

AUDITED BASIC FINANCIAL STATEMENTS
OF THE
CRAWFORD METROPOLITAN HOUSING AUTHORITY
APRIL 1, 2008 - MARCH 31, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Crawford Metropolitan Housing Authority, Crawford County, prepared by Wilson, Shannon & Snow, Inc., for the audit period April 1, 2008 through March 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 9, 2009

This Page is Intentionally Left Blank.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
TABLE OF CONTENTS**

<u>TITLE</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	11
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	12
STATEMENT OF CASH FLOWS	13
NOTES TO THE BASIC FINANCIAL STATEMENTS	14
SUPPLEMENTAL DATA:	
STATEMENT OF NET ASSETS – FDS SCHEDULE SUBMITTED TO HUD	22
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – FDS SCHEDULE SUBMITTED TO HUD	24
STATEMENT OF CHANGES IN EQUITY BALANCES – FDS SCHEDULE SUBMITTED TO HUD	25
SCHEDULE OF FEDERAL AWARDS EXPENDITURES AND NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES	26
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	27
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH <i>OMB CIRCULAR A-133</i>	29
SCHEDULE OF FINDINGS - <i>OMB CIRCULAR A-133 § .505</i>	31



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the Crawford Metropolitan Housing Authority, Crawford County, Ohio (the Authority) as of and for the fiscal year ended March 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 in the 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 Crawford Metropolitan Housing Authority, Crawford County, as of March 31, 2009 and the changes in financial position and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 8, the Authority implemented GASB Statement No. 45, "Accounting and Financial reporting by Employers for Postemployment Benefits Other than Pensions" and GASB Statement No. 50, "Pension Disclosures".

In accordance with *Government Auditing Standards*, we have also issued a report dated September 11, 2009 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Federal Awards Expenditures is required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the Supplemental Financial Data Schedules, as required by the U.S. Department of Housing and Urban Development, are not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Expenditures and Supplemental Data Schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
September 11, 2009

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Crawford Metropolitan Housing Authority’s (the “Authority”) Management’s Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority’s financial activity, (c) identify changes in the Authority’s financial position, and (d) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority’s financial statements (beginning on page 11).

FINANCIAL HIGHLIGHTS

- During fiscal year 2009, the Authority’s net assets decreased by \$203,193 (or 47.3%). Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net Assets for fiscal year 2008 were \$429,343 and net assets for fiscal year 2009 were \$226,150.
- Revenues decreased by \$283,315 (or 19.6%) during fiscal year 2009, and was \$1,442,419 and \$1,159,104 for fiscal year 2008 and fiscal year 2009, respectively.
- Total expenses of the Authority increased by \$64,568 (or 5.0%). Total expenses were \$1,297,729 and \$1,362,297 for fiscal year 2008 and fiscal year 2009, respectively.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

USING THIS ANNUAL REPORT

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Other Required Supplementary Information”:

<p>MD&A</p> <p>~ Management’s Discussion And Analysis –pgs 3-10 ~</p>
--

<p>Basic Financial Statements</p> <p>~ Basic Financial Statements – pgs 11-13 ~ ~ Notes to the Basic Financial Statements – pg 14~</p>

<p>Other Required Supplementary Information</p> <p>~ Required Supplementary Information - none~</p>
--

The primary focus of the Authority’s financial statements is on the Authority as a whole. The Authority operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated into columns, which add to a total for the entire Authority.

These Statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal “Net Assets”, formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Assets (the “Unrestricted Net Assets”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets: This component of Net Assets consists of all Capital Assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any outstanding debt.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of “Net Assets Invested in Capital Assets”, or “Restricted Net Assets”.

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as grant revenue, Operating Expenses, such as administrative, utilities, and maintenance, and depreciation, and Non-Operating Revenue, such as investment income.

The focus of the Statement of Revenues, Expenses and Changes in Net Assets is the “Change in Net Assets”, which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities, and from capital and related financing activities.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

The Authority's Fund

The Authority consists exclusively of an Enterprise Fund. The Enterprise fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector.

The fund maintained by the Authority is required by the Department of Housing and Urban Development (HUD).

Business-Type Activities:

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of adjusted household income.

Statement of Net Assets

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

STATEMENT OF NET ASSETS

	<u>2009</u>	<u>2008</u>
Current and Other Assets	\$ 244,737	\$ 446,440
Capital Assets	<u>1,325</u>	<u>-</u>
Total Assets	<u>246,062</u>	<u>446,440</u>
Current Liabilities	5,265	4,450
Non-Current Liabilities	<u>14,647</u>	<u>12,647</u>
Total Liabilities	<u>19,912</u>	<u>17,097</u>
Net Assets:		
Invested in Capital Assets	1,325	-
Restricted	95,719	319,672
Unrestricted	<u>129,106</u>	<u>109,671</u>
Total Net Assets	<u>\$ 226,150</u>	<u>\$ 429,343</u>

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

Major Factors Affecting the Statement of Net Assets

Current assets were decreased by \$201,703 in fiscal year 2009 caused from high leasing and using HAP reserves for maintaining high leasing, which decreased cash. Liabilities increased by \$2,815 of which \$2,346 was due to compensated absences.

Capital assets increased during fiscal year 2009 from zero to \$1,325. The increase is attributed to the current year purchase of a computer offset by depreciation. For more detail see "Capital Assets and Debt Administration" on page 9.

CHANGE OF UNRESTRICTED NET ASSETS

Unrestricted Net Assets March 31, 2008		\$ 109,671
Results of Operations related to Administration Fee	\$ 20,760	
Adjustments:		
Depreciation (1)	<u>148</u>	
Adjusted Results from Operations		20,908
Capital Expenditures		<u>(1,473)</u>
Unrestricted Net Assets March 31, 2009		\$ <u>129,106</u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets.

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

CHANGE OF RESTRICTED NET ASSETS

Restricted Net Assets March 31, 2008		\$ 319,672
Results of Operations:		
HAP unspent to reserves	\$(228,974)	
Fraud Recovery payments, less Bad Debt Expense	3,337	
Interest on HAP	<u>1,684</u>	
Adjusted Results from Operations		<u>(223,953)</u>
Restricted Net Assets March 31, 2009		\$ <u>95,719</u>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

	<u>2009</u>	<u>2008</u>
Revenues		
HUD PHA Operating Grants	\$ 1,147,058	\$ 1,424,680
Interest	5,265	6,854
Other Revenues	<u>6,781</u>	<u>10,885</u>
Total Revenue	<u>1,159,104</u>	<u>1,442,419</u>
Expenses		
Administrative Salaries and Employee Benefits	85,165	85,601
Material and Labor - Maintenance	2,144	4,307
General and Other Administrative	69,483	68,107
Housing Assistance Payments	1,205,357	1,139,518
Depreciation	<u>148</u>	<u>196</u>
Total Expenses	<u>1,362,297</u>	<u>1,297,729</u>
Change in Net Assets	(203,193)	144,690
Net Assets at April 1	<u>429,343</u>	<u>284,653</u>
Net Assets at March 31	\$ <u>226,150</u>	\$ <u>429,343</u>

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

HUD PHA Operating Grants reflects the total amount received for fiscal year 2009 according to ACC for Housing Assistance Payments and earned for Administration fees. The Authority expended more in Housing Assistance Payments funds than it received by \$228,974 thus decreasing their Restricted Housing Assistance Payments Equity account. The Authority expended funds from their HAP reserves to maintain a high leasing rate. The leasing rate for fiscal year 2009 was 98.25%; leasing 3,820 unit months out of a possible 3,888.

The \$203,193 deficit is made up of a \$223,953 decrease to Restricted HAP funds to a \$20,760 surplus to administrative operations.

The Authority still estimates HUD may deduct \$42,449 for Housing Assistance Payments recapture for the 148 unit month's coverage from fiscal year 2008. This recapture would be paid from Administrative Fee Equity and is reflected in the Restricted Net Assets figure.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2009, the Authority had \$1,325 invested in capital assets as reflected in the following schedule.

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)

	<u>Business-Type Activities</u>	
	<u>2009</u>	<u>2008</u>
Equipment – Administrative	\$ 6,750	\$ 21,478
Accumulated Depreciation	(5,425)	(21,478)
Total	\$ <u>1,325</u>	\$ <u> -</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 19 of the notes.

CHANGE IN CAPITAL ASSETS

	<u>Business-Type Activities</u>
Beginning Balance	\$ -
Additions	1,473
Depreciation	<u>(148)</u>
Ending Balance	\$ <u>1,325</u>

Additions for fiscal year 2009 totaled \$1,473 for a computer system. There were \$16,201 in disposals for 2009 as these items were fully depreciated, and therefore had no impact on the change in capital assets as outlined above.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(UNAUDITED)**

Debt Outstanding

As of March 31, 2009, the Authority has no outstanding debt.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recession and employment trends, which can affect resident incomes and therefore the demand for housing assistance.
- Inflationary pressure on utility rates, supplies and other costs.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Marsha K. Inscho; Finance Manager for the Crawford Metropolitan Housing Authority, at (419) 526-1622. Specific requests may be submitted to the Authority at P.O. Box 1029, Mansfield, OH 44901.

CRAWFORD METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET ASSETS
MARCH 31, 2009

Assets

Current Assets:

Cash and Cash Equivalents	\$ 189,317
Accounts Receivable, Net	838
Prepaid Items	<u>1,312</u>
Total Current Assets	<u>191,467</u>

Non-Current Assets:

Restricted Cash	53,270
Capital Assets:	
Furniture and Equipment	6,750
Accumulated Depreciation	<u>(5,425)</u>
Total Capital Assets	<u>1,325</u>
Total Non-Current Assets	<u>54,595</u>

Total Assets

246,062

Liabilities

Current Liabilities:

Accounts Payable	1,899
Accrued Wages and Payroll Taxes	1,020
Accrued Compensated Absences	<u>2,346</u>
Total Current Liabilities	<u>5,265</u>

Non-Current Liabilities:

Accrued Compensated Absences	<u>14,647</u>
Total Non-Current Liabilities	<u>14,647</u>

Total Liabilities

19,912

Net Assets

Invested in Capital Assets	1,325
Restricted	95,719
Unrestricted	<u>129,106</u>

Total Net Assets

\$ 226,150

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

CRAWFORD METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009

Operating Revenues		
HUD Grants		\$ 1,147,058
Other Revenues		<u>6,781</u>
Total Operating Revenue		<u>1,153,839</u>
Operating Expenses		
Housing Assistance Payments	\$ 1,205,357	
Administrative Salaries	57,535	
Employee Benefits	27,630	
Other Administrative Expense	61,905	
Material and Labor - Maintenance	2,144	
Depreciation	148	
General	7,471	
Bad Debt	<u>107</u>	
Total Operating Expenses		<u>1,362,297</u>
Operating Loss		<u>(208,458)</u>
Nonoperating Revenues		
Interest		<u>5,265</u>
Change in Net Assets		(203,193)
Net Assets at April 1, 2008		<u>429,343</u>
Net Assets at March 31, 2009		<u><u>\$ 226,150</u></u>

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009**

Cash flows used in operating activities:

Cash received from HUD	\$ 1,154,652
Cash received from other sources	6,624
Cash payments to employees for services	(85,093)
Cash payments for good or services - HUD programs	(1,205,357)
Cash payments for goods or services	(65,856)
	(195,030)

Net cash used in operating activities (195,030)

Cash flows from investing activities:

Interest	5,265
----------	-------

Cash flows used in capital activities:

Purchase of capital assets	(1,473)
----------------------------	---------

Net change in cash and cash equivalents (191,238)

Cash and cash equivalents at April 1, 2008 433,825

Cash and cash equivalents at March 31, 2009 \$ 242,587

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$ (208,458)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	148
Changes in assets and liabilities:	
Accounts receivable	8,962
Prepaid items	1,503
Accounts payable	396
Accrued wages and payroll taxes	73
Other liabilities	2,346
	(195,030)

Net cash used in operating activities \$ (195,030)

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The basic financial statements of the Crawford Metropolitan Housing Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the generally accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

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

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

CRAWFORD METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Accounting

The Authority uses a proprietary fund to report on its financial position and the results of its operations for the Section 8 Housing Choice Voucher program. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Proprietary Fund Types:

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

Enterprise Fund – The Authority is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in total net assets. The statement of cash flows provides information about how the Authority finances and meets cash flow needs.

The Authority accounts for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Measurement Focus/Basis of Accounting

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

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the assets life, are not capitalized. The capitalization threshold used by the Authority is \$500. The following are the useful lives used for depreciation purposes:

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2009
 (CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets - Continued

<u>Description</u>	<u>Estimated Useful Life - Years</u>
Furniture	7
Equipment	5
Computer hardware	3
Computer software	3

Cash and Cash Equivalents

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

Compensated Absences

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount reported as restricted net assets at fiscal year end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts from Administration Fee which may be recaptured by HUD. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Authority first applies restricted net assets. The Authority had \$42,449 in net assets restricted by enabling legislation at March 31, 2009 for potential repayment of funding received due to over leasing in prior years.

CRAWFORD METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Estimates

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

Prepaid Items

Payments made to vendors for services that will benefit beyond year-end are recorded as prepaid items via the consumption method.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Housing Assistance Payment equity balances of \$53,270.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are for Housing and Urban Development Grants and other revenues. Operating expenses are necessary costs to provide goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as nonoperating revenues.

Accounts Receivable

Management considers all accounts receivable (excluding the fraud recovery receivable) to be collected in full.

Accrued Interest Receivable

Accrued interest receivable represents the amount of interest earned but not collected on certificates of deposits as of the balance sheet date. Interest is collected upon maturity.

CRAWFORD METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(CONTINUED)

2. CASH AND CASH EQUIVALENTS

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

All monies are deposited into banks as determined by the Authority. Funds are deposited in a non-interest bearing checking account. Security shall be furnished for all accounts in the Authority's name.

Cash and cash equivalents included in the Authority's cash position at March 31, 2009 are as follows:

Demand deposits:	
Bank balance - Checking	\$ 148,500
Items-in-transit	<u>(5,938)</u>
Carrying balance	\$ <u>142,562</u>

Of the fiscal year-end cash balance, the entire balance was covered by federal deposit insurance. In addition, \$25 was maintained in petty cash funds which is included in cash and cash equivalents presented on the statement of net assets.

At March 31, 2009, the Authority owned a certificate of deposit with a carrying value of \$100,000 which was insured by in total by federal deposit insurance.

Based on the Authority having only demand deposits at March 31, 2009, the Authority is not subject to interest rate, credit, concentration, or custodial credit risks.

3. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the fiscal year 2009, the Authority purchased commercial insurance for general insurance, real property, building content, and public employee liability.

Property insurance carries a \$500 deductible. The limit for public employee theft, disappearance, and destruction is \$5,000 each loss.

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED MARCH 31, 2009
 (CONTINUED)**

4. CAPITAL ASSETS

The following is a summary of capital assets at March 31, 2009:

	<u>Balance at</u> <u>April 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>March 31, 2009</u>
Furniture and equipment	\$ 21,478	\$ 1,473	\$(16,201)	\$ 6,750
Accumulated depreciation	(21,478)	(148)	<u>16,201</u>	<u>(5,425)</u>
Total capital assets, net	\$ _____	\$ <u>1,325</u>	\$ _____	\$ <u>1,325</u>

5. DEFINED BENEFIT PENSION PLANS – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – All employees of the Authority are eligible to participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing, multiple-employer defined pension plan.
2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-retirement health care coverage. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available comprehensive annual financial report which includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222- 7377.

Funding Policy – The Authority and covered employees contribute at actuarially determined rates for both 2008 and 2009, 14% and 10%, respectively, of covered employee payroll to OPERS. The Authority’s contributions to OPERS for the years ended March 31, 2009, 2008, and 2007 were \$8,055, \$7,812, and \$7,409, respectively which were equal to the required contributions for each year. The employees contribution to OPERS for March 31, 2008, 2007, 2006 were \$5,754, \$5,344, and \$4,854. required contributions are equal to 100% of the dollar amount billed.

CRAWFORD METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(CONTINUED)

5. DEFINED BENEFIT PENSION PLANS – OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONTINUED

Other Postretirement Benefits – OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available under OPERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB). The portion of employer contributions, for all employers, allocated to health care was 5.00% from January 1 through December 31, 2008. The Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions to OPERS.

Employer contributions are advance-funded on an actuarially determined basis and are determined by state statute. The Traditional Pension and Combined Plans had 363,503 active contributing participants as of December 31, 2008. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076.

Employer contributions made to fund post-employment benefits were approximately \$2,119.

The assumptions and calculations used below were based on the System's latest Actuarial Review performed as of December 31, 2007 (latest actuarial review). An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actual gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2007 was 6.5 percent.

OPERS (assuming the number of active employees remains constant) assumes an annual increase of 4.00% compounded annually for the base portion of an individual's pay increase. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.3%.

Health care costs were assumed to increase at a projected wage inflation rate plus an additional factor ranging from .50% to 4% for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase 4% (the projected wage inflation rate).

As of December 31, 2007, the audited estimated net assets available for OPEB were \$12.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$29.8 billion and \$17 billion, respectively.

The Health Care Preservation Fund (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2009
(CONTINUED)**

6. COMPENSATED ABSENCES

The following is a summary of compensated absences at March 31, 2009:

<u>Balance at April 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at March 31, 2009</u>	<u>Due in One Year</u>
\$14,647	\$6,999	(\$4,653)	\$16,993	\$2,346

7. CONTINGENT LIABILITIES

A. Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority at March 31, 2009.

B. Litigation

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

8. CHANGE IN ACCOUNTING PRINCIPLE

For 2009, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with the Statement for the OPERS postemployment healthcare which are the same as the previously reported liabilities.

GASB Statement No. 50 requires employers contributing to defined pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any changes to the financial statements.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
CRAWFORD COUNTY**

**STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
MARCH 31, 2009**

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers
	Current Assets	
	Cash	
111	Cash - Unrestricted	\$ 189,317
113	Cash - Other Restricted	53,270
		242,587
100	Total Cash	242,587
	Accounts Receivable	
122	HUD Other Project	175
128	Fraud Recovery	5,317
128.1	Allowance for Doubtful Accounts	(5,317)
129	Accrued Interest Receivable	663
		838
120	Total Receivables, Net of Allowance for Doubtful Accounts	838
	Other Assets	
142	Prepaid Items	1,312
		1,312
150	Total Other Assets	1,312
	Total Current Assets	244,737
	Noncurrent Assets	
	Capital Assets	
164	Furniture and Equipment - Administration	6,750
166	Accumulated Depreciation	(5,425)
160	Total Capital Assets	1,325
	net of accumulated depreciation	1,325
180	Total Noncurrent Assets	1,325
190	Total Assets	\$ 246,062

NOTE FOR REAC REPORTING: The accompanying statements have been prepared in accordance with the format as required for HUD's electronic filing REAC system. The format and classifications of various line items may differ from those used in the preparation of the financial statements presented in accordance with accounting principles generally accepted in the United States of America.

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
CRAWFORD COUNTY**

**STATEMENT OF NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
MARCH 31, 2009
(Continued)**

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers
	Current Liabilities	
312	Accounts Payable	\$ 1,899
321	Accrued Wages and Payroll Taxes	1,020
322	Accrued Compensated Absences - Current	2,346
		2,346
310	Total Current Liabilities	5,265
	Non-Current Liabilities	
354	Accrued Compensated Absences-Non-Current	14,647
		14,647
350	Total Non-Current Liabilities	14,647
300	Total Liabilities	19,912
	Net Assets	
508.1	Invested in Capital Assets	1,325
511.1	Restricted Net Assets	95,719
512.1	Unrestricted Net Assets	129,106
	Total Net Assets	226,150
600	Total Liabilities and Net Assets	\$ 246,062

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
CRAWFORD COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FDS SCHEDULE SUBMITTED TO HUD
MARCH 31, 2009**

FDS Line Item No.	Account Description	14.871 Section 8 Housing Choice Vouchers
	Revenue	
70600-010	Housing Assistance Payment Revenues	\$ 976,383
70600-020	Administrative Fees Revenues	170,675
70600	HUD PHA Operating Grants	<u>1,147,058</u>
71100	Investment Income - Unrestricted	<u>3,581</u>
71400-010	Housing Assistance Payments	3,391
71400-020	Administrative Fees	3,390
71400	Fraud Recovery	<u>6,781</u>
72000	Investment Income - Restricted	<u>1,684</u>
70000	Total Revenue	<u>1,159,104</u>
	Expenses	
91100	Administrative Salaries	55,189
91200	Auditing Fees	4,377
91310	Book-Keeping Fee	10,284
91400	Advertising and Marketing	450
91500	Employee Benefit Contribution - Administrative	27,630
91600	Office Expenses	17,384
91800	Travel	430
91900	Other	28,980
91000	Total Operating - Administrative	<u>144,724</u>
94200	Ordinary Maintenance and Operations - Materials and Other	<u>2,144</u>
94000	Total Maintenance and Operations	<u>2,144</u>
96130	Workmen's Compensation	330
96140	All Other Insurance	7,141
96100	Total Insurance Premiums	<u>7,471</u>
96200	Compensated Absences	2,346
96400	Bad Debt - Tenant Rents	53
	Total Other General Expenses	<u>2,399</u>
96900	Total Operating Expenses	<u>156,738</u>
97000	Excess Operating Revenue Over Operating Expenses	<u>1,002,366</u>
	Other Expenses	
97300-040	Tenant Protection	3,588
97300-050	All Other	1,201,769
97300	Housing Assistance Payments	<u>1,205,357</u>
97400	Depreciation Expense	148
97500	Fraud Losses	54
90000	Total Expenses	<u>1,362,297</u>
10000	Excess of Revenues over Expenses	(203,193)
11030	Beginning Net Assets	<u>429,343</u>
11170	Administrative Fee Equity	172,880
11180	Housing Assistance Payment Equity	53,270
	Total Ending Net Assets	<u>\$ 226,150</u>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
CRAWFORD COUNTY**

**STATEMENT OF CHANGES IN EQUITY BALANCES
FDS SCHEDULE SUBMITTED TO HUD
FOR THE FISCAL YEAR ENDED MARCH 31, 2009**

FDS Line Item No.	Account Description	14.871 Housing Choice Vouchers	
11170-001	Administrative Fee Equity - Beginning Balance		\$ 152,120
11170-010	Administrative Fee Revenue	\$ 170,675	
11170-040	Investment Income	3,581	
11170-045	Fraud Recovery Revenue	3,390	
11170-060	Total Administrative Fee Revenues		177,646
11170-080	Total Operating Expenses	156,738	
11170-090	Depreciation	148	
11170-110	Total Expenses		156,886
11170-002	Net Administrative Fee		20,760
11170-003	Administrative Fee Equity - Ending Balance		172,880
11170	Administrative Fee Equity		<u>\$ 172,880</u>
11180-001	Housing Assistance Payments Equity - Beginning Balance		\$ 277,223
11180-010	Housing Assistance Payment Revenues	976,383	
11180-015	Fraud Recovery Revenue	3,391	
11180-025	Investment Income	1,684	
11180-030	Total Housing Assistance Payments Revenues		981,458
11180-080	Housing Assistance Payments	1,205,357	
11180-090	Other Expenses	54	
11180-091	Comments for Other Expenses - Represents the portion of Bad Debt Expense allocated to HAP Fraud Recovery Revenue		
11180-100	Total Housing Assistance Payments Expenses		1,205,411
11180-002	Net Housing Assistance Payments		(223,953)
11180-003	Housing Assistance Payments Equity - Ending Balance		53,270
11180	Housing Assistance Payments Equity		<u>\$ 53,270</u>

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF FEDERAL AWARDS EXPENDITURES
 FOR THE FISCAL YEAR ENDED MARCH 31, 2009**

<u>Federal Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Section 8 Housing Choice Vouchers	14.871	\$ 1,147,058
Total Federal Award Expenditures		<u>\$ 1,147,058</u>

Notes to the Schedule of Federal Awards Expenditures

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



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

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

We have audited the financial statements of the Crawford Metropolitan Housing Authority, Crawford County, Ohio (the Authority) as of and for the fiscal year ended March 31, 2009, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 11, 2009. As discussed in Note 8, the Authority implemented GASB Statement No.'s 45 and 50. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with applicable accounting basis, such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Authority's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We intend this report solely for the information and use of the Board of Directors, management, Auditor of State, federal awarding agencies, and other members of the Authority. We intend it for no one other than these specified parties.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
September 11, 2009



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

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

Compliance

We have audited the compliance of the Crawford Metropolitan Housing Authority, Crawford County, Ohio (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the fiscal year ended March 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to its major program. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Crawford Metropolitan Housing Authority, Crawford County, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended March 31, 2009.

Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

Crawford Metropolitan Housing Authority
Board of Directors
Report on Compliance with Requirements Applicable
to Its Major Program and on Internal Control
over Compliance in Accordance with *OMB Circular A-133*
Page 2

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Authority's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the Board of Directors, management, the Auditor of State, federal awarding agencies, and other members of the Authority. It is not intended for use by anyone other than these specified parties.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
September 11, 2009

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
CRAWFORD COUNTY**

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

FOR THE FISCAL YEAR ENDED MARCH 31, 2009

1. SUMMARY OF AUDITOR'S RESULTS

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

**CRAWFORD METROPOLITAN HOUSING AUTHORITY
CRAWFORD COUNTY**

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

FOR THE FISCAL YEAR ENDED MARCH 31, 2009

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

CRAWFORD METROPOLITAN HOUSING AUTHORITY

CRAWFORD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 19, 2009**