

**CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO**

AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2003



**Auditor of State
Betty Montgomery**

Board of Directors
Cambridge Metropolitan Housing Authority
Cambridge, OH 43725

We have reviewed the Independent Auditor's Report of the Cambridge Metropolitan Housing Authority, Guernsey County, prepared by James G. Zupka, CPA, Inc, for the audit period April 1, 2002 through March 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

November 6, 2003

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CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
AUDIT REPORT
FOR THE YEAR ENDED MARCH 31, 2003

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the accompanying financial statements of the Cambridge Metropolitan Housing Authority as of and for the year ended March 31, 2003, which collectively comprise the Authority's financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Cambridge Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cambridge Metropolitan Housing Authority as of March 31, 2003, and the changes in equity and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 22, 2003 on our consideration of the Cambridge Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Authority taken as a whole. The supplemental Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the financial statements of the Cambridge Metropolitan Housing Authority. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

October 22, 2003

James G. Zupka
Certified Public Accountant

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 CAMBRIDGE, OHIO
 BALANCE SHEET
 MARCH 31, 2003

ASSETS

Current Assets

Cash and Cash Equivalents	\$1,266,129
Investments	307,271
Accounts Receivable - HUD	42,858
Accounts Receivable - Miscellaneous	72,753
Tenant Accounts Receivable, Net of Allowance	753
Inventories	<u>1,831</u>
Total Current Assets	<u>1,691,595</u>

Restricted Assets

Investment - Tenant Security Deposits	39,480
Cash and Cash Equivalents - FSS Escrow	50,437
Cash and Cash Equivalents - Tenant Council	<u>713</u>
Total Restricted Assets	<u>90,630</u>

Capital Assets - Net of Accumulated Depreciation	<u>5,838,190</u>
TOTAL ASSETS	<u>\$7,620,415</u> =====

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 31,031
Accrued Wages and Payroll Taxes	20,230
Accrued Compensated Absences - Current Portion	1,456
Accounts Payable - Other Governments	27,462
Tenant Security Deposits	30,838
Deferred Revenue	1,289
Other Current Liabilities	<u>7,298</u>
Total Current Liabilities	<u>119,604</u>

Noncurrent Liabilities

FSS Program Liability	50,437
Other Long-Term Liabilities	<u>265</u>
Total Noncurrent Liabilities	<u>50,702</u>
TOTAL LIABILITIES	<u>170,306</u>

Equity

Contributed Capital	6,228,300
Retained Earnings	<u>1,221,809</u>
Total Equity	<u>7,450,109</u>
TOTAL LIABILITIES AND EQUITY	<u>\$7,620,415</u> =====

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2003

<u>Operating Revenues</u>	
Net Tenant Revenue	\$ 375,881
HUD Operating Grants	3,230,360
Management Fees	<u>197,294</u>
Total Operating Revenues	<u>3,803,535</u>
<u>Operating Expenses</u>	
Housing Assistance Payments	2,484,058
Administrative	417,434
Tenant Services	49,302
Utilities	97,857
Maintenance	273,203
Protective Services	7,686
General	<u>56,769</u>
Total Operating Expenses before Depreciation	<u>3,386,309</u>
Income Before Depreciation	417,226
Depreciation	<u>312,942</u>
Operating Income	<u>104,284</u>
<u>Non-Operating Revenues (Expenses)</u>	
Capital Grants	171,244
Interest Income	30,612
Loss on Disposal of Fixed Assets	(9,944)
Other Non-Operating Revenue	<u>2,309</u>
Total Non-Operating Revenues (Expenses)	<u>194,221</u>
Net Income	298,505
Total Equity - Beginning of Year	6,897,365
Prior Period Adjustment	<u>254,239</u>
Total Equity	<u><u>\$7,450,109</u></u>

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2003

Cash Flows from Operating Activities

Cash Received from HUD	\$ 3,043,162
Cash Received from Tenants	375,951
Cash Received for Management Fees	148,009
Cash Payments for Housing Assistance	(2,484,058)
Cash Payments for Administrative Expenses	(412,013)
Cash Payments to FSS Escrow	12,771
Cash Payments for Other Operating Expenses	<u>(483,727)</u>
Net Cash Provided by Operating Activities	<u>200,095</u>

Cash Flows from Capital and Related Financing Activities

Acquisition of Capital Assets	(171,244)
Proceeds from Disposal of Capital Assets	451
Capital Grants Received	171,244
Other Non-Operating Revenue Received	<u>2,309</u>
Net Cash Provided by Capital and Other Related Financing Activities	<u>2,760</u>

Cash Flows from Investing Activities

Interest Received	<u>30,612</u>
Net Cash Provided by Investing Activities	<u>30,612</u>

Net Increase in Cash and Cash Equivalents	233,467
Cash and Cash Equivalents, Beginning	<u>1,430,563</u>

Cash and Cash Equivalents, Ending \$ 1,664,030
=====

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Net Operating Income	\$ 104,284
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	312,942
(Increase) Decrease in:	
Accounts Receivable - HUD	35,964
Accounts Receivable - Miscellaneous	(49,285)
Tenant Accounts Receivable	186
Inventories	1,090
(Increase) Decrease in:	
Accounts Payable	(2,538)
Accrued Payroll, Benefits and Taxes	7,959
Tenant Security Deposits	1,089
FSS Program Liability	12,771
Deferred Revenue (Prepaid Rent)	(1,205)
Deferred Revenue (HUD Subsidy)	<u>(223,162)</u>

Net Cash Provided by Operating Activities \$ 200,095
=====

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003

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

Organization and Reporting Entity

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

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

Basis of Presentation

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

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

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

Basis of Presentation (Continued)

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

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

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

Measurement Focus and Basis of Accounting

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

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

Use of Estimates

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

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

Cash and Cash Equivalents

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

Investments

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

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. 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 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; and **(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 liability. Information regarding compensated absences is detailed in Note 6.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Furniture and Equipment	5-7 years
Vehicles	5 years

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

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

Capitalization of Interest

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash

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

- A. Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
- B. Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.
- C. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

Deposits

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

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

Deposits (Continued)

The carrying amount of the Authority's deposits was \$1,663,880 at March 31, 2003. The corresponding bank balances were \$1,677,653.

The amount of \$300,000 was covered by federal depository insurance and the remaining deposits were covered by collateralization held by the bank in the Authority's name as required by HUD and are Category 1 deposits.

Book balances by program at March 31, 2003 were as follows:

	<u>Cash</u>	<u>Unrestricted Investments</u>	<u>Restricted Assets</u>			<u>Total</u>
			<u>Tenant Security Deposits</u>	<u>FSS Program</u>	<u>Tenant Council</u>	
Business Activities	\$ 57,622	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,622
Public Housing	552,061	152,292	39,480	0	713	744,546
Section 8 Mod. Rehab.	86,650	0	0	0	0	86,650
Section 8 Voucher	569,646	154,979	0	50,437	0	775,062
Subtotal	<u>\$1,265,979</u>	<u>\$307,271</u>	<u>\$ 39,480</u>	<u>\$50,437</u>	<u>\$ 713</u>	<u>\$1,663,880</u>
Petty Cash:						
Business Activities						100
Public Housing						<u>50</u>
Subtotal						<u>150</u>
Total						<u><u>\$1,664,030</u></u>

Investments

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

The Authority did not have any investments at March 31, 2003 other than certificates of deposits.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

NOTE 3: **RESTRICTED ASSETS**

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

Tenant Security Deposits	\$ 39,480
Family Self Sufficiency (FSS) Program Escrow	50,437
Tenant Council	<u>713</u>
Total Restricted Assets	<u>\$ 90,630</u> =====

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

NOTE 4: **CAPITAL ASSETS**

A summary of capital assets at March 31, 2003 by class is as follows:

	Restated 3/31/02 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	3/31/03 <u>Balance</u>
Land	\$ 393,177	\$ 0	\$ 0	\$ 393,177
Land Improvements	422,919	18,789	0	441,708
Buildings & Building Improvements	8,861,185	92,377	(26,719)	8,926,843
Furniture & Equipment	<u>213,180</u>	<u>60,079</u>	<u>(47,022)</u>	<u>226,237</u>
Total	9,890,461	171,245	(73,741)	9,987,965
Accumulated Depreciation*	(3,900,179)	(312,942)	63,346	(4,149,775)
Capital Assets, Net	<u>\$5,990,282</u> =====	<u>\$(141,697)</u> =====	<u>\$ (10,395)</u> =====	<u>\$5,838,190</u> =====

* Accumulated depreciation as of March 31, 2002 includes a reduction of \$255,349 for a prior period adjustment. The reclassification of assets to proper categories and a prior period adjustment of \$(1,110) are reflected in the March 31, 2002 capital asset balances.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

NOTE 5: **DEFINED BENEFIT PENSION PLANS**

Ohio Public Employees Retirement System

The following information was provided by the OPERS to assist the Authority in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

The Authority contributes to the Ohio Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand alone financial report. That report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5 percent. The 2002 and 2001 employer contribution rates were 13.55 percent of covered payroll of which 5 percent and 4.3 percent were the portions used to fund health care for the years 2002 and 2001, respectively. The Authority's contributions to OPERS for the years ended March 31, 2003, 2002, and 2001 were \$52,716, \$48,818, and \$43,037, respectively, which were equal to the required contributions for each year.

OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The portions of the 2003 and 2002 employer contributions used to fund health care were \$19,452 and \$18,014, respectively.

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

Ohio Public Employees Retirement System (Continued)

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the System's latest actuarial review performed as of December 31, 2001. 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 (actuarial 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 annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0 percent. An annual increase of 4.0 percent compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0 percent base increase, were assumed to range from 0.50 percent to 6.3 percent. Health care costs were assumed to increase 4.0 percent annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of OPERS' net assets available for OPEB at December 31, 2001 was \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

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

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

NOTE 6: **COMPENSATED ABSENCES**

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

All permanent employees will earn 4.6 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated up to 960 hours. Upon separation employees are not paid for sick leave not taken, except for one-fourth (1/4) accumulated sick leave upon retirement. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation. Upon separation, no payment for unused vacation is made to employees.

At March 31, 2003, based on the vesting method, \$1,456 was accrued by the Authority for unused vacation and sick time of which 100 percent was current.

NOTE 7: **RISK MANAGEMENT**

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

NOTE 8: **CONTINGENCIES**

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

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2003
(CONTINUED)

NOTE 9: **MANAGEMENT AGREEMENTS**

The Cambridge Metropolitan Housing Authority (the Authority) entered into housing management agreements with the Noble Metropolitan Housing Authority (Noble) and Monroe Metropolitan Housing Authority (Monroe) on March 30, 1987 and August 27, 1990, respectively. Pursuant to these agreements the Authority provides all management services to Noble and Monroe in order that they shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the parties have executed or may, from time to time, execute with HUD. As compensation for these services, Noble and Monroe transfer to the Authority the monthly earned administrative fees as determinable by the Department of Housing and Urban Development or an allocation of actual expenses as determined through the budget process. Total management fees earned for the fiscal year ended March 31, 2003 by the Authority from Noble and Monroe were \$95,242 and \$102,052, respectively.

NOTE 10: **RESTATEMENT OF BEGINNING EQUITY**

	<u>Business Activities</u>	<u>Low Rent Public Housing</u>	<u>Section 8 Moderate Rehabilitation</u>	<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund Program</u>	<u>Total</u>
Beginning Equity	\$ 0	\$6,100,337	\$ 70,613	\$ 508,905	\$ 217,510	\$ 6,897,365
Reclassify Beginning Equity for Business Activities	60,704	(60,704)	0	0	0	0
Correction to Beginning Accumulated Depreciation	0	255,349	0	0	0	255,349
Reclassify to Expense from Capital Asset	0	0	0	0	(1,110)	(1,110)
Transfer of Assets from Capital Fund Program	0	212,805	0	0	(212,805)	0
Total Restatements	60,704	407,450	0	0	(213,915)	254,239
Beginning Equity - Restated	<u><u>\$ 60,704</u></u>	<u><u>\$6,507,787</u></u>	<u><u>\$ 70,613</u></u>	<u><u>\$ 508,905</u></u>	<u><u>\$ 3,595</u></u>	<u><u>\$ 7,151,604</u></u>

Cambridge Metropolitan Housing Authority
Supplemental Financial Data Schedule
Balance Sheet by Program
As of March 31, 2003

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0002	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
ASSETS								
111	Cash - Unrestricted	\$57,722	\$552,111	\$86,650	\$0	\$569,646	\$0	\$1,266,129
113	Cash - Other Restricted	\$0	\$713	\$0	\$0	\$50,437	\$0	\$51,150
114	Cash - Tenant Security Deposits	\$0	\$39,480	\$0	\$0	\$0	\$0	\$39,480
100	Total Cash	\$57,722	\$592,304	\$86,650	\$0	\$620,083	\$0	\$1,356,759
121	Accounts Receivable - PHA Projects	\$0	\$0	\$998	\$0	\$3,281	\$38,579	\$42,858
125	Accounts Receivable - Miscellaneous	\$72,753	\$0	\$0	\$0	\$0	\$0	\$72,753
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$2,609	\$0	\$0	\$0	\$0	\$2,609
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$0	(\$1,856)	\$0	\$0	\$0	\$0	(\$1,856)
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$72,753	\$753	\$998	\$0	\$3,281	\$38,579	\$116,364
131	Investments - Unrestricted	\$0	\$152,292	\$0	\$0	\$154,979	\$0	\$307,271
143	Inventories	\$0	\$1,831	\$0	\$0	\$0	\$0	\$1,831
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$22,524	\$21,710	\$0	\$0	\$0	\$0	\$44,234
150	Total Current Assets	\$152,999	\$768,890	\$87,648	\$0	\$778,343	\$38,579	\$1,826,459
161	Land	\$0	\$393,177	\$0	\$0	\$0	\$0	\$393,177
162	Buildings	\$0	\$8,830,871	\$0	\$0	\$0	\$95,972	\$8,926,843
164	Furniture, Equipment & Machinery - Administration	\$0	\$166,158	\$0	\$0	\$0	\$60,079	\$226,237
165	Leasehold Improvements	\$0	\$422,919	\$0	\$0	\$0	\$18,789	\$441,708
166	Accumulated Depreciation	\$0	(\$4,149,774)	\$0	\$0	\$0	(\$1)	(\$4,149,775)
160	Total Fixed Assets, Net of Accumulated Depreciation	\$0	\$5,663,351	\$0	\$0	\$0	\$174,839	\$5,838,190
180	Total Non-Current Assets	\$0	\$5,663,351	\$0	\$0	\$0	\$174,839	\$5,838,190
190	Total Assets	\$152,999	\$6,432,241	\$87,648	\$0	\$778,343	\$213,418	\$7,664,649

Cambridge Metropolitan Housing Authority
Supplemental Financial Data Schedule
Balance Sheet by Program
As of March 31, 2003

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0002	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
LIABILITIES								
312	Accounts Payable <= 90 Days	\$3,460	\$12,084	\$0	\$0	\$0	\$15,487	\$31,031
321	Accrued Wage/Payroll Taxes Payable	\$4,979	\$8,977	\$261	\$0	\$4,820	\$1,193	\$20,230
322	Accrued Compensated Absences - Current Portion	\$1,338	\$81	\$0	\$0	\$37	\$0	\$1,456
333	Accounts Payable - Other Government	\$0	\$27,462	\$0	\$0	\$0	\$0	\$27,462
341	Tenant Security Deposits	\$0	\$30,838	\$0	\$0	\$0	\$0	\$30,838
342	Deferred Revenues	\$0	\$1,289	\$0	\$0	\$0	\$0	\$1,289
345	Other Current Liabilities	\$5,542	\$1,756	\$0	\$0	\$0	\$0	\$7,298
347	Interprogram Due To	\$0	\$20,318	\$2,017	\$0	\$0	\$21,899	\$44,234
310	Total Current Liabilities	\$15,319	\$102,805	\$2,278	\$0	\$4,857	\$38,579	\$163,838
353	Noncurrent Liabilities - Other	\$2	\$191	\$0	\$0	\$50,509	\$0	\$50,702
350	Total Noncurrent Liabilities	\$2	\$191	\$0	\$0	\$50,509	\$0	\$50,702
300	Total Liabilities	\$15,321	\$102,996	\$2,278	\$0	\$55,366	\$38,579	\$214,540
EQUITY								
504	Net HUD PHA Contributions	\$0	\$6,209,819	\$445	\$0	\$7,098	\$10,938	\$6,228,300
508	Total Contributed Capital	\$0	\$6,209,819	\$445	\$0	\$7,098	\$10,938	\$6,228,300
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$137,678	\$119,426	\$84,925	\$0	\$715,879	\$163,901	\$1,221,809
513	Total Equity/Net Assets	\$137,678	\$6,329,245	\$85,370	\$0	\$722,977	\$174,839	\$7,450,109
600	Total Liabilities and Equity/Net Assets	\$152,999	\$6,432,241	\$87,648	\$0	\$778,343	\$213,418	\$7,664,649

Cambridge Metropolitan Housing Authority
 Supplemental Financial Data Schedule
 Statement of Revenues, Expenses and Changes in Equity by Program
 For the year ended March 31, 2003

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0002	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
REVENUE								
703	Net Tenant Rental Revenue	\$0	\$364,846	\$0	\$0	\$0	\$0	\$364,846
704	Tenant Revenue - Other	\$0	\$11,035	\$0	\$0	\$0	\$0	\$11,035
705	Total Tenant Revenue	\$0	\$375,881	\$0	\$0	\$0	\$0	\$375,881
706	HUD PHA Operating Grants	\$0	\$243,519	\$145,153	\$0	\$2,738,134	\$103,554	\$3,230,360
706.1	Capital Grants	\$0	\$0	\$0	\$0	\$0	\$171,244	\$171,244
711	Investment Income - Unrestricted	\$208	\$14,283	\$158	\$0	\$15,963	\$0	\$30,612
713.1	Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
715	Other Revenue	\$197,294	\$38	\$0	\$0	\$2,271	\$0	\$199,603
716	Gain/Loss on Sale of Fixed Assets	\$0	(\$9,944)	\$0	\$0	\$0	\$0	(\$9,944)
720	Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
700	Total Revenue	\$197,502	\$623,777	\$145,311	\$0	\$2,756,368	\$274,798	\$3,997,756

Cambridge Metropolitan Housing Authority
Supplemental Financial Data Schedule
Statement of Revenues, Expenses and Changes in Equity by Program
For the year ended March 31, 2003

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0002	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
EXPENSES								
911	Administrative Salaries	\$67,122	\$68,719	\$4,984	\$0	\$71,721	\$22,761	\$235,307
912	Auditing Fees	\$0	\$2,368	\$212	\$0	\$3,058	\$0	\$5,638
913	Outside Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
914	Compensated Absences	\$0	\$0	\$0	\$0	\$0	\$0	\$0
915	Employee Benefit Contributions - Administrative	\$16,724	\$27,183	\$1,332	\$0	\$17,859	\$7,375	\$70,473
916	Other Operating - Administrative	\$13,371	\$44,506	\$2,646	\$0	\$37,850	\$7,643	\$106,016
921	Tenant Services - Salaries	\$152	\$16,230	\$0	\$0	\$31,608	\$0	\$47,990
923	Employee Benefit Contributions - Tenant Services	\$103	\$434	\$0	\$0	\$0	\$0	\$537
924	Tenant Services - Other	\$0	\$775	\$0	\$0	\$0	\$0	\$775
931	Water	\$0	\$38,695	\$0	\$0	\$0	\$0	\$38,695
932	Electricity	\$0	\$35,035	\$0	\$0	\$0	\$0	\$35,035
933	Gas	\$0	\$24,127	\$0	\$0	\$0	\$0	\$24,127
941	Ordinary Maintenance and Operations - Labor	\$14,383	\$94,831	\$0	\$0	\$0	\$0	\$109,214
942	Ordinary Maintenance and Operations - Materials and Other	\$1,008	\$45,783	\$250	\$0	\$3,612	\$46,348	\$97,001
943	Ordinary Maintenance and Operations - Contract Costs	\$0	\$38,655	\$0	\$0	\$0	\$11,741	\$50,396
945	Employee Benefit Contributions - Ordinary Maintenance	\$3,240	\$13,352	\$0	\$0	\$0	\$0	\$16,592
952	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$7,686	\$7,686
961	Insurance Premiums	\$4,425	\$10,550	\$27	\$0	\$13,633	\$0	\$28,635
963	Payments in Lieu of Taxes	\$0	\$27,462	\$0	\$0	\$0	\$0	\$27,462
964	Bad Debt - Tenant Rents	\$0	\$672	\$0	\$0	\$0	\$0	\$672
969	Total Operating Expenses	\$120,528	\$489,377	\$9,451	\$0	\$179,341	\$103,554	\$902,251
970	Excess Operating Revenue over Operating Expenses	\$76,974	\$134,400	\$135,860	\$0	\$2,577,027	\$171,244	\$3,095,505
973	Housing Assistance Payments	\$0	\$0	\$121,103	\$0	\$2,362,955	\$0	\$2,484,058
974	Depreciation Expense	\$0	\$312,942	\$0	\$0	\$0	\$0	\$312,942
900	Total Expenses	\$120,528	\$802,319	\$130,554	\$0	\$2,542,296	\$103,554	\$3,699,251
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$76,974	(\$178,542)	\$14,757	\$0	\$214,072	\$171,244	\$298,505

Cambridge Metropolitan Housing Authority
Supplemental Financial Data Schedule
Statement of Revenues, Expenses and Changes in Equity by Program
For the year ended March 31, 2003

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0001	Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitat OH033MR0002	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$0	\$6,100,337	\$70,613	\$0	\$508,905	\$217,510	\$6,897,365
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$60,704	\$407,450	\$0	\$0	\$0	(\$213,915)	\$254,239
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$0	\$153,532	\$143,998	\$2,736,306	\$0	\$3,033,836
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1115	Contingency Reserve, ACC Program Reserve	\$0	\$0	\$0	\$0	\$565,401	\$0	\$565,401
1116	Total Annual Contributions Available	\$0	\$0	\$153,532	\$143,998	\$3,301,707	\$0	\$3,599,237
1120	Unit Months Available	-	2,091	576	-	8,444	-	11,111
1121	Number of Unit Months Leased	-	2,091	561	-	8,444	-	11,096

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED MARCH 31, 2003

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs:		
<u>Public Housing Programs</u>		
Low Rent Public Housing	14.850	\$ 243,519
Capital Fund Program	14.872	274,798
Total Public Housing Programs		518,317
<u>Section 8 Programs</u>		
Section 8 Tenant Based Program:		
Housing Choice Voucher Program	14.871	2,758,169
Moderate Rehabilitation	14.856	145,153
Total Section 8 Programs		2,903,322
Total Federal Assistance		\$3,421,639

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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
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the financial statements of the Cambridge Metropolitan Housing Authority as of and for the year ended March 31, 2003, and have issued our report thereon dated October 22, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Cambridge Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Authority in a separate letter dated October 22, 2003.

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

October 22, 2003

James G. Zupka
Certified Public Accountant

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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
Cambridge Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of the Cambridge Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended March 31, 2003. Cambridge Metropolitan Housing Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants, applicable to its major federal program is the responsibility of the Cambridge Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Cambridge Metropolitan Housing Authority's compliance based on our audit.

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

In our opinion, Cambridge Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2003.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Authority in a separate letter dated October 22, 2003.

This report is intended solely for the information and use of the Board of Directors, management, Auditor of State, and Federal Awarding Agencies and is not intended to be used by anyone other than these specified parties.

October 22, 2003

James G. Zupka
Certified Public Accountant

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2003

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

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

CAMBRIDGE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
MARCH 31, 2003
(CONTINUED)

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

None.

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

None.



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CAMBRIDGE METROPOLITAN HOUSING AUTHORITY

GUERNSEY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 20, 2003**