

**PORTAGE METROPOLITAN HOUSING AUTHORITY**

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2002**





**Auditor of State  
Betty Montgomery**

Board of Commissioners  
Portage Metropolitan Housing Authority

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Portage 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

September 10, 2003

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

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**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
*5240 East 98<sup>th</sup> Street*  
*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Portage Metropolitan Housing Authority  
Ravenna, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying general purpose financial statements of Portage Metropolitan Housing Authority, as of and for the year ended December 31, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Portage Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Portage Metropolitan Housing Authority, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund activities 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 June 26, 2003 on our consideration of Portage 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 when considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedule of Moderation Costs - Completed and Drug Elimination Grant are presented for purposes of additional analysis and are not a required part of the financial statements of the Portage Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures 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 financial statements. The Financial Data Schedule (FDS) is presented for purposes of additional analysis as required by the Department of Housing and Urban Development 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 basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

June 26, 2003

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James G. Zupka  
Certified Public Accountant



PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
PROPRIETARY FUND TYPE  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

**ASSETS**

**Current Assets**

Cash and Cash Equivalents (Note 2)	\$ 781,830
Investments	3,259,640
Accounts Receivable, (Net of Allowance for Doubtful Accounts)	415,905
Due from Other Funds	13,947
Inventory	82,329
Deferred Charges and Other Assets	35,020

<b>Total Current Assets</b>	4,588,671
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NONCURRENT ASSETS:

Land, Structure and Equipment, Net of Accumulated Depreciation of \$9,201,730 (Note 3)	10,148,954
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<b>Total Noncurrent Assets</b>	10,148,954
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<b>Total Assets</b>	\$14,737,625
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**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	\$ 67,127
Due to Other Funds	13,947
Intergovernmental Payables	112,752
Accrued Interest	30,905
Accrued Wages/Payroll	21,950
Accrued Compensated Liabilities - Current Portion	37,169
Security Deposits	64,479
Deferred Credits and Other Liabilities	49,447
Current Portion of Long-Term Debt	60,718

<b>Total Current Liabilities</b>	458,494
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**Non-Current Liabilities**

Compensated Absences, Net of Current Portion	38,036
Long-Term Debt, Net of Current Portion (Note 4)	440,233
Other Non Current Liabilities	1,868,179

<b>Total Non-Current Liabilities</b>	2,346,448
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<b>Total Liabilities</b>	2,804,942
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**EQUITY**

Contributed Capital	9,819,735
Unreserved Fund	2,112,948

<b>Total Equity</b>	11,932,683
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<b>TOTAL LIABILITIES AND EQUITY</b>	\$14,737,625
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See accompanying notes to the general purpose financial statements.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
PROPRIETARY FUND TYPE  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

**OPERATING REVENUE**

Net Tenant Rental	\$ 776,655
Tenant Revenue Other	12,949
Subsidies and Grants from HUD	9,112,763
Other Revenue	143,408
<b>Total Operating Revenue</b>	<b>10,045,775</b>

**OPERATING EXPENSES**

Administrative	1,286,768
Tenant Services	126,853
Utilities	278,264
Ordinary Maintenance and Operations	552,744
General Expenses	145,804
Non-Routine Maintenance	47,742
Protective Services	43,289
Housing Assistance Payments	6,895,644
Depreciation and Amortization	668,343
Interest Expense	58,971
<b>Total Operating Expenses</b>	<b>10,104,422</b>
<b>Net Operating Income/Loss</b>	<b>(58,647)</b>

**NON-OPERATING REVENUE**

Interest Income	83,118
<b>Excess of Revenue over Expenses</b>	<b>24,471</b>

**BEGINNING EQUITY**

12,149,198

**PRIOR PERIOD ADJUSTMENTS**

(240,986)

**ENDING EQUITY**

**\$11,932,683**

See accompanying notes to the general purpose financial statements.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from HUD	\$ 8,996,328
Cash Received From Tenants	779,026
Cash Received From Other Income	143,408
Cash Payments for Housing Assistance Payments	(6,895,644)
Cash Payments for Administrative	(1,282,346)
Cash Payments for Other Operating Expenses	(1,192,127)
Cash Payments to HUD and Other Governments	(79,258)
<b>Net Cash Provided by Operating Activities</b>	<b>469,387</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and Construction of Capital Assets	(529,748)
<b>Net Cash Provided by Capital and Other Related Financing Activities</b>	<b>(529,748)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment Income	83,118
Purchase of Investments	(110,756)
Payment on Debt Principle	(58,515)
Increase in Non-Current Liabilities	73,218
<b>Net Cash Provided from Investing Activities</b>	<b>(12,935)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>855,126</b>

CASH AND CASH EQUIVALENTS, BEGINNING

CASH AND CASH EQUIVALENTS, ENDING	\$ 781,830
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**RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES**

Net Operating Income	\$ (58,647)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities - Depreciation Expense	668,343
(Increase) Decrease in:	
Receivables - Net of Allowance	(251,211)
Due From Other Funds	22,901
Inventories	15,233
Deferred Charges and Other Assets	54,289
Increase (Decrease) in:	
Accounts Payable	8,856
Due to Other Funds	(22,901)
Intergovernmental Payable	33,494
Accrued Wages/Payroll Taxes and Compensated Absences	(4,422)
Tenants Security Deposits	6,442
Deferred Credits and Other Liabilities	(2,990)

<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 469,387</b>
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See accompanying notes to the general purpose financial statements.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002

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

**Summary of Significant Accounting Policies**

The financial statements of the Portage 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 Portage 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.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

**Reporting Entity** (Continued)

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

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

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

**Fund Accounting**

The Authority uses an enterprise fund to report on its financial position and the results of its operations for the Section 8 and public housing 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.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

**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 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**

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2002 totaled \$83,118.

**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.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

**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 absences accrual amount.

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

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

**Inventories**

Inventories are stated at cost. The allowance for obsolete inventory was \$0 at December 31, 2002.

**Capital Contributions**

This represents contributions made available by HUD with respect to all federally aided projects under an annual contributions contract.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

**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: **DEPOSITS AND INVESTMENTS**

***Legal and Other Requirements*** - The investment and deposit of Authority monies are governed by the provisions of the Ohio Revised Code and the Authority's written investment policy. Only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The Authority is also generally permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, certain highly rated commercial paper, the State Treasurer's investment pool (STAROhio), and obligations of certain political subdivisions of Ohio and the United States government and its agencies. These investments must mature within two years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding thirty days.



PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

***Legal and Other Requirements*** (Continued)

Public depositories must give security for all public funds on deposit. HUD requires specific collateral on individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Authority's name.

The Authority is prohibited from investing in any financial instruments, contracts, or obligations whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse purchase agreements.

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 institutions'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).

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

**Investments**

- Category 1 Insured or registered, or securities held by the Authority or its agent in the Authority's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Authority's name.

**Deposits** - At year-end, the carrying amount of Portage Metropolitan Housing Authority's deposits was \$781,830 and the bank balance was \$446,312. The difference represents outstanding checks and deposits in transit. Of the bank balance, \$194,210 was covered by federal depository insurance. The remainder was covered by collateralization held by the banks for the Authority's deposits as required by HUD.

**Investments** - Portage Metropolitan Housing Authority's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at year end. The risk categories were described previously in this footnote.

<u>Category</u>	<u>Cost</u>	<u>Fair Value</u>
1 Certificates of Deposit	\$3,259,640	\$3,259,640
Totals	<u>\$3,259,640</u>	<u>\$3,259,640</u>

A reconciliation of cash and investments as shown on the Balance Sheet follows:

Cash and Cash Equivalents	\$ 761,342
Investments	3,259,640
Tenant Security Deposits	20,488
Totals	<u>\$4,041,470</u>
Carrying Amount of Deposits	\$ 781,830
Carrying Amount of Investments	3,259,640
Totals	<u>\$4,041,470</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

NOTE 3: **FIXED ASSETS**

The following is a summary:

Land	\$ 1,648,871
Buildings	16,917,999
Furniture and Equipment - Dwellings	161,174
Furniture and Equipment - Administrative	622,640
	<hr/>
Totals	19,350,684
Accumulated Depreciation	(9,201,730)
	<hr/>
NET FIXED ASSETS	<u>\$ 10,148,954</u>

The following is a summary of changes:

	<u>Balance</u> <u>12/31/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/02</u>
Land	\$ 1,641,721	\$ 7,150	\$ 0	\$ 1,648,871
Buildings and Building Improvements	16,564,287	353,712	0	16,917,999
Furniture and Equipment - Dwellings	121,089	40,085	0	161,174
Furniture and Equipment-Administrative	506,834	128,801	(12,995)	622,640
	<hr/>	<hr/>	<hr/>	<hr/>
Total	18,833,931	529,748	(12,995)	19,350,684
Less Accumulated Depreciation	(8,259,383)	(955,342)	12,995	(9,201,730)
	<hr/>	<hr/>	<hr/>	<hr/>
NET FIXED ASSETS	<u>\$10,574,548</u>	<u>\$(425,594)</u>	<u>\$ 0</u>	<u>\$10,148,954</u>

Depreciation is calculated using the straight line method with lives varying between 3 and 30 years. The depreciation expense for the year ended December 31, 2002 was \$668,343.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2002

NOTE 4: **LONG-TERM DEBT**

Long-term debt for the Portage Metropolitan Housing Authority's state/local activities consist of the following:

- Bond Payable dated December 3, 1995 in the amount of \$300,000, due in November 15, 2005; Interest rate 5.75% with an annual payment of principal of \$30,000 and interest due November 15. Proceeds of the bond were used to construct the Portage Metropolitan Housing Authority's Administration Offices.	\$ 90,000
- Note Payable dated November 12, 1997 in the amount of \$540,000 due in November, 2012; Interest rate 6.5% with a monthly payment of principal and interest of \$4,703.98 Proceeds of the note were used to purchase 27 multi-family rental units.	410,951
Total Long Term Debt	500,951
Less Current Portion	(60,718)
	\$ 440,233

Maturities of the debt over the next five years are as follows:

	Principal	Interest	Total
2003	\$ 60,580	\$ 31,042	\$ 91,622
2004	62,628	27,269	89,897
2005	64,814	23,359	88,173
2006	37,145	19,303	56,448
2007	39,633	16,815	56,448
2008-2012	236,151	40,522	276,673
	\$ 500,951	\$ 158,310	\$ 659,261

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

NOTE 5: **DEFINED BENEFIT PENSION PLANS**

A. **Ohio Public Employees Retirement System (OPERS)**

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

The Authority contributes to the 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 includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to the 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 employer contribution rate for local government employer units was 13.55 percent of covered payroll. The Authority's contributions to the OPERS for the years ending December 31, 2002, 2001, and 2000 were \$144,086, \$132,527, and \$96,898, respectively, which were equal to the required contributions for each year.

The OPERS of Ohio provides postemployment health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The portion of the 2002 employer contribution rate that was used to fund health care for 2002, was 5 percent of covered payroll, which amounted to \$53,168.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

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

A. **Ohio Public Employees Retirement System (OPERS)** (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's 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.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

NOTE 6: **COMPENSATED ABSENCES**

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

All full-time employees earn 5.0 hours sick leave per pay period. Unused sick leave may be accumulated up to a total of 130 hours.

All full-time non contract employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will be paid upon separation.

At December 31, 2002, based on the vesting method, \$75,205 was accrued by the Authority for unused vacation and sick time.

NOTE 7: **INSURANCE**

The Housing 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. There was no significant reduction in coverages and no settlements exceeded insurance coverage during the past three years.

NOTE 8: **CONTINGENCIES AND OTHER COMMITMENTS**

**Litigation and Claims**

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2002 the Authority was involved in no matters which management believes would have a material effect on the financial statements. In addition, the Authority had no material operating lease commitments or construction commitments at December 31, 2002.

NOTE 9: **RECLASSIFICATIONS AND EQUITY ADJUSTMENTS**

The following is a summary of the Authority's Equity Transactions:

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Beginning Balance at 12/31/01	\$ 9,574,423	\$ 2,574,775	\$ 12,149,198
Reclassifications, transfer	245,312	(245,312)	0
Depreciation Adjustment (Prior Period)	0	(286,999)	(286,999)
Other Adjustments	0	46,013	46,013
Current Year Loss	0	24,471	24,471
Ending Balance at 12/31/02	<u>\$ 9,819,735</u>	<u>\$ 2,112,948</u>	<u>\$ 11,932,683</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
DECEMBER 31, 2002

FDS Line Item No.	Account Description	Business Activities	New Construction	Low Rent Public Housing	Drug Elimination Program	Section 8 Moderate Rehab MR 0001
<b>ASSETS</b>						
111	Cash - Unrestricted	\$ 115,897	\$ 38,265	\$ 187,384	\$ 0	\$ 6,855
113	Cash - Other Restricted	4,148	0	0	0	0
114	Cash - Tenant Security Deposit	0	0	20,488	0	0
100	<b>Total Cash</b>	<u>120,045</u>	<u>38,265</u>	<u>207,872</u>	<u>0</u>	<u>6,855</u>
121	A/R - PHA Projects	0	0	100	0	0
122	A/R - HUD Other Projects	0	29,230	0	0	13,855
125	A/R - Miscellaneous	0	0	0	0	0
126	A/R Tenants - Dwelling	4,458	0	27,620	0	0
126.1	Allowance for Doubtful Accounts	(4,375)	0	(21,677)	0	0
129	Accrued Interest Receivable	0	0	10,088	0	0
120	<b>Total Accounts Receivable</b>	<u>83</u>	<u>29,230</u>	<u>16,131</u>	<u>0</u>	<u>13,855</u>
131	Investments - Unrestricted	0	133,117	688,810	0	7,786
132	Investments - Restricted	0	0	120,818	0	0
142	Prepaid Expenses and Other Assets	1,096	0	15,213	0	31
143	Inventories	0	0	82,329	0	0
144	Interprogram Due From	0	0	5,657	0	149
	<b>Total Other Current Assets</b>	<u>1,096</u>	<u>133,117</u>	<u>912,827</u>	<u>0</u>	<u>7,966</u>
150	<b>Total Current Assets</b>	<u>121,224</u>	<u>200,612</u>	<u>1,136,830</u>	<u>0</u>	<u>28,676</u>
161	Land	19,187	0	1,528,971	0	0
162	Buildings	979,925	0	15,736,367	0	0
163	Furniture and Equipment-Dwellings	0	0	161,174	0	0
164	Furniture and Equipment - Administrative	0	0	550,471	0	1,257
166	Accumulated Depreciation	(294,883)	0	(8,797,794)	0	(717)
160	<b>Total Fixed Assets Net</b>	<u>704,229</u>	<u>0</u>	<u>9,179,189</u>	<u>0</u>	<u>540</u>
180	<b>Total Non-Current Assets</b>	<u>704,229</u>	<u>0</u>	<u>9,179,189</u>	<u>0</u>	<u>540</u>
190	<b>TOTAL ASSETS</b>	<u><u>\$ 825,453</u></u>	<u><u>\$ 200,612</u></u>	<u><u>\$10,316,019</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 29,216</u></u>



PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
DECEMBER 31, 2002

FDS Line Item No.	Account Description	Section 8 Moderate Rehab. MR 0002	Section 8 Moderate Rehab. MR 0003	Compre- hensive Grant Fund	Resident Opportunity Supportive Services	Housing Choice Vouchers
<b>ASSETS</b>						
111	Cash - Unrestricted	\$ 23,136	\$ 28,563	\$ 0	\$ 0	\$ 21,684
113	Cash - Other Restricted	0	0	0	0	403
114	Cash - Tenant Security Deposit	0	0	0	0	0
100	<b>Total Cash</b>	<u>23,136</u>	<u>28,563</u>	<u>0</u>	<u>0</u>	<u>22,087</u>
121	A/R - PHA Projects	0	0	0	0	0
122	A/R - HUD Other Projects	12,706	0	0	0	0
125	A/R - Miscellaneous	0	0	0	0	0
126	A/R Tenants - Dwelling	0	0	0	0	0
126.1	Allowance for Doubtful Accounts	0	0	0	0	0
129	Accrued Interest Receivable	0	0	0	0	0
120	<b>Total Accounts Receivable</b>	<u>12,706</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
131	Investments - Unrestricted	25,217	143,412	0	0	106,801
132	Investments - Restricted	0	0	0	0	0
142	Prepaid Expenses and Other Assets	105	129	0	0	98
143	Inventories	0	0	0	0	0
144	Interprogram Due From	504	622	0	0	472
	<b>Total Other Current Assets</b>	<u>25,826</u>	<u>144,163</u>	<u>0</u>	<u>0</u>	<u>107,371</u>
150	<b>Total Current Assets</b>	<u>61,668</u>	<u>172,726</u>	<u>0</u>	<u>0</u>	<u>129,458</u>
161	Land	0	0	0	0	0
162	Buildings	0	0	0	0	0
163	Furniture and Equipment-Dwellings	0	0	0	0	0
164	Furniture and Equipment - Administrative	4,242	5,237	0	0	3,976
166	Accumulated Depreciation	(2,421)	(2,989)	0	0	(2,269)
160	<b>Total Fixed Assets Net</b>	<u>1,821</u>	<u>2,248</u>	<u>0</u>	<u>0</u>	<u>1,707</u>
180	<b>Total Non-Current Assets</b>	<u>1,821</u>	<u>2,248</u>	<u>0</u>	<u>0</u>	<u>1,707</u>
190	<b>TOTAL ASSETS</b>	<u><u>\$ 63,489</u></u>	<u><u>\$ 174,974</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 131,165</u></u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
DECEMBER 31, 2002

FDS Line Item No.	Account Description	Capital Fund	State/Local	Move to Work	Move to Work Tech. Assistance	Total
<b>ASSETS</b>						
111	Cash - Unrestricted	\$ 0	\$ 45,318	\$ 284,447	\$ 0	\$ 751,549
113	Cash - Other Restricted	0	0	5,242	0	9,793
114	Cash - Tenant Security Deposit	0	0	0	0	20,488
100	<b>Total Cash</b>	<u>0</u>	<u>45,318</u>	<u>289,689</u>	<u>0</u>	<u>781,830</u>
121	A/R - PHA Projects	0	0	0	0	100
122	A/R - HUD Other Projects	0	0	353,220	0	409,011
125	A/R - Miscellaneous	0	768	0	0	768
126	A/R Tenants - Dwelling	0	0	0	0	32,078
126.1	Allowance for Doubtful Accounts	0	0	0	0	(26,052)
129	Accrued Interest Receivables	0	0	6,895	0	16,983
120	<b>Total Accounts Receivable</b>	<u>0</u>	<u>768</u>	<u>360,115</u>	<u>0</u>	<u>432,888</u>
131	Investments - Unrestricted	0	260,722	1,654,672	0	3,020,537
132	Investments - Restricted	0	0	118,285	0	239,103
142	Prepaid Expenses and Other Assets	0	0	1,365	0	18,037
143	Inventories	0	0	0	0	82,329
144	Interprogram Due From	0	0	6,543	0	13,947
	<b>Total Other Current Assets</b>	<u>0</u>	<u>260,722</u>	<u>1,780,865</u>	<u>0</u>	<u>3,373,953</u>
150	<b>Total Current Assets</b>	<u>0</u>	<u>306,808</u>	<u>2,430,669</u>	<u>0</u>	<u>4,588,671</u>
161	Land	0	100,713	0	0	1,648,871
162	Buildings	0	201,707	0	0	16,917,999
163	Furniture and Equipment-Dwellings	0	0	0	0	161,174
164	Furniture and Equipment - Administrative	0	2,361	55,096	0	622,640
166	Accumulated Depreciation	0	(69,208)	(31,449)	0	(9,201,730)
160	<b>Total Fixed Assets Net</b>	<u>0</u>	<u>235,573</u>	<u>23,647</u>	<u>0</u>	<u>10,148,954</u>
180	<b>Total Non-Current Assets</b>	<u>0</u>	<u>235,573</u>	<u>23,647</u>	<u>0</u>	<u>10,148,954</u>
190	<b>TOTAL ASSETS</b>	<u>\$ 0</u>	<u>\$ 542,381</u>	<u>\$2,454,316</u>	<u>\$ 0</u>	<u>\$14,737,625</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
DECEMBER 31, 2002

FDS Line Item No.	Account Description	Business Activities	New Construction	Low Rent Public Housing	Drug Elimination Program	Section 8 Moderate Rehab MR 0001
<b>LIABILITIES</b>						
312	Accounts Payable, <= 90 Days	\$ 4,136	\$ 0	\$ 42,383	\$ 0	\$ 205
321	Accrued Wages/Payroll Taxes	592	409	13,707	0	126
322	Accrued Compensated Absences	721	55	18,142	0	360
325	Accrued Interest Payable	30,905	0	0	0	0
331	Accounts Payable - HUD PHA Programs	0	0	0	0	0
333	Accounts Payable - Other Governments	0	0	37,327	0	0
341	Tenant Security Deposits	4,720	0	59,759	0	0
342	Deferred Revenues	0	0	197	0	0
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue Bonds	60,718	0	0	0	0
346	Accrued Liabilities	0	2,706	0	0	835
347	Interprogram Due To	8,089	0	2,738	0	0
310	<b>Total Current Liabilities</b>	<u>109,881</u>	<u>3,170</u>	<u>174,253</u>	<u>0</u>	<u>1,526</u>
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	440,233	0	0	0	0
	Compensated Absences	838	2,278	12,357	0	360
353	Non-Current Liabilities - Other	0	0	0	0	0
350	<b>Total Noncurrent Liabilities</b>	<u>441,071</u>	<u>2,278</u>	<u>12,357</u>	<u>0</u>	<u>360</u>
300	<b>TOTAL LIABILITIES</b>	<u>550,952</u>	<u>5,448</u>	<u>186,610</u>	<u>0</u>	<u>1,886</u>
504	Net PHA HUD Contributions	0	0	9,817,620	0	0
507	Other Contributions	0	0	430	0	30
508	<b>Total Contributed Capital</b>	<u>0</u>	<u>0</u>	<u>9,818,050</u>	<u>0</u>	<u>30</u>
512	Retained Earnings	274,501	195,164	311,359	0	27,300
513	<b>Total Equity</b>	<u>274,501</u>	<u>195,164</u>	<u>10,129,409</u>	<u>0</u>	<u>27,330</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$ 825,453</u></u>	<u><u>\$ 200,612</u></u>	<u><u>\$10,316,019</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 29,216</u></u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
DECEMBER 31, 2002

FDS Line Item No.	Account Description	Section 8 Moderate Rehab. MR 0002	Section 8 Moderate Rehab MR 0003	Compre- hensive Grant Fund	Resident Opportunity Supportive Services	Housing Choice Vouchers
	<b>LIABILITIES</b>					
312	Accounts Payable, <= 90 Days	\$ 691	\$ 852	\$ 0	\$ 0	\$ 647
321	Accrued Wages/Payroll Taxes	426	526	0	0	399
322	Accrued Compensated Absences	1,215	1,500	0	0	1,139
325	Accrued Interest Payable	0	0	0	0	0
331	Accounts Payable - HUD PHA Programs	0	16,860	0	0	58,565
333	Accounts Payable - Other Governments	0	0	0	0	0
341	Tenant Security Deposits	0	0	0	0	0
342	Deferred Revenues	0	0	0	0	0
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue Bonds	0	0	0	0	0
346	Accrued Liabilities	2,819	3,481	0	0	2,642
347	Interprogram Due To	0	0	0	0	0
310	<b>Total Current Liabilities</b>	<u>5,151</u>	<u>23,219</u>	<u>0</u>	<u>0</u>	<u>63,392</u>
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	0	0	0	0	0
	Compensated Absences	1,215	1,500	0	0	1,139
353	Non-Current Liabilities - Other	0	0	0	0	403
350	<b>Total Noncurrent Liabilities</b>	<u>1,215</u>	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>1,542</u>
300	<b>TOTAL LIABILITIES</b>	<u>6,366</u>	<u>24,719</u>	<u>0</u>	<u>0</u>	<u>64,934</u>
504	Net PHA HUD Contributions	0	0	0	0	0
507	Other Contributions	102	126	0	0	96
508	<b>Total Contributed Capital</b>	<u>102</u>	<u>126</u>	<u>0</u>	<u>0</u>	<u>96</u>
512	Retained Earnings	57,021	150,129	0	0	66,135
513	<b>Total Equity</b>	<u>57,123</u>	<u>150,255</u>	<u>0</u>	<u>0</u>	<u>66,231</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 63,489</u>	<u>\$ 174,974</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 131,165</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
BALANCE SHEET  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
DECEMBER 31, 2002

FDS Line Item No.	Account Description	Capital Fund	State/Local	Move to Work	Move to Work Tech. Assistance	Total
<b>LIABILITIES</b>						
312	Accounts Payable, <= 90 Days	\$ 0	\$ 0	\$ 8,968	\$ 0	\$ 57,882
313	Accounts Payable > 90 Days Past Due	0	0	9,245	0	9,245
321	Accrued Wages/Payroll Taxes	0	231	5,534	0	21,950
322	Accrued Compensated Absences	0	193	13,844	0	37,169
325	Accrued Interest Payable	0	0	0	0	30,905
331	Accounts Payable - HUD PHA Programs	0	0	0	0	75,425
333	Accounts Payable - Other Governments	0	0	0	0	37,327
341	Tenant Security Deposits	0	0	0	0	64,479
342	Deferred Revenues	0	0	0	0	197
343	Current Portion of Long-Term Debt - Capital Projects/Mortgage Revenue Bonds	0	0	0	0	60,718
346	Accrued Liabilities	0	148	36,619	0	49,250
347	Interprogram Due To	0	3,120	0	0	13,947
310	<b>Total Current Liabilities</b>	<u>0</u>	<u>3,692</u>	<u>74,210</u>	<u>0</u>	<u>458,494</u>
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	0	0	0	0	440,233
	Compensated Absences	0	625	17,724	0	38,036
353	Non-Current Liabilities - Other	0	0	1,867,776	0	1,868,179
350	<b>Total Noncurrent Liabilities</b>	<u>0</u>	<u>625</u>	<u>1,885,500</u>	<u>0</u>	<u>2,346,448</u>
300	<b>TOTAL LIABILITIES</b>	<u>0</u>	<u>4,317</u>	<u>1,959,710</u>	<u>0</u>	<u>2,804,942</u>
504	Net PHA HUD Contributions	0	0	0	0	9,817,620
507	Other Contributions	0	0	1,331	0	2,115
508	<b>Total Contributed Capital</b>	<u>0</u>	<u>0</u>	<u>1,331</u>	<u>0</u>	<u>9,819,735</u>
512	Retained Earnings	0	538,064	493,275	0	2,112,948
513	<b>Total Equity</b>	<u>0</u>	<u>538,064</u>	<u>494,606</u>	<u>0</u>	<u>11,932,683</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 0</u>	<u>\$ 542,381</u>	<u>\$ 2,454,316</u>	<u>\$ 0</u>	<u>\$14,737,625</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

FDS Line Item No.	Account Description	Business Activities	New Construction	Low Rent Public Housing	Drug Elimination Program	Section 8 Moderate Rehab MR 0001
	<b>REVENUE</b>					
703	Net Tenant Rental Revenue	\$ 168,859	\$ 0	\$ 607,796	\$ 0	\$ 0
704	Tenant Revenue - Other	3,001	0	9,948	0	0
705	<b>Total Tenant Revenue</b>	<u>171,860</u>	<u>0</u>	<u>617,744</u>	<u>0</u>	<u>0</u>
706	HUD PHA Grants	0	493,301	590,694	77,067	134,806
706.1	HUD Capital Grants	0	0	0	0	0
711	Investment Income - Unrestricted	1,443	6,432	15,064	0	882
715	Other Revenue	55,767	0	74,649	0	0
716	Gain/Loss on Sale of Fixed Assets	0	0	0	0	50
720	Investment Income - Restricted	0	0	5,873	0	0
700	<b>Total Revenue</b>	<u>229,070</u>	<u>499,733</u>	<u>1,304,024</u>	<u>77,067</u>	<u>135,738</u>
	<b>EXPENSES</b>					
911	Administrative Salaries	10,666	2,631	226,214	8,390	7,752
912	Auditing Fees	49	500	1,225	0	66
913	Outside Management Fees	0	0	0	0	0
914	Compensated Absences	124	50	6,480	0	0
915	Employee Benefit Contributions - Administrative	6,527	829	98,954	3,521	3,319
916	Other Operating - Administrative	4,007	0	52,175	0	1,862
921	Tenant Services - Salaries	0	0	0	0	0
924	Tenant Services - Other	0	0	11,321	6,660	0
931	Water	16,002	0	151,707	0	0
932	Electricity	9,128	0	75,467	0	0
933	Gas	11,528	0	14,432	0	0
941	Ordinary Maintenance and Operations - Labor	8,175	0	137,181	0	0
942	Ordinary Maintenance and Operations - Materials	26,038	0	114,424	0	585
943	Ordinary Maintenance and Operations - Contract Costs	12,626	0	117,495	0	0
945	Employee Benefit Contributions - Ordinary Maintenance	1,950	0	60,589	0	0
951	Protective Services - Labor	0	0	0	16,075	0
952	Protective Services - Other Contract Costs	0	0	0	11,720	0
953	Protective Services - Other	0	0	0	717	0
955	Employee Benefit Contributions - Protective Services	0	0	0	7,394	0
961	Insurance Premiums	5,913	8	57,392	149	82
962	Other General Expenses	0	0	22,497	0	0
963	Payment in Lieu of Taxes	2,757	0	37,614	0	0
964	Bad Debts - Tenant Rents	1,523	0	12,875	0	0
967	Interest Expense	58,971	0	0	0	0
969	<b>Total Operating Expenses</b>	<u>175,984</u>	<u>4,018</u>	<u>1,198,042</u>	<u>54,626</u>	<u>13,666</u>
970	Excess Operating Revenues Over Expenses	<u>53,086</u>	<u>495,715</u>	<u>105,982</u>	<u>22,441</u>	<u>122,072</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

FDS Line Item No.	Account Description	Section 8 Moderate Rehab. MR 0002	Section 8 Moderate Rehab MR 0003	Compre- hensive Grant Fund	Resident Opportunity Supportive Services	Housing Choice Vouchers
	<b>REVENUE</b>					
703	Net Tenant Rental Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
704	Tenant Revenue - Other	0	0	0	0	0
705	<b>Total Tenant Revenue</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
706	HUD PHA Grants	489,094	539,504	0	54,130	375,915
706.1	HUD Capital Grants	0	0	116,289	0	0
711	Investment Income - Unrestricted	2,978	3,676	0	0	2,791
715	Other Revenue	0	0	0	0	0
716	Gain/Loss on Sale of Fixed Assets	170	210	0	0	160
720	Investment Income - Restricted	0	0	0	0	0
700	<b>Total Revenue</b>	<u>492,242</u>	<u>543,390</u>	<u>116,289</u>	<u>54,130</u>	<u>378,866</u>
	<b>EXPENSES</b>					
911	Administrative Salaries	26,164	32,301	352	1,876	24,522
912	Auditing Fees	222	274	0	0	208
913	Outside Management Fees	0	0	0	0	0
914	Compensated Absences	0	0	0	0	0
915	Employee Benefit Contributions - Administrative	11,202	13,830	3	997	10,499
916	Other Operating - Administrative	6,286	7,760	0	0	5,891
921	Tenant Services - Salaries	0	0	0	32,028	0
923	Employee Benefit Contributions - Tenant Services	0	0	0	4,658	0
924	Tenant Services - Other	0	0	0	6,131	0
931	Water	0	0	0	0	0
932	Electricity	0	0	0	0	0
933	Gas	0	0	0	0	0
941	Ordinary Maintenance and Operations - Labor	0	0	0	0	0
942	Ordinary Maintenance and Operations - Materials	1,974	2,437	0	0	1,850
943	Ordinary Maintenance and Operations - Contract Costs	0	0	6,605	0	0
945	Employee Benefit Contributions - Ordinary Maintenance	0	0	0	0	0
951	Protective Services - Labor	0	0	0	0	0
952	Protective Services - Other Contract Costs	0	0	0	0	0
953	Protective Services - Other	0	0	0	0	0
955	Employee Benefit Contributions - Protective Services	0	0	0	0	0
961	Insurance Premiums	277	342	0	138	260
962	Other General Expenses	0	0	0	0	0
963	Payment in Lieu of Taxes	0	0	0	0	0
964	Bad Debts - Tenant Rents	0	0	0	0	0
967	Interest Expense	0	0	0	0	0
969	<b>Total Operating Expenses</b>	<u>46,125</u>	<u>56,944</u>	<u>6,960</u>	<u>45,828</u>	<u>43,230</u>
970	Excess Operating Revenues Over Expenses	<u>446,117</u>	<u>486,446</u>	<u>109,329</u>	<u>8,302</u>	<u>335,636</u>

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002

FDS Line Item No.	Account Description	Capital Fund	State/Local	Move to Work	Move to Work Tech. Assistance	Total
	<b>REVENUE</b>					
703	Net Tenant Rental Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 776,655
704	Tenant Revenue - Other	0	0	0	0	12,949
705	<b>Total Tenant Revenue</b>	0	0	0	0	789,604
706	HUD PHA Grants	0	0	5,627,825	33,544	8,415,880
706.1	HUD Capital Grants	580,594	0	0	0	696,883
711	Investment Income - Unrestricted	0	5,299	38,680	0	77,245
715	Other Revenue	0	10,192	0	0	140,608
716	Gain/Loss on Sale of Fixed Assets	0	0	2,210	0	2,800
720	Investment Income - Restricted	0	0	0	0	5,873
700	<b>Total Revenue</b>	580,594	15,491	5,668,715	33,544	10,128,893
	<b>EXPENSES</b>					
911	Administrative Salaries	63,299	13,278	339,838	25,160	782,443
912	Auditing Fees	2,000	0	2,878	0	7,422
913	Outside Management Fees	0	0	0	0	0
914	Compensated Absences	0	204	0	0	6,858
915	Employee Benefit Contributions - Administrative	16,749	5,190	145,503	8,288	325,411
916	Other Operating - Administrative	1,172	3,840	81,641	0	164,634
921	Tenant Services - Salaries	27,736	0	0	0	59,764
923	Employee Benefit Contributions - Tenant Services	9,395	0	0	0	14,053
924	Tenant Services - Other	28,924	0	0	0	53,036
931	Water	0	0	0	0	167,709
932	Electricity	0	0	0	0	84,595
933	Gas	0	0	0	0	25,960
941	Ordinary Maintenance and Operations - Labor	0	0	0	0	145,356
942	Ordinary Maintenance and Operations - Materials	0	0	25,643	0	172,951
943	Ordinary Maintenance and Operations - Contract Costs	35,172	0	0	0	171,898
945	Employee Benefit Contributions - Ordinary Maintenance	0	0	0	0	62,539
951	Protective Services - Labor	0	0	0	0	16,075
952	Protective Services - Other Contract Costs	3,731	0	0	0	15,451
953	Protective Services - Other	3,652	0	0	0	4,369
955	Employee Benefit Contributions - Protective Services	0	0	0	0	7,394
961	Insurance Premiums	233	46	3,602	96	68,538
962	Other General Expenses	0	0	0	0	22,497
963	Payment in Lieu of Taxes	0	0	0	0	40,371
964	Bad Debts - Tenant Rents	0	0	0	0	14,398
967	Interest Expense	0	0	0	0	58,971
969	<b>Total Operating Expenses</b>	192,063	22,558	599,105	33,544	2,492,693
970	Excess Operating Revenues Over Expenses	388,531	(7,067)	5,069,610	0	7,636,200



PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

FDS Line Item No.	<u>Account Description</u>	<u>Business Activities</u>	<u>New Construction</u>	<u>Low Rent Public Housing</u>	<u>Drug Elimination Program</u>	<u>Section 8 Moderate Rehab MR 0001</u>
	<b>OTHER EXPENSES</b>					
971	Extraordinary Maintenance	\$ 2,721	\$ 0	\$ 45,021	\$ 0	\$ 0
973	Housing Assistance Payments	0	468,690	0	0	129,291
974	Depreciation Expense	44,656	0	605,539	0	157
900	<b>Total Expenses</b>	<u>223,361</u>	<u>472,708</u>	<u>1,848,602</u>	<u>22,441</u>	<u>143,114</u>
1000	Excess of Revenue Over Expenses	5,709	27,025	(544,578)	0	(7,376)
1103	Beginning Equity	241,000	168,082	10,428,674	0	34,692
1104	Prior Period Adjustments, Transfers	27,792	57	245,313	(22,441)	14
	<b>ENDING EQUITY</b>	<u>\$ 274,501</u>	<u>\$ 195,164</u>	<u>\$10,129,409</u>	<u>\$ 0</u>	<u>\$ 27,330</u>
1113	Maximum Annual Contributions Commitment (Per ACC)	0	590,136	0	0	139,624
1115	Contingency Reserve, ACC Program Reserve	0	3,084,631	0	0	53,583
1116	Total Annual Contribution Available	<u>0</u>	<u>3,674,767</u>	<u>0</u>	<u>0</u>	<u>193,207</u>
1120	Unit Months Available	324	960	3,632	0	288
1121	Number of Unit Months Leased	312	933	3,578	0	288

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

FDS Line Item No.	Account Description	Section 8 Moderate Rehab. MR 0002	Section 8 Moderate Rehab MR 0003	Compre- hensive Grant Fund	Resident Opportunity Supportive Services	Housing Choice Vouchers
	<b><u>OTHER EXPENSES</u></b>					
971	Extraordinary Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
973	Housing Assistance Payments	442,887	482,458	0	0	332,008
974	Depreciation Expense	530	654	0	0	497
900	<b>Total Expenses</b>	<u>489,542</u>	<u>540,056</u>	<u>6,960</u>	<u>45,828</u>	<u>375,735</u>
1000	Excess of Revenue Over Expenses	2,700	3,334	109,329	8,302	3,131
1103	Beginning Equity	54,375	146,862	0	0	63,055
1104	Prior Period Adjustments, Transfers	48	59	(109,329)	(8,302)	45
	<b>ENDING EQUITY</b>	<u>\$ 57,123</u>	<u>\$ 150,255</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,231</u>
1113	Maximum Annual Contributions Commitment (Per ACC)	591,600	635,484	0	0	963,084
1115	Contingency Reserve, ACC Program Reserve	0	0	0	0	92,880
1116	Total Annual Contribution Available	<u>3,856</u>	<u>3,776,881</u>	<u>0</u>	<u>0</u>	<u>1,055,964</u>
1120	Unit Months Available	972	1,200	0	0	1,620
1121	Number of Unit Months Leased	972	1,200	0	0	911

PORTAGE METROPOLITAN HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FDS SCHEDULE SUBMITTED TO HUD  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002  
(CONTINUED)

FDS Line Item No.	<u>Account Description</u>	Capital Fund	State/Local	Move to Work	Move to Work Tech. Assistance	Total
	<b><u>OTHER EXPENSES</u></b>					
971	Extraordinary Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,742
973	Housing Assistance Payments	0	0	5,040,310	0	6,895,644
974	Depreciation Expense	0	9,427	6,883	0	668,343
900	<b>Total Expenses</b>	<u>192,063</u>	<u>31,985</u>	<u>5,646,298</u>	<u>33,544</u>	<u>10,104,422</u>
1000	Excess of Revenue Over Expenses	<u>388,531</u>	<u>(16,494)</u>	<u>22,417</u>	<u>0</u>	<u>24,471</u>
1103	Beginning Equity	0	554,794	457,664	0	12,149,198
1104	Prior Period Adjustments, Transfers	(388,531)	(236)	14,525	0	(240,986)
	<b>ENDING EQUITY</b>	<u>\$ 0</u>	<u>\$ 538,064</u>	<u>\$ 494,606</u>	<u>\$ 0</u>	<u>\$11,932,683</u>
1113	Maximum Annual Contributions Commitment (Per ACC)	0	0	0	0	2,919,928
1115	Contingency Reserve, ACC Program Reserve	0	0	0	0	7,011,831
1116	Total Annual Contribution Available	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,931,759</u>
1120	Unit Months Available	0	0	13,704	0	22,700
1121	Number of Unit Months Leased	0	0	12,625	0	20,819

PORTAGE METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2002

	<b><u>Federal CFDA Number</u></b>	<b><u>Funds Expended From U.S.</u></b>
<b><u>Department of HUD</u></b>		
<b><u>Direct Programs</u></b>		
<b><u>U.S. Department of HUD</u></b>		
PHA Owned Housing:		
Public and Indian Housing Operating Subsidy	14.850	\$ 590,694
<b>Total PHA Owned Housing</b>		<u>590,694</u>
Comprehensive and Capital Fund Grants:		
Capital Fund	14.872	580,594
Comprehensive Grant	14.859	116,289
<b>Total Comprehensive and Capital Fund Grants</b>		<u>696,883</u>
Section 8 Programs:		
Housing Assistance Payments:		
Annual Contribution - Mod. Rehab.	14.856	1,163,404
- Housing Choice Voucher	14.855	375,915
- New Construction	14.182	493,301
- Move-to-Work	**	5,627,825
- Move-to-Work Technical Asst.	**	33,544
<b>Total Section 8 Programs</b>		<u>7,693,989</u>
Resident Opportunity and Supportive Services	14.870	<u>54,130</u>
Public Indian Housing Drug Elimination Program	14.854	<u>77,067</u>
<b>Total U.S. Department of HUD</b>		<u>9,112,763</u>
<b>TOTAL ALL PROGRAMS</b>		<u><u>\$9,112,763</u></u>

\*\* - No CFDA numbers for this program.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
RAVENNA, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2002

NOTE A: **SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the District's federal awards programs. The schedule has been prepared on the accrual basis of accounting prescribed by the U.S. Department of Housing and Urban Development.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
RAVENNA, OHIO  
COMPREHENSIVE GRANT COST CERTIFICATION  
DECEMBER 31, 2002

1. The Final Comprehensive Grant Costs are as Follows:

	Project <u>OH12-P-031707-99</u>
Funds Approved	\$ 615,742
Funds Expended	615,742
	_____
Excess (Deficiency) of Funds Approved	\$ 0
	=====

2. The Distribution of Costs as shown on the Schedule/Report of Comprehensive Grant Expenditures submitted to HUD for approval are in agreement with the Authority's records.
3. All Comprehensive Grant Costs have been paid and all related liabilities have been discharged through payment.

PORTAGE METROPOLITAN HOUSING AUTHORITY  
RAVENNA, OHIO  
DRUG ELIMINATION GRANT CERTIFICATION  
DECEMBER 31, 2002

1. The actual Drug Elimination Grant/EDSS Costs are as follows:

	<u>Project OH12DEP0310199</u>	<u>Project OH12DEP0310100</u>
Funds Approved	\$ 67,082	\$ 69,913
Funds Expended	67,082	69,913
Excess (Deficiency) of Funds Approved	<u>\$ 0</u>	<u>\$ 0</u>

2. The Distribution of Costs as shown on the Schedule of Drug Elimination Grant expenditures submitted to HUD for approval are in agreement with the Authority's records.
3. All Drug Elimination Grant Costs have been paid and all related liabilities have been discharges through payment.

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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Ohio Society of Certified Public Accountants

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  
Portage Metropolitan Housing Authority  
Ravenna, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the general purpose financial statements of the Portage Metropolitan Housing Authority as of and for the year ended December 31, 2002, and have issued our report thereon dated June 26, 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 Portage 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 Portage 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.



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

June 26, 2003

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James G. Zupka  
Certified Public Accountant

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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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  
Portage Metropolitan Housing Authority  
Ravenna, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

We have audited the compliance of the Portage 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 December 31, 2002. Portage Metropolitan Housing Authority's major federal programs are 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 each of its major federal programs is the responsibility of the Portage 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 and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Portage 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 Portage Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Portage Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002. The results of our auditing procedures disclosed no instances of non-compliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

### **Internal Control Over Compliance**

The management of the Portage 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 Portage 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.

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.

June 26, 2003

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James G. Zupka  
Certified Public Accountant

PORTAGE METROPOLITAN HOUSING AUTHORITY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 DECEMBER 31, 2002

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

2002(I)	Type of Financial Statement Opinion	Unqualified
2002(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2002(ii)	Were there any other reportable control weakness conditions reported at the financial statements level (GAGAS)?	No
2002(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2002(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2002(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2002(v)	Type of Major Programs' Compliance Opinion	Unqualified
2002(vi)	Are there any reportable findings under .510?	No
2002(vii)	Major Programs (list): Housing Choice Voucher More to Work	14.871 No CFDA #
2002(viii)	Dollar Threshold: Type A\B Programs	Type A;>\$300,000 Type B: all others
2002(ix)	Low Risk Auditee?	Yes

PORTAGE METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
(CONTINUED)  
DECEMBER 31, 2002

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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**PORTAGE METROPOLITAN HOUSING AUTHORITY**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 7, 2003**