

**NOBLE METROPOLITAN HOUSING AUTHORITY
CAMBRIDGE, OHIO**

AUDIT REPORT

FOR THE YEAR ENDED MARCH 31, 2003



**Auditor of State
Betty Montgomery**

Board of Commissioners
Noble Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Noble Metropolitan Housing Authority, Noble County, prepared by James G. Zupka, CPA 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 Noble Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

November 7, 2003

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

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Noble 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 Noble 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 Noble 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 Noble 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 Noble 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 Noble 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

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

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 119,162
Investments	26,792
Accounts Receivable - HUD	<u>30,706</u>
Total Current Assets	<u>176,660</u>

Restricted Assets

Investments - Tenant Security Deposits	5,677
Cash and Cash Equivalents - FSS Escrow	8,445
Cash and Cash Equivalents - Tenant Council	<u>298</u>
Total Restricted Assets	<u>14,420</u>

Capital Assets - Net of Accumulated Depreciation	<u>1,025,965</u>
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TOTAL ASSETS	\$1,217,045 <u><u>=====</u></u>
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LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 15,905
Accounts Payable - Other Governments	1,752
Tenant Security Deposits	5,981
Deferred Revenue	<u>715</u>
Total Current Liabilities	<u>24,353</u>

Noncurrent Liabilities

FSS Program Liability	<u>8,445</u>
Total Noncurrent Liabilities	<u>8,445</u>

TOTAL LIABILITIES	<u>32,798</u>
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Equity

Contributed Capital	98,533
Retained Earnings	<u>1,085,714</u>
Total Equity	<u>1,184,247</u>

TOTAL LIABILITIES AND EQUITY	\$1,217,045 <u><u>=====</u></u>
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The accompanying notes are an integral part of these financial statements.

NOBLE 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	\$ 29,061
HUD Operating Grants	<u>429,320</u>
Total Operating Revenues	<u>458,381</u>
<u>Operating Expenses</u>	
Housing Assistance Payments	281,645
Administrative	103,121
Tenant Services	264
Utilities	11,563
Maintenance	29,121
General	<u>3,359</u>
Total Operating Expenses before Depreciation	<u>429,073</u>
Income Before Depreciation	29,308
Depreciation	<u>59,631</u>
 Operating Loss	 <u>(30,323)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Capital Grants	7,620
Interest Income	2,568
Other Revenue	<u>22</u>
Total Non-Operating Revenues (Expenses)	<u>10,210</u>
Net Loss	(20,113)
Total Equity - Beginning of Year	1,189,645
Prior Period Adjustment	<u>14,715</u>
Total Equity	<u>\$1,184,247</u> =====

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

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

Cash Flows from Operating Activities

Cash Received from HUD	\$ 432,421
Cash Received from Tenants	30,003
Cash Received from Management Fees	7
Cash Payments for Housing Assistance	(281,645)
Cash Payments for Administrative Expenses	(155,713)
Cash Payments to FSS Escrow	4,057
Cash Payments for Other Expenses	<u>(44,307)</u>
Net Cash Used by Operating Activities	<u>(15,177)</u>

Cash Flows from Investing Activities

Interest Received	2,568
Other Non-Operating Revenue	<u>22</u>
Net Cash Provided by Investing Activities	<u>2,590</u>

Net Decrease in Cash and Cash Equivalents	(12,587)
Cash and Cash Equivalents, Beginning	<u>172,961</u>

Cash and Cash Equivalents, Ending **\$ 160,374**
=====

Reconciliation of Operating Loss to Net

Cash Used by Operating Activities

Net Operating Loss	\$ (30,323)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	59,631
(Increase) Decrease in:	
Accounts Receivable - HUD	27,227
Tenant Accounts Receivable	7
(Increase) Decrease in:	
Accounts Payable	(52,592)
Tenant Security Deposits	777
FSS Program Liability	4,057
Deferred Revenue (Prepaid Rent)	165
Deferred Revenue (HUD Subsidy)	<u>(24,126)</u>

Net Cash Used by Operating Activities **\$ (15,177)**
=====

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

NOBLE 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 Noble 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.

NOBLE 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.

NOBLE 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.

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 & Equipment	5-7 years
Vehicles	5 years

Capitalization of Interest

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

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

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).

NOBLE 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 \$160,324 at March 31, 2003. The corresponding bank balances were \$160,649.

The entire amount of \$160,649 was covered by federal depository insurance.

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

	Restricted Assets					Total
	Cash	Unrestricted Investments	Tenant Security Deposits	FSS Program	Tenant Council	
Public Housing	\$ 113,979	\$ 0	\$ 5,677	\$ 0	\$ 298	\$ 119,954
Section 8	5,133	26,792	0	8,445	0	40,370
Subtotal	\$ 119,112	\$26,792	\$ 5,677	\$ 8,445	\$ 298	\$ 160,324
Public Housing Petty Cash						50
Total						\$ 160,374

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 deposit.

NOBLE 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	\$ 5,677
Family Self Sufficiency (FSS) Program Escrow**	8,445
Tenant Council	<u>298</u>
Total Restricted Assets	<u>\$ 14,420</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**

	Restated 3/31/02 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/03 Balance</u>
Land	\$ 84,000	\$ 0	\$ 0	\$ 84,000
Land Improvements	20,776	0	0	20,776
Buildings & Building Improvements	1,188,778	0	0	1,188,778
Furniture & Equipment	<u>155,331</u>	<u>7,620</u>	<u>0</u>	<u>162,951</u>
Total	1,448,885	7,620	0	1,456,505
Accumulated Depreciation*	(370,909)	(59,631)	0	(430,540)
Capital Assets, Net	<u>\$1,077,976</u> =====	<u>\$ (52,011)</u> =====	<u>\$ 0</u> =====	<u>\$1,025,965</u> =====

*Accumulated depreciation as of March 31, 2002 includes a reduction of \$11,461 for a prior period adjustment. The reclassification of assets to proper categories and a prior adjustment of \$3,254 are reflected in the March 31, 2002 capital asset balances.

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

NOTE 5: **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 Noble is one. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 6: **CONTINGENCIES**

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

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

NOTE 7: **MANAGEMENT AGREEMENT**

The Noble Metropolitan Housing Authority (the Authority) entered into a housing management agreement with the Cambridge Metropolitan Housing Authority (CMHA) on March 30, 1987. Pursuant to the agreement CMHA provides all management services to the Authority in order that the Authority shall comply with all applicable laws of the State of Ohio and of the United States Government, and with the terms of all contracts which the Authority has executed or may, from time to time, execute with HUD. As compensation for these services, the Authority transfers to CMHA the monthly administrative fees allocated to Noble based on approved budgets. Total management fees for the fiscal year ended March 31, 2003 were \$95,252.

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

NOTE 8: **RESTATEMENT OF BEGINNING EQUITY**

	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
Beginning Equity	<u>\$ 1,168,643</u>	<u>\$ 1,705</u>	<u>\$ 19,297</u>	<u>\$ 1,189,645</u>
Correction to Beginning Accumulated Depreciation	11,461	0	0	11,461
Reclassify to Capital Asset from Expense	0	0	3,254	3,254
Transfer of Assets from Capital Fund Program	<u>17,659</u>	<u>0</u>	<u>(17,659)</u>	<u>0</u>
Total Restatements	<u>29,120</u>	<u>0</u>	<u>(14,405)</u>	<u>14,715</u>
Beginning Equity - Restated	<u><u>\$1,197,763</u></u>	<u><u>\$ 1,705</u></u>	<u><u>\$ 4,892</u></u>	<u><u>\$1,204,360</u></u>

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

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$114,029	\$5,133	\$0	\$119,162
113	Cash - Other Restricted	\$298	\$8,445	\$0	\$8,743
114	Cash - Tenant Security Deposits	\$5,677	\$0	\$0	\$5,677
115	Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0
100	Total Cash	\$120,004	\$13,578	\$0	\$133,582
121	Accounts Receivable - PHA Projects	\$0	\$26,734	\$3,972	\$30,706
122	Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0
126	Accounts Receivable - Tenants - Dwelling Rents	\$0	\$0	\$0	\$0
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
120	Total Receivables, net of allowances for doubtful accounts	\$0	\$26,734	\$3,972	\$30,706
131	Investments - Unrestricted	\$26,792	\$0	\$0	\$26,792
132	Investments Restricted	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$14,225	\$0	\$0	\$14,225
150	Total Current Assets	\$161,021	\$40,312	\$3,972	\$205,305
161	Land	\$84,000	\$0	\$0	\$84,000
162	Buildings	\$1,188,778	\$0	\$0	\$1,188,778
164	Furniture, Equipment & Machinery - Administration	\$150,440	\$0	\$12,511	\$162,951
165	Leasehold Improvements	\$20,776	\$0	\$0	\$20,776
166	Accumulated Depreciation	(\$430,540)	\$0	\$0	(\$430,540)
160	Total Fixed Assets, Net of Accumulated Depreciation	\$1,013,454	\$0	\$12,511	\$1,025,965
180	Total Non-Current Assets	\$1,013,454	\$0	\$12,511	\$1,025,965
190	Total Assets	\$1,174,475	\$40,312	\$16,483	\$1,231,270

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

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$4,207	\$10,951	\$747	\$15,905
321	Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0
322	Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$1,752	\$0	\$0	\$1,752
341	Tenant Security Deposits	\$5,981	\$0	\$0	\$5,981
342	Deferred Revenues	\$715	\$0	\$0	\$715
347	Interprogram Due To	\$0	\$11,000	\$3,225	\$14,225
310	Total Current Liabilities	\$12,655	\$21,951	\$3,972	\$38,578
353	Noncurrent Liabilities - Other	\$0	\$8,445	\$0	\$8,445
350	Total Noncurrent Liabilities	\$0	\$8,445	\$0	\$8,445
300	Total Liabilities	\$12,655	\$30,396	\$3,972	\$47,023
504	Net HUD PHA Contributions	\$96,836	\$371	\$1,326	\$98,533
508	Total Contributed Capital	\$96,836	\$371	\$1,326	\$98,533
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$1,064,984	\$9,545	\$11,185	\$1,085,714
513	Total Equity/Net Assets	\$1,161,820	\$9,916	\$12,511	\$1,184,247
600	Total Liabilities and Equity/Net Assets	\$1,174,475	\$40,312	\$16,483	\$1,231,270

Noble 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	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
REVENUE:					
703	Net Tenant Rental Revenue	\$28,673	\$0	\$0	\$28,673
704	Tenant Revenue - Other	\$388	\$0	\$0	\$388
705	Total Tenant Revenue	\$29,061	\$0	\$0	\$29,061
706	HUD PHA Operating Grants	\$73,792	\$330,093	\$25,435	\$429,320
706.1	Capital Grants	\$0	\$0	\$7,620	\$7,620
711	Investment Income - Unrestricted	\$2,357	\$211	\$0	\$2,568
715	Other Revenue	\$22	\$0	\$0	\$22
700	Total Revenue	\$105,232	\$330,304	\$33,055	\$468,591
EXPENSES:					
911	Administrative Salaries	\$0	\$0	\$0	\$0
912	Auditing Fees	\$1,955	\$2,118	\$0	\$4,073
913	Outside Management Fees	\$0	\$38,330	\$0	\$38,330
915	Employee Benefit Contributions - Administrative	\$0	\$0	\$0	\$0
916	Other Operating - Administrative	\$40,471	\$0	\$20,247	\$60,718
921	Tenant Services - Salaries	\$0	\$0	\$0	\$0
923	Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
924	Tenant Services - Other	\$264	\$0	\$0	\$264
931	Water	\$7,944	\$0	\$0	\$7,944
932	Electricity	\$2,609	\$0	\$0	\$2,609
933	Gas	\$1,010	\$0	\$0	\$1,010
941	Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0
942	Ordinary Maintenance and Operations - Materials and Other	\$4,072	\$0	\$3,165	\$7,237
943	Ordinary Maintenance and Operations - Contract Costs	\$19,860	\$0	\$2,024	\$21,884
945	Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0
961	Insurance Premiums	\$1,607	\$0	\$0	\$1,607
963	Payments in Lieu of Taxes	\$1,752	\$0	\$0	\$1,752
964	Bad Debt - Tenant Rents	\$0	\$0	\$0	\$0
969	Total Operating Expenses	\$81,544	\$40,448	\$25,436	\$147,428
970	Excess Operating Revenue over Operating Expenses	\$23,688	\$289,856	\$7,619	\$321,163
973	Housing Assistance Payments	\$0	\$281,645	\$0	\$281,645
974	Depreciation Expense	\$59,631	\$0	\$0	\$59,631
900	Total Expenses	\$141,175	\$322,093	\$25,436	\$488,704
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(\$35,943)	\$8,211	\$7,619	(\$20,113)

Noble 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	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$0	\$0
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$1,168,643	\$1,705	\$19,297	\$1,189,645
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$29,120	\$0	(\$14,405)	\$14,715
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$252,009	\$0	\$252,009
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	\$0	\$55,379	\$0	\$55,379
1115	Contingency Reserve, ACC Program Reserve	\$0	\$21,204	\$0	\$21,204
1116	Total Annual Contributions Available	\$0	\$328,592	\$0	\$328,592
1120	Unit Months Available	336	1,105	0	1,441
1121	Number of Unit Months Leased	336	1,105	0	1,441

NOBLE 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 Program	14.850	\$ 73,792
Capital Fund Program	14.872	33,055
Total Public Housing Programs		106,847
<u>Section 8 Programs</u>		
Section 8 Tenant Based Program:		
Section 8 Housing Choice Voucher Program	14.871	\$ 330,093
Total Federal Assistance		\$ 436,940

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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
Noble Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited the financial statements of the Noble 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 Noble 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 Noble 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
Noble Metropolitan Housing Authority
Cambridge, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

We have audited the compliance of the Noble 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. Noble 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 Noble Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Noble 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 Noble 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 Noble Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Noble 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 Noble 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 Noble 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

NOBLE 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

NOBLE 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.



**Auditor of State
Betty Montgomery**

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NOBLE METROPOLITAN HOUSING AUTHORITY

NOBLE 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 25, 2003**