is positioned above a horizontal line.

Salvatore Consiglio, CPA, Inc.

June 6, 2003

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North Royalton, Ohio 44133  
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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  
Warren Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

I have audited the compliance of the Warren Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2002. Warren Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Warren Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Warren Metropolitan Housing Authority, Ohio's compliance based on my audit.

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

In my opinion, Warren Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.



## **Internal Control Over Compliance**

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

My 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. I noted no matters involving the Internal control over compliance and its operation that I considered to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



Salvatore Consiglio, CPA, Inc.

June 6, 2003

Warren Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 December 31, 2002

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.850a, 14.871, 14.181 - Low Rent Public Housing, Housing Choice Voucher & Supportive Housing
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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There are no Findings or questioned costs for the year ended December 31, 2002.

<b>3. FINDINGS REALTED TO FEDERAL AWARDS</b>
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There are no Findings or questioned costs for the year ended December 31, 2002.

Warren Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
December 31, 2002

The audit report for the fiscal year ending December 31, 2001 contained not audit finding.





**Auditor of State  
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**WARREN METROPOLITAN HOUSING AUTHORITY**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 6, 2003**