

Clermont Metropolitan Housing Authority

General Purpose Financial Statements

For the Year Ended September 30, 2003





**Auditor of State  
Betty Montgomery**

Board of Commissioners  
Clermont Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Clermont Metropolitan Housing Authority, Clermont County, prepared by Salvatore Consiglio, CPA, Inc. for the audit period October 1, 2002 through September 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY  
Auditor of State

June 22, 2004

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CLERMONT METROPOLITAN HOUSING AUTHORITY  
AUDIT REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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## **Independent Auditors' Report**

Board of Directors  
Clermont Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

I have audited the accompanying general purpose financial statements of Clermont Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Clermont Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Clermont Metropolitan Housing Authority, Ohio, as of September 30, 2003, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated March 18, 2004, on my consideration of Clermont Metropolitan Housing Authority, Ohio's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of my audit.

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



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Salvatore Consiglio, CPA, Inc.

March 18, 2004

Clermont Metropolitan Housing Authority  
 Combined Balance Sheet  
 Proprietary Fund Type – Enterprise Fund  
 September 30, 2003

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$1,609,465
Investments	26,526
Receivables - net of allowance	76,807
Interprogram Due From	19,852
Deferred charges and other assets	23,168

Total current assets	1,755,818
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Fixed assets - net of accumulated depreciation	8,269,223
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TOTAL ASSETS	\$10,025,041
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**LIABILITIES AND FUND EQUITY**

**Current Liabilities**

Accounts payable	\$35,978
Interprogram Due To	19,852
Intergovernmental payables	24,777
Accrued wages/payroll taxes	49,606
Tenant security deposits	38,975
Deferred credits and other liabilities	86,163

Total current liabilities	255,351
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**Noncurrent Liabilities**

Other long-term liabilities	110,886
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Total noncurrent liabilities	110,886
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Total Liabilities	366,237
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**Fund Equity**

Contributed capital	8,882,497
Unreserved fund	776,307

Total fund equity	9,658,804
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TOTAL LIABILITIES AND FUND EQUITY	\$10,025,041
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The notes to the financial statements are an integral part of these statements.

Clermont Metropolitan Housing Authority  
 Combined Statement of Revenues, Expenses and Changes in Fund Equity  
 Proprietary Fund Type – Enterprise Fund  
 For the Year Ended September 30,2003

**REVENUES**

Tenant revenue	\$394,667
Program grants/subsidies	5,212,857
Interest	15,216
Other income	38,212
	5,660,952
 Total revenues	 5,660,952

**EXPENSES**

Administrative	752,635
Tenant services	7,296
Utilities	146,897
Maintenance	367,616
General	99,147
Housing assistance payments	3,716,643
Depreciation	425,372
	5,515,606
 Total expenses	 5,515,606
 Excess (deficiency) of revenues over (under) expenses	 145,346

**Other Financing Sources (Uses)**

Operating transfers in	43,775
Operating transfers out	(43,775)
	0
 Total Other Financing Sources(Uses)	 0
 Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses	 145,346
Beginning fund equity	9,568,535
Prior period adjustment	(55,077)
	9,658,804
 Ending fund equity	 9,658,804

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

Clermont Metropolitan Housing Authority  
 Combined Statement of Cash Flows  
 Proprietary Fund Type - Enterprise Fund  
 For the Year Ended September 30,2003

**Cash Flows from Operating Activities:**

Cash received from tenants	\$428,016
Cash received from grantor	5,292,736
Cash paid to suppliers and employees	(1,279,268)
Cash Paid for Housing Assistance	(3,716,643)
Net cash provided by operating activities	724,841

**Cash Flows from Capital and Financing Activities:**

Property and equipment purchased	(501,754)
Proceeds from Sale of Assets	40,100
Net cash used for Capital and Financing Activities	(461,654)

**Cash Flows from Investing Activities:**

Interest received	15,216
Net cash provided by investing activities	15,216

Net Increase (Decrease) in Cash	278,403
Cash and cash equivalents - Beginning of Year	1,331,062
Cash and cash equivalents - End of Year	\$1,609,465

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

Net income	\$145,346
Adjustments to Reconcile Net Income to net Cash Provided by Operating Activities:	
Depreciation	425,372
Bad Debt	20,484
(Gain) Loss on disposal of assets	(3,267)
(Increase) Decrease in accounts receivable	(11,147)
(Increase) Decrease in allowance for doubtful account	(1,301)
(Increase) Decrease in prepaid expenses	(3,067)
Increase (Decrease) in accounts payable	7,587
Increase (Decrease) in deferred revenue	86,163
Increase (Decrease) in accrued expenses	45,650
Increase (Decrease) in other liabilities	11,717
Increase (Decrease) in tenant security deposit payable	1,304
Net cash provided by operating activities	\$724,841

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

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

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

**Summary of Significant Accounting Policies**

The financial statements of the Clermont Metropolitan Housing Authority (the Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

**Reporting Entity**

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

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

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

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.

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
(CONTINUED)

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

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.

**Fund Accounting**

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

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

**Proprietary Fund Types**

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

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

**Measurement Focus/Basis of Accounting**

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
(CONTINUED)

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

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

**Investments**

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending September 30, 2003 totaled \$15,216.

**Fixed Assets**

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

**Cash and Cash Equivalents**

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

**Compensated Absences**

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
(CONTINUED)

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

that is outside the control of the employer and employee. (2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

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

**Budgetary Accounting**

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

**Estimates**

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

**NOTE 2: CASH AND INVESTMENTS**

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

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

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

Category 3 – Uncollateralized.

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
(CONTINUED)

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

Deposits, categorized by level of risk, are:

DESCRIPTION	BANK BALANCE	CATEGORY			CARRYING AMOUNT
		1	2	3	
Cash and Cash Equivalents	\$1,659,512	\$1,659,512	\$0	\$0	\$1,609,465
Investments	26,526	26,526	0	0	26,526
Total Deposits	\$1,686,038	\$1,686,038	\$0	\$0	\$1,635,991

The cash and cash equivalents carrying amount include \$200 petty cash balance.

Investments - HUD Handbook 7475.1 Chapter 4, Section 1 authorizes the PHA to make investments in:

- Direct Obligations of the Federal Government;
- Obligations of Federal Government Agencies;
- Securities of Government-Sponsored Agencies; and
- Demand and Savings Deposits and Certificates of Deposit.

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

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

Category 2 – Uninsured and unregistered, with securities held by the counterpart’s trust department or agent in the PHA’s name.

Category 3 – Uninsured and unregistered, with securities held by the counterpart, or its trust department or agent but not in the PHA’s name.

The PHA’s nonnegotiable certificates of deposit are classified as investments on the balance sheet but are considered as deposits for GASB 3 purposes. Therefore, the categories described above do not apply.

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
(CONTINUED)

**NOTE 4: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending September 30, 2003 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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

**NOTE 5: FIXED ASSETS**

The following is a summary:

Land	\$2,083,290
Buildings	13,505,711
Furniture, Machinery and Equipment	245,085
Construction in Progress	<u>130,749</u>
 Total Fixed Assets	 15,964,835
Accumulated Depreciation	<u>(7,695,612)</u>
 Net Fixed Assets	 <u>\$8,269,223</u>

The following is a summary of changes:

	<u>Balance</u> <u>09/30/02</u>	<u>Adjust.</u>	<u>Additions</u>	<u>Deletion</u>	<u>Balance</u> <u>09/30/03</u>
Land	\$2,047,380	\$18,309	\$17,601	\$0	\$2,083,290
Buildings	13,371,758	(117,047)	251,000	0	13,505,711
Furniture, Machinery & Equipment	264,705	(28,521)	126,978	(118,077)	245,085
Construction in Progress	<u>24,574</u>	<u>0</u>	<u>106,175</u>	<u>0</u>	<u>130,749</u>
 Total Fixed Assets	 <u>\$15,708,417</u>	 <u>(\$127,259)</u>	 <u>\$501,754</u>	 <u>(\$118,077)</u>	 <u>\$15,964,835</u>

The depreciation expense for the year ended September 30, 2003 was \$425,372.

CLERMONT METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003  
(CONTINUED)

**NOTE 6: PENSION PLAN**

The Authority and its employees are members of the State of Ohio Public Employees Retirement System (O.P.E.R.S.). As a member of O.P.E.R.S., employees are required to contribute 8.5% of earnable salary. Employers are required to make contributions to the system in the amount of 13.55% of reportable payroll. The Authority's contribution for the years ended September 30, 2003, 2002 and 2001 amounted to \$84,168, \$80,410, and \$64,439. These costs have been charged to the employee fringe benefit account.

**NOTE 7: PRIOR PERIOD ADJUSTMENTS**

The PHA revised its capitalization policy from \$500 to \$1,000 during the fiscal year. A adjustment was made to its fixed assets to reflect the change from this policy.

**NOTE 8: NOTE TO 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.

**NOTE 9: INCOME TAXES**

No provision for income taxes is recorded as the Authority is a non-profit, tax exempt entity under the Internal Revenue Code.

## Clermont Metropolitan Housing Authority

## Combining Balance Sheet

## FDS Schedule Submitted To REAC

## Proprietary Fund Type – Enterprise Fund

September 30, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	CIAP	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$979,083	\$505,244	\$0	\$0	\$1,484,327
113	Cash - Other Restricted	0	0	0	86,163	86,163
114	Cash - Tenant Security Deposits	38,975	0	0	0	38,975
100	Total Cash	1,018,058	505,244	0	86,163	1,609,465
122	Accounts Receivable - HUD Other Projects	0	67,195	0	0	67,195
126	Accounts Receivable - Tenants - Dwelling Rents	15,299	0	0	0	15,299
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(5,687)	0	0	0	(5,687)
126.2	Allowance for Doubtful Accounts - Other	0	0	0	0	0
120	Total Receivables, net of allowances for doubtful accounts	9,612	67,195	0	0	76,807
131	Investments - Unrestricted	0	26,526	0	0	26,526
142	Prepaid Expenses and Other Assets	23,168	0	0	0	23,168
144	Interprogram Due From	19,852	0	0	0	19,852
150	Total Current Assets	1,070,690	598,965	0	86,163	1,755,818
161	Land	2,065,689	0	0	17,601	2,083,290
162	Buildings	13,246,539	34,425	0	224,747	13,505,711
164	Furniture, Equipment & Machinery - Administration	109,606	22,756	0	112,723	245,085
165	Leasehold Improvements	0	0	0	0	0
166	Accumulated Depreciation	(7,663,912)	(12,349)	0	(19,351)	(7,695,612)
167	Construction In Progress	0	0	0	130,749	130,749
160	Total Fixed Assets, Net of Accumulated Depreciation	7,757,922	44,832	0	466,469	8,269,223
190	Total Assets	\$8,828,612	\$643,797	\$0	\$552,632	\$10,025,041

Clermont Metropolitan Housing Authority

Combining Balance Sheet

FDS Schedule Submitted To REAC

Proprietary Fund Type – Enterprise Fund

September 30, 2003

Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	CIAP	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$30,933	\$5,045	\$0	\$0	\$35,978
321	Accrued Wage/Payroll Taxes Payable	5,284	0	0	0	5,284
322	Accrued Compensated Absences - Current Portion	27,535	16,787	0	0	44,322
333	Accounts Payable - Other Government	24,777	0	0	0	24,777
341	Tenant Security Deposits	38,975	0	0	0	38,975
342	Deferred Revenues	0	0	0	86,163	86,163
347	Interprogram Due To	0	19,852	0	0	19,852
310	Total Current Liabilities	127,504	41,684	0	86,163	255,351
354	Accrued Compensated Absences - Non Current	61,363	20,652	0	0	82,015
353	Noncurrent Liabilities - Other	0	28,871	0	0	28,871
350	Total Noncurrent Liabilities	61,363	49,523	0	0	110,886
300	Total Liabilities	188,867	91,207	0	86,163	366,237
504	Net HUD PHA Contributions	8,882,497	0	0	0	8,882,497
508	Total Contributed Capital	8,882,497	0	0	0	8,882,497
512	Undesignated Fund Balance/Retained Earnings	(242,752)	552,590	0	466,469	776,307
513	Total Equity/Net Assets	8,639,745	552,590	0	466,469	9,658,804
600	Total Liabilities and Equity/Net Assets	\$8,828,612	\$643,797	\$0	\$552,632	\$10,025,041

Clermont Metropolitan Housing Authority						
Combining Statement of Revenue, Expenses and Change in Fund Equity						
FDS Schedule Submitted To REAC						
Proprietary Fund Type – Enterprise Fund						
September 30, 2003						
Line Item No.	Account Description	Low Rent Public Housing	Housing Choice Vouchers	CIAP	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$389,333	\$0	\$0	\$0	\$389,333
704	Tenant Revenue - Other	5,334	0	0	0	5,334
705	Total Tenant Revenue	394,667	0	0	0	394,667
706	HUD PHA Operating Grants	522,347	4,240,464	0	43,775	4,806,586
706.1	Capital Grants	0	0	0	406,271	406,271
711	Investment Income - Unrestricted	9,698	5,518	0	0	15,216
714	Fraud Recovery	0	1,971	0	0	1,971
715	Other Revenue	32,200	774	0	0	32,974
716	Gain/Loss on Sale of Fixed Assets	3,267	0	0	0	3,267
700	Total Revenue	962,179	4,248,727	0	450,046	5,660,952
911	Administrative Salaries	184,918	258,345	0	0	443,263
912	Auditing Fees	2,112	2,688	0	0	4,800
914	Compensated Absences	33,814	10,419	0	0	44,233
915	Employee Benefit Contributions - Administrative	92,411	85,615	0	0	178,026
916	Other Operating - Administrative	37,758	44,555	0	0	82,313
924	Tenant Services - Other	7,296	0	0	0	7,296
931	Water	32,508	0	0	0	32,508
932	Electricity	86,638	0	0	0	86,638
933	Gas	2,046	0	0	0	2,046
938	Other Utilities Expense	25,705	0	0	0	25,705
941	Ordinary Maintenance and Operations - Labor	118,198	0	0	0	118,198
942	Ordinary Maintenance and Operations - Materials and Other	50,158	34,801	0	0	84,959
943	Ordinary Maintenance and Operations - Contract Costs	91,941	0	0	0	91,941

Clermont Metropolitan Housing Authority						
Combining Statement of Revenue, Expenses and Change in Fund Equity						
FDS Schedule Submitted To REAC						
Proprietary Fund Type – Enterprise Fund						
September 30, 2003						
Line Item No.	Line Item No.	Low Rent Public Housing	Housing Choice Vouchers	CIAP	Public Housing Capital Fund Program	Total
945	Employee Benefit Contributions - Ordinary Maintenance	59,083	0	0	0	59,083
961	Insurance Premiums	45,937	3,935	0	0	49,872
962	Other General Expenses	4,014	0	0	0	4,014
963	Payments in Lieu of Taxes	24,777	0	0	0	24,777
964	Bad Debt - Tenant Rents	18,589	0	0	0	18,589
966	Bad Debt - Other	0	1,895	0	0	1,895
969	Total Operating Expenses	917,903	442,253	0	0	1,360,156
970	Excess Operating Revenue over Operating Expenses	44,276	3,806,474	0	450,046	4,300,796
971	Extraordinary Maintenance	14,095	0	0	0	14,095
972	Casualty Losses - Non-Capitalized	(660)	0	0	0	(660)
973	Housing Assistance Payments	0	3,716,643	0	0	3,716,643
974	Depreciation Expense	400,302	5,719	0	19,351	425,372
900	Total Expenses	1,331,640	4,164,615	0	19,351	5,515,606
1001	Operating Transfers In	43,775	0	0	0	43,775
1002	Operating Transfers Out	0	0	0	(43,775)	(43,775)
1010	Total Other Financing Sources (Uses)	43,775	0	0	(43,775)	0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(325,686)	84,112	0	386,920	145,346
1103	Beginning Equity	8,182,817	468,448	419,650	497,620	9,568,535
1104	Prior Period Adjustments, Equity Transfers & Correction of Errors	782,614	30	(419,650)	(418,071)	(55,077)
	Ending Equity	\$8,639,745	\$552,590	\$0	\$466,469	\$9,658,804

Clermont Metropolitan Housing Authority						
Combining Statement of Revenue, Expenses and Change in Fund Equity						
FDS Schedule Submitted To REAC						
Proprietary Fund Type – Enterprise Fund						
September 30, 2003						
Line Item No.	Line Item No.	Low Rent Public Housing	Housing Choice Vouchers	CIAP	Public Housing Capital Fund Program	Total
1113	Maximum Annual Contributions Commitment (Per ACC)	\$0	\$4,024,556	\$0	\$0	\$4,024,556
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	0	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	0	322,688	0	0	322,688
1116	Total Annual Contributions Available	\$0	\$4,347,244	\$0	\$0	\$4,347,244
1120	Unit Months Available	2,760	10,320	0	0	13,080
1121	Number of Unit Months Leased	2,721	10,320	0	0	13,041



Clermont Metropolitan Housing Authority  
PHA's Statement and Certification of Actual Modernization Cost  
September 30, 2003

Capital Fund Program Grant Number OH10-PO38-501-01

1. The Actual Modernization Costs are as follows:

Funds Approved	\$439,521
Funds Expensed	<u>439,521</u>
Excess (Deficiency) of Funds Approved	<u><u>\$ 0</u></u>
Funds Advanced	\$439,521
Funds Expensed	<u>439,521</u>
Excess (Deficiency) of Funds Advanced	<u><u>\$ 0</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The final costs on the certification agree to the Authority's records.

Clermont Metropolitan Housing Authority  
 Schedule of Expenditures of Federal Award  
 For the Year Ended September 30, 2003

<b>FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES</b>	<b>CFDA NUMBER</b>	<b>EXPENDITURES</b>
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850	\$522,347
Housing Choice Voucher Program	14.871	4,240,464
Public Housing Capital Fund Program	14.872	<u>450,046</u>
Total Expenditure of Federal Award		<u><u>\$5,212,857</u></u>



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Board of Directors  
Clermont Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

I have audited the general purpose financial statements of the Clermont Metropolitan Housing Authority, Ohio, as of and for the year ended September 30, 2003, and have issued my report thereon dated March 18, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Clermont Metropolitan Housing Authority, Ohio's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Clermont Metropolitan Housing Authority, Ohio, in a separate letter dated March 18, 2004.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Clermont Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the financial statements being auditing may occur

and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of the Clermont Metropolitan Housing Authority, Ohio, in a separate letter dated March 18, 2004.

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

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

Salvatore Consiglio, CPA, Inc.

March 18, 2004



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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  
Clermont Metropolitan Housing Authority

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

I have audited the compliance of the Clermont Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2003. Clermont Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Clermont Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Clermont Metropolitan Housing Authority, Ohio's compliance based on my audit.

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

In my opinion, Clermont Metropolitan Housing Authority, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2003.

## **Internal Control Over Compliance**

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

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the Internal control over compliance and its operation that I considered to be material weaknesses.

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



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Salvatore Consiglio, CPA, Inc.

March 18, 2004

Clermont Metropolitan Housing Authority  
 Schedule of Findings and Questioned Costs  
 OMB Circular A-133 § .505  
 September 30, 2003

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS</b>
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There are no Findings or questioned costs for the year ended September 30, 2003.

<b>3. FINDINGS REALTED TO FEDERAL AWARDS</b>
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There are no Findings or questioned costs for the year ended September 30, 2003.

Clermont Metropolitan Housing Authority  
Schedule of Prior Audit Findings  
September 30, 2003

The audit report for the fiscal year ending September 30, 2002 contained not audit finding.



**Auditor of State  
Betty Montgomery**

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**CLERMONT COUNTY METROPOLITAN HOUSING AUTHORITY**

**CLERMONT 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  
JULY 6, 2004**