SINGLE AUDIT SECTION

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Hugh J. Dorrian
City Auditor
City of Columbus, Ohio
and The Honorable Betty Montgomery
Auditor of State of Ohio

We have audited the financial statements of the City of Columbus, Ohio (the "City") as of and for the year ended December 31, 2003, and have issued our report thereon dated April 16, 2004. 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 City'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. However, we noted certain immaterial instances of noncompliance that we have reported to the management and the City in a separate letter dated April 16, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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

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the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting, which we have presented to management and the City in a separate letter dated April 16, 2004.

This report is intended solely for the information and use of the City's management, the Auditor of State of Ohio, federal, state and pass-through awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

April 16, 2004

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL, STATE AND COUNTY AWARDS

The Honorable Hugh J. Dorrian
City Auditor
City of Columbus, Ohio
and The Honorable Betty Montgomery
Auditor of State of Ohio

Compliance

We have audited the compliance of the City of Columbus, Ohio (the "City") 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 December 31, 2003. The City's major federal programs are identified in the summary of auditors' 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 City's management. Our responsibility is to express an opinion on the City'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 City'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 the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2003. However, the result of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 03-01, 03-02, 03-03, 03-04, 03-05, 03-06, 03-07, 03-08, 03-09, and 03-10.

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Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City'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.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City as of and for the year ended December 31, 2003, and have issued our report thereon dated April 16, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the City of Columbus, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information of the City's management, the Ohio Auditor of State, federal, state and pass-through awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

April 16, 2004

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
	Federal Grants							
		Department of Agriculture						
510216	286	Wetlands Reserve Program	10.072	-	$ 22,241	$ -	-	4,206
513016	286	2003 Summer Food Service Program for Children	10.559	-	1,204,967	779,646	-	760,218
518309	286	Senior Farmers Market Nutrition Program	10.576	-	100,000	100,000	-	132,153
511020	286	Wildlife Habitat Incentive Program	10.914	-	24,000	24,000	-	5,200
		Total Department of Agriculture				$ 903,646	-	901,777
		From Ohio Environmental Protection Agency:						
502037	251	Columbus Lead - Safe Yard	66.707	J525	150,000	50,000	35	25,683
448298	220	Brownfields Assessment Project	66.811	-	350,000	86,716	-	62,767
		Total Environmental Protection Agency				$ 136,716	35	88,450
		Department of Health and Human Services						
518019	286	Title VII, Prevention of Elder Abuse	93.041		15,681	15,681	-	15,681
518307	286	Title IIIE - Caregiver Support	93.052	88-06	696,236	557,638	100	710,634
518317	286	Title IIIE - Caregiver Support	93.052	88-06	4,200	4,200	-	4,575
		Total for CFDA 93.052				561,838	100	715,209
518310	286	Title IV - Senior Medicare	93.048		145,128	80,496	-	112,468
508317	251	Preventive Health & Health Services Block Grant	93.283	282-97-0038	600,000	150,000	-	76,901
518020	286	Low-Income Home Energy Assistance	93.568	HEAP-06	27,253	27,253	-	27,253
448220	220	Social Services Block Grant	93.667	G-9501-04-ECUR	2,947,368	46,631	-	56,615
502017	251	2002 Healthy Start Initiative	93.926	5H47MC00028-03	500,000	380,676	-	290,772
503017	251	2003 Healthy Start Initiative	93.926	5H49MC00028-04	500,000	216,555	-	241,855
		Total for CFDA 93.926				597,231	-	532,627
		Total Department of Health and Human Services				1,479,130	100	1,536,754
		From the Ohio Department of Aging:						
518318	286	Programs for the Aging-Title III, Part F-Preventive Health Serv	93.043	-	88,914	77,104	-	78,978
518301	286	Programs for the Aging-Title III, Part B-Senior Support Services	93.044	88-06	1,883,255	1,579,900	3,031	1,759,757
518303	286	Programs for the Aging-Title III, Part C-Nutrition Services	93.045	-	2,363,257	2,363,257	5,564	2,225,340
518324	286	Programs for the Aging-Title III, Part A-Nutrition Services	93.045	-	356,670	338,354	246,174	488,222
		Total for CFDA 93.044 and CFDA 93.045				4,281,511	254,769	4,473,319
518139	286	(4) Medical Assistance Program (PASSPORT)	93.778	-	25,863,656	25,798,387	603,717	27,325,891
		Total Ohio Department of Aging				30,157,002	858,486	31,878,188

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
		From the Ohio Department of Health:						
501016	251	2001 Women, Infants, and Children Program	10.557	J486	3,124,776	-	-	6,905
502016	251	2002 Women, Infants, and Children Program	10.557	K033	3,324,301	2,589,191	-	2,642,358
503016	251	2003 Women, Infants, and Children Program	10.557	K630	3,506,045	876,555	-	741,999
		Total for CFDA 10.557				3,465,746	-	3,391,262
503004	251	TB Prevention Control	93.118	K091	184,731	184,731	-	178,400
502004	251	TB Prevention Control	93.118	J502	223,753	-	-	9,453
		Total for CFDA 93.118				184,731	-	187,853
502022	251	2002 Childhood Lead Poisoning Prevention Program	93.197	J797	90,000	45,000	-	46,550
503022	251	2003 Childhood Lead Poisoning Prevention Program	93.197	K370	94,000	47,000	-	48,484
		Total for CFDA 93.197				92,000	-	95,034
503006	251	2003 Immunization Action Plan	93.268	K095	362,963	302,665	-	331,805
502006	251	Childhood Immunization Grants	93.268	J523	355,963	30,324	-	24,389
502007	251	Childhood Immunization Grants	93.268	-	10,000	-	-	563
		Total for CFDA 93.268				332,989	-	356,757
502045	251	Public Health Infrastructure	93.283	J321	668,186	426,713	-	590,984
504051	251	Metropolitan Medical Response	93.283	J321	280,000	-	-	484
503023	251	Cooperative Agreements-State Based Comprehensive Breast/Cervical Cancer Early Detection Programs 2003	93.283	K342	191,885	95,942	-	88,179
503051	251	Regional Medical Response System	93.283		100,000	100,000	-	100,000
504052	251	Public Health Infrastructure	93.283		844,572	369,173	-	173,371
		Total for CFDA 93.283				991,828	-	953,018
503009	251	HIV Care Formula Grants 2003	93.917	142-AI	31,000	17,884	-	12,909
502009	251	HIV Care Formula Grants 2002	93.917	142-AI	31,000	12,582	-	11,671
		Total for CFDA 93.917				30,466	-	24,580
502023	251	Cooperative Agreements-State Based Comprehensive Breast/Cervical Cancer Early Detection Programs 2002	93.919	-	136,975	99,672	-	91,841
		Total for CFDA 93.919				99,672	-	91,841
503005	251	HIV Prevention Activities-Health Department Based	93.940	K104	883,568	691,764	-	682,767
502005	251	HIV Prevention Activities-Health Department Based	93.940	J524	762,107	127,287	-	163,161
		Total for CFDA 93.940				819,051	-	845,928
503013	251	Health Delivery Services to Persons with AIDS 2003	93.959	142	120,702	25,901	-	30,134
502013	251	Health Delivery Services to Persons with AIDS 2002	93.959	142	120,702	116,997	-	70,568
		Total for CFDA 93.959				142,898	-	100,702
503003	251	2003 STD Control Program	93.977	K103	400,773	295,203	-	296,606
502003	251	2002 STD Control Program	93.977	J568	516,919	-	-	219,909
508318	251	STD Diagnostic & Treatment Services	93.977		108,000	-	-	3,062
		Total for CFDA 93.977				295,203	-	519,577
502049	251	Food Safety Demonstration	93.991	-	49,674	49,684	-	41,633
		Total for CFDA 93.991				49,684	-	41,633

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
501018	251	Maternal & Child Health Svs Block Grant to the States	93.994	J364	1,151,741	-	-	16,559
502018	251	Maternal & Child Health Svs Block Grant to the States	93.994	J940	722,291	553,485	94,391	861,947
503018	251	Maternal & Child Health Svs Block Grant to the States	93.994	J940	539,208	335,420	49,751	204,728
501020	251	2001 Ohio Infant Mortality Reduction	93.994	J364	120,000	-	-	3,546
502020	251	2002 Ohio Infant Mortality Reduction	93.994	J940	150,000	112,500	-	122,997
503020	251	2003 Ohio Infant Mortality Reduction	93.994	J940	150,000	37,500	-	23,010
		Total for CFDA 93.994				1,038,905	144,142	1,232,787
		Total Ohio Department of Health				7,543,173	144,142	7,840,972
		From the Franklin County A.D.A.M.H. Board:						
501027	251	2001 HIV Early Intervention Services	93.959		337,407	-	-	8,831
502027	251	2002 HIV Early Intervention Services	93.959	-	330,321	97,043	-	192,604
502028	251	2002 Lifestyle Risk Reduction/COA	93.959	-	131,153	28,100	1,316	102,820
502030	251	2002 Women's Alcohol Recovery	93.959	-	225,195	112,385	33,052	155,907
503027	251	2003 HIV Early Intervention Services	93.959	-	158,500	47,719	-	120,889
503028	251	2003 Lifestyle Risk Reduction/COA	93.959	-	67,736	-	-	32,673
503030	251	2003 Women's Alcohol Recovery	93.959	-	70,871	46,471	-	135,263
		Total Franklin County A.D.A.M.H Board				331,718	34,368	748,987
		Total Department of Health and Human Services			$	39,511,023	1,037,096	42,004,901
		Total Department of Housing and Urban Development						
458004	201	Housing Development Grant Program	14.174	-	-	-	-	1,121,732
518002	286	Congregate Housing Services Program	14.191	-	354,000	229,049	117,301	346,221
sbf 001	248	Community Development Block Grant-Non-loan program	14.218	B-96-MC-39-009		10,381,067	2,407,965	12,687,994
sbf 002	248	Community Development Block Grant-Loan program	14.218	B-96-MC-39-009		-	2,354,216	1,159,760
		Total for CFDA 14.218				10,381,067	4,762,181	13,847,754
sbf 016	243	Urban Development Action Grant	14.221	B-81-AA-39-0110	6,000,000	-	-	5,433
sbf 018	243	Urban Development Action Grant	14.221	B-81-AA-39-0111	1,000,000	-	44,732	84,024
		Total for CFDA 14.221				-	44,732	89,457
458084	220	Emergency Shelter Grants Program	14.231	-	1,210,779	246,394	-	246,394
458001	201	HOME Investment Partnerships Program-Non-loan program	14.239	-	18,130,483	-	124,871	723,550
458001	201	HOME Investment Partnerships Program-Loan program	14.239	-	18,130,483	1,984,302	-	34,918,252
		Total for CFDA 14.239				1,984,302	124,871	35,641,802
508274	220	Housing for People with AIDS (HOPWA)	14.241	OH16H97-FO51	1,821,611	419,292	-	398,894
449006	220	Empowerment Zones Program	14.244	-	8,791,163	5,317,729	-	5,768,622
441006	220	Economic Development Initiative	14.246		429,054	429,054	-	429,054
449003	204	Central City Loan	14.246		3,000,000	-	115,491	17,614
		Total for CFDA 14.246				429,054	115,491	446,668
442004	220	Lead-Based paint Hazard Control in Priority Housing	14.900	OHLAG0055-95	3,190	3,190	-	1,756
443004	220	Lead-Based paint Hazard Control in Priority Housing	14.900	OHLAG0055-95	2,157,343	995,226	-	551,835
449005	220	Lead-Based paint Hazard Control in Priority Housing	14.900	OHLAG0055-95	1,124,223	-	-	99,552
508101	220	Lead-Based paint Hazard Control in Priority Housing	14.900	OHLAG0055-95	4,687,684	-	-	122,094
		Total for CFDA 14.900				998,416	-	775,237
		Total Department of Housing and Urban Development			$	20,005,303	5,164,576	58,682,781

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
		Department of Interior						
		From the Ohio Historical Society:						
512021	220	Cultural Arts Center	15.914	-	-	8,062	-	10,803
512022	220	Beatty Park & Recreation Center	15.919	-	1,500,000	825,705	-	829,916
		Total Department of Interior			$	833,767	-	840,719
		Department of Justice						
240002	220	Juvenile Justice and Delinquency Prevention	16.540	99-JJ-OP2-0209	59,786	34,690	-	-
243008	220	Project Smart - Student Mediation	16.540		41,846	-	-	16,222
		Total for CFDA 16.540				34,690	-	16,222
332005	220	Operation Nite Light (01 JAJBG)	16.523	01-JB-007-F130	114,238	34,120	-	4,987
333005	220	Operation Nite Light (02 JAJBG)	16.523	02-JB-007-F130	95,061	31,703	9,412	74,131
332010	220	S.T.O.P. Teenage Opportunity to Purchase	16.523	00-JB-013-A049	16,586	16,586	-	16,586
		Total for CFDA 16.523				82,409	9,412	95,704
338005	222	Local Law Enforcement Block Grant (LLEBG)	16.592	00-LB-BX-1632	1,042,719	-	-	2,856
338006	222	Local Law Enforcement Block Grant (LLEBG)	16.592	01-LB-BX-1435	910,916	-	3,190	516,548
338007	222	Local Law Enforcement Block Grant (LLEBG)	16.592	02-LB-BX-0949	701,568	-	90,020	503,747
338008	222	Local Law Enforcement Block Grant (LLEBG)	16.592	03-LB-BX-1654	538,821	538,821	3,132	-
		Total for CFDA 16.592				538,821	96,342	1,023,151
331003	220	Bulletproof Vest Partnership	16.607	-	73,207	-	-	39,566
		From the Alliance for Cooperative Justice:						
240001	220	Byrne Formula Grant	16.579	DG-E01-7721	378,540	99,859	-	165,781
333015	220	Central Ohio Reg Drug Task Force	16.579	02-DG-A01-7206	100,000	14,264	4,000	51,797
		Total Alliance for Cooperative Justice				114,123	4,000	217,578
252004	220	2002 Planning In Community Prosecution	16.609	-	75,000	32,965	-	49,705
		From the Alliance for Cooperative Justice:						
241004	220	Violence Against Women Formula Grants	16.588	96-WF-VA2-8758	28,429	44,591	-	50,275
241005	220	Violence Against Women Formula Grants	16.588	96-WF-VA5-8757	56,470	52,496	-	36,213
248270	220	Violence Against Women Formula Grants	16.588	96-WF-VA2-8758	398,534	140,255	-	129,224
248271	220	Violence Against Women Formula Grants	16.588	96-WF-VA5-8757	267,679	105,455	-	99,735
248295	220	Violence Against Women Formula Grants	16.588	99-VA-DSC-E317	439,333	112,436	-	111,368
333007	220	Violence Against Women Formula Grants	16.588	02-WF-VA3-8752	19,050	1,499	-	4,637
332007	220	Violence Against Women Formula Grants	16.588	01-WF-VA3-8752	46,416	22,331	-	21,088
		Total for CFDA 16.588				479,063	-	452,540
		From the Ohio Attorney General's Office:						
333017	220	Justice Research, Development, and Evaluation Project Grants	16.560		8,330	-	-	2,430
332012	220	Crime Laboratory Improvements	16.564		210,000	172,200	-	77,080
240003	220	Telecomm Harrasment Grant	16.575	DG-E02-B515	136,912	123,274	-	104,211
252003	220	2002 Probation Svcs - Victim Advocates	16.575	03VADSCE478	47,279	35,459	-	70,603
253003	220	2003 Probation Svcs - Victim Advocates	16.575	03VADSCE478	42,550	14,184	55,000	26,960
		Total for CFDA 16.575				172,917	55,000	201,774
		Total Department of Justice			$	1,627,188	164,754	2,175,750

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
		Department of Transportation						
		From Ohio Public Safety						
540002	220	Highway Planning & Construction	20.205		315,000	110,068	-	106,596
548077	220	Highway Planning & Construction	20.205	PF-FRA-189	630,838	128,910	-	151,771
549001	220	Highway Planning & Construction	20.205		550,000	-	-	-
		Total for CFDA 20.205				238,978	-	258,367
333013	220	2003 Selective Traffic Enforcement	20.600	-	53,237	53,237	-	53,237
333019	220	2003 CPD-Ohio Safe Commute	20.600	-	66,169	-	-	31,443
343003	220	2003 EMS Grant	20.600	-	35,425	32,808	1,915	23,256
343008	220	2003 EMS Grant	20.600	-	9,242	9,242	-	9,242
344002	220	2004 EMS Grant	20.600	-	13,550	-	6,275	2,913
503024	251	2003 Safe Communities	20.600	4166.2	117,500	-	-	14,117
503025	251	2003 Occupant Protection Program	20.600	4082.0	68,667	-	-	10,978
503026	251	2003 Child Passenger Van Grant	20.600	4083.0	34,215	-	-	12,711
501024	251	2001 Safe Communities	20.600	1691.1	71,339	-	-	3,168
502024	251	2002 Safe Communities	20.600	3025.1	101,000	94,626	-	79,216
502025	251	2002 Occupant Protection Program	20.600	3011.1	68,667	68,541	-	63,115
502026	251	2002 Child Passenger Van Grant	20.600	3009.2	68,431	44,358	-	62,996
		Total for CFDA 20.600				302,812	8,190	366,392
		Total Ohio Public Safety				541,790	8,190	624,759
		From the Ohio Department of Transportation:						
561001	765	Highway Planning & Construction - Hard Road - Phase B	20.205		13,459,945	-	452,942	3,112,672
561101	765	Highway Planning & Construction - Hard Road - Phase C	20.205		4,760,000	1,421,062	-	-
530152	765	Highway Planning & Construction - I71/Morse Road Interchange	20.205		600,000	-	-	676,130
593007	765	Highway Planning & Construction - Norton Road	20.205		8,619,202	-	94,728	-
561034	765	Highway Planning & Construction - Spring-Sandusky Inter.	20.205	I-70-3-3(13)92	7,027,726	-	-	7,650
561119	765	Highway Planning & Construction - I670/I71/I270	20.205		89,301	-	-	4,056
562001	765	Highway Planning & Construction - Central Ohio Mgt Based	20.205		3,198,867	-	273,500	-
		Total Ohio Department of Transportation				1,421,062	821,170	3,800,508
		Total Department of Transportation				$ 1,962,852	829,360	4,425,267
		Federal Emergency Management Agency						
343004	220	FEMA - Assistance to Firefighters	83.554		500,000	30,303	-	43,289
593005	220	FEMA - Public Assistance/Emergency Relief	83.544		264,555	264,555	-	264,555
						294,858	-	307,844
		Total Federal Assistance - Primary Government				$ 65,275,353	7,195,821	109,427,489
		Other Federal Agencies						
442003	220	Emerson Burkhart Mural	45.024		10,000	10,000	-	10,000
		Other Federal Assistance - Loans						
		US EPA/OWDA Water Pollution Control Loan	66.458	-	30,316,000	-	16,203,365	20,618,726
		Total Federal Assistance - Reporting Entity				$ 65,285,353	23,399,186	130,056,215

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
	State Grants							
		Department of Aging						
518006	286	RSS/Assisted Living		GRF-490-412	47,590	47,590	-	48,798
518025	286	Senior Volunteer Program		GRF-490-506	23,646	22,996	-	22,284
518047	286	Alzheimer's Respite		GRF-490-512	454,936	359,637	-	460,841
518308	286	Home Care Ombudsman		GRF-490-510	174,569	174,569	-	174,758
518315	286	Senior Block Grant		GRF-490-411	1,024,315	1,015,806	-	1,013,884
		Total Department of Aging			$	1,620,598	-	1,720,565
		Ohio Department of Alcohol and Drug Addiction Services						
501029	251	2001 ADA - Prevention		-	54,166	-	-	1,684
		Ohio Department of Development						
440003	220	Ohio Empowerment		-	466,666	170,268	-	200,000
593003	220	Frank Road/Harmon Road Improvements		-	150,000	-	-	75,000
518082	286	Housing Trust Fund Program		-	6,800	52,500	-	52,500
518482	286	Service Coordination Program		-	43,910	43,910	-	30,191
		Total Department of Development			$	266,678	-	357,691
		Ohio Environmental Protection Agency						
504053	251	Columbus Environmental Asthma		03M-031	4,983	4,983	-	-
512024	286	2002 Ohio Bio-Blitz - Bio Diversity Program		-	5,000	-	-	4,775
513024	286	2003 Ohio Bio-Blitz - Bio Diversity Program		-	1,000	1,000	1,000	274
		Total Ohio Environmental Protection Agency				5,983	1,000	5,049
		Ohio Department of Transportation						
313001	220	CAD/FMS Improvements		-	487,603	-	-	478,725
		Ohio Department of Health						
501032	251	TB Enhancement/Tobacco Settlement		-	216,000	133,860	-	68,215
502035	251	2002 Community Access Program		J991	105,561	64,326	-	104,880
502014	251	2002 State AIDS Care			46,900	12,033	-	10,209
502029	251	2002 ADA Prevention Services			66,916	11,000	-	49,203
502040	251	2002 Cardiovascular Health			158,000	27,163	-	36,959
502048	251	2003 Cardiovascular Health			156,500	135,369	-	144,969
503014	251	2003 State AIDS Care		K314	51,713	38,154	-	36,399
503018	251	Maternal & Child Health Svs Block Grant to the States		J940	438,670	274,434	40,706	167,505
503029	251	2003 ADA Prevention Services			34,850	-	-	20,048
503035	251	2003 Community Access Program		K680	52,800	27,200	-	275
504056	251	Indoor Radon			10,935	-	-	1,011
508040	251	Ohio Childhood Automobile		-	15,000	-	7,979	11,637
508001	251	State Health Subsidy		-	210,042	216,767	28,602	316,196
509016	251	1999 Ohio Immunization Action Plan		-	66,800	-	-	7,323
		Total Ohio Department of Health			$	940,306	77,287	974,829

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
		Department of Natural Resources						
510102	286	Scioto Peninsula		-	12,000,000	621,094	-	656,561
512008	286	2002 Angler Education		-	3,352	-	-	2,986
513008	286	2003 Angler Education		-	1,102	1,102	-	-
513023	286	Alum Creek Trail		-	420,000	-	-	7,929
592001	220	2002 Recycle Ohio Grant		-	140,960	26,136	-	21,372
593001	220	2003 Recycle Ohio Grant		-	141,500	57,600	120,805	182,255
338203	220	State Marine Patrol		-	11,820	11,820	-	8,031
		Total Department of Natural Resources				$ 717,752	120,805	879,134
		Department of Rehabilitation and Corrections						
252002	220	2002 Misdemeanor Diversion		-	144,400	68,590	-	67,801
253002	220	2003 Misdemeanor Diversion		-	140,790	36,100	-	53,668
		Total Department of Rehabilitation and Corrections				$ 104,690	-	121,469
		Ohio Arts Council						
510201	286	PAINT 2002		-	22,031	22,031	-	-
510202	286	2002 Scioto Peninsula		-	4,750,000	1,176,552	-	1,349,033
510203	286	2002 Festival Latino - OAC		-	18,625	18,625	-	-
510206	286	Spring & Long Park		-	7,750,000	1,924,509	-	2,984,346
510301	286	PAINT 2003		-	20,635	-	-	18,034
510303	286	2003 Festival Latino - OAC		-	15,907	15,907	-	16,162
518626	286	Music in the Air-Donations/Grants		-	12,310	-	143,081	149,736
		Total Ohio Arts Council				$ 3,157,624	143,081	4,517,311
		Ohio Attorney General's Offce						
333001	220	DARE Law Enforcement Program		-	85,000	$ 85,000	-	85,000
		Ohio Public Safety						
593005	220	FEMA Project PW 691		-	42,785	$ 42,785	-	42,785
		Ohio Public Works Commission						
513764	764	Cherry Bottom Park		-	7,426	-	-	7,426
590410	764	Lane Avenue		-	2,425,740	513,560	-	3,006,107
560002	764	Group 9 Intersection Improvements		-	1,166,459	72,487	-	116,292
560005	763	Chatterton Road Improvement		-	3,495,131	1,092,635	-	696,114
560007	764	Group 10 Intersection Improvements		-	671,507	9,139	-	40,202
560008	764	ADA Curb Ramps		-	469,666	447,878	-	291,598
561002	764	Greenlawn Avenue Improvements		-	5,297,824	1,175,224	-	2,306,912
563001	763	ADA Curb Ramps		-	4,389,627	597,496	7,502,660	4,753,578
569020	763	Group 8 Intersection Improvements		-	1,690,848	106,935	-	133,142
		Total Ohio Public Works Commission				$ 4,015,354	7,502,660	11,351,371
		Other Agency						
343005	220	2003 PUCO Hazardous Material Training			2,250	2,250	-	2,250
333014	220	2003 Truancy Deterrence Program		02-JJ-DP2-J106	21,769	11,612	-	18,587
503050	251	2003 Minority Health Month		MHM03-82	2,000	1,729	-	1,729
504054	251	2003 Community Chats		MGS03-02	5,000	5,000	-	691
		Total Other Agency				20,591	-	23,257
		Total State Assistance		-		$ 10,977,361	7,844,833	20,558,870

City of Columbus, Ohio
Schedule of Receipts and Expenditures of Federal, State, and County Awards
Year Ended December 31, 2003

Grant No. (1)	Fund	Grant Title	CFDA	Grant No. (2)	Grant Award (3)	Receipts	City Match and Miscellaneous Receipts	Expenditures
	County Grants							
		A.D.A.M.H. Board						
501031	251	2001 Outpatient Treatment		-	472,744	-	-	25,331
502031	251	2002 Outpatient Treatment		-	357,896	185,095	57,147	255,534
502042	251	Consumer Outcomes Development		-	18,583	13,178	-	-
503031	251	2003 Outpatient Treatment		-	183,093	107,852	74,881	233,148
518018	286	Volunteer Guardianship Program		-	89,148	78,791	5,340	112,373
		Total A.D.A.M.H. Board			$	384,916	137,368	626,386
		Board of Health						
593002	220	2003 Comprehensive Antidumping Enforcement			60,078	-	45,821	54,169
592002	220	2002 Comprehensive Antidumping Enforcement			62,278	-	1,185	867
		Total Board of Health			$	-	47,006	55,036
		Franklin County Department of Jobs and Family Services						
501021	251	2001 FCCS Intake & Investigations		-	131,401	131,401	-	164,984
501034	251	Teen Pregnancy Prevention		-	73,188	63,765	-	68,781
501015	251	2001 In-Home Parenting		-	33,221	21,648	-	18,331
501208	251	2001 Welcome Home			300,000	-	-	86,716
503015	251	2003 In-Home Parenting		-	75,000	18,700	-	31,477
502044	251	Help Me Grow - Oversight & Planning		-	202,265	105,688	-	153,193
502046	251	Help Me Grow Direct Services		-	316,693	294,823	-	218,208
503046	251	Help Me Grow Direct Services		-	401,096	152,174	-	153,056
		Total Franklin County Department of Jobs and Family Services			$	788,199	-	894,746
		Franklin County Commissioners						
518335	286	Franklin County Seniors Options		-	2,291,253	2,233,565	520	2,266,192
512005	286	Franklin County Seniors Options		-	9,984	-	-	5,565
		Total Franklin County Commissioners			$	2,233,565	520	2,271,757
		Other Agency						
513005	220	2003 Health and Wellness			10,184	10,184	-	-
508052	251	Chemical Emergency Preparedness			75,621	75,621	-	93,923
441008	220	CMHA Homebuyer Assistance			120,000	45,000	15,000	45,000
		Total Other Agency			$	130,805	15,000	138,923
					Total County Assistance	3,537,485	199,894	3,986,848
					Total Private Assistance, net	859,699	605,179	824,987
					Total State Assistance (See above)	10,977,361	7,844,833	20,558,870
					Total Federal Assistance - Reporting Entity (See above)	65,285,353	23,399,186	130,056,215
					Total Assistance	80,659,898	$ 32,049,092	$ 155,426,920
					Increase (decrease) in Accrued Grant and Contract Revenue	6,332,097		
					Total Grant and Contract Revenue $	86,991,995		

CITY OF COLUMBUS, OHIO

Notes to Schedule of Receipts and Expenditures
of Federal, State, and County Awards
December 31, 2003

Note A-General

The accompanying Schedule of Receipts and Expenditures of Federal, State, and County Awards (the Schedule) presents the activity of all federal, state and county award programs of the City of Columbus, Ohio (the City). The City's reporting entity is defined in Note A to the City's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

Note B-Basis of Accounting

The accompanying Schedule is presented using the cash basis of accounting in which revenues are recognized when received and expenditures are recognized when paid.

Note C-Relationship to Basic Financial Statements

Grant revenues are reported in the City's special revenue and capital projects funds. See the Schedule for the reconciliation between the fund financial statements prepared in accordance with generally accepted accounting principles (GAAP) and the Schedule prepared on the cash basis of accounting.

Note D-Schedule References

1. Grant No. represents the City's Performance Accounting System classification structure and is used for internal purposes only.
2. Grant number for pass-through grants is the State of Ohio's grant number.
3. Grant award amounts represent grantor's share only.
4. The P.A.S.S.P.O.R.T. program is funded by both federal and state Medicaid. The amount presented is the federal portion only.

Note E-Loans Outstanding

The City administers loan programs with funding received from the Department of Housing and Urban Development. Following are the loan balances outstanding for these programs as of December 31, 2003:

Program Title	Federal CFDA Number	Amount Outstanding
Community Development Block Grant	14.218	$38,884,511
HOME Investment Partnership	14.239	34,918,252
Housing Development Grant Program	14.174	1,121,732
Homeownership Opportunities For People Everywhere	14.185	104,700
Rental Rehabilitation	14.230	3,278,674
Section 108	14.246	822,708
Urban Development Action Grant	14.221	2,530,509

Notes to Schedule to Receipts and Expenditures
of Federal, State, and County Awards
December 31, 2003

Note F - Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

	Federal CFDA Number	Amount Provided to Subrecipients
Children's Hospital, Inc.	10.557	$ 193,705
Children's Research Institute	10.557	73,436
Total CFDA 10.557		267,141
Lifecare Alliance	10.572	132,153
Catholic Social Services, Inc.	14.218	24,661
Center For New Directions	14.218	30,067
Central Community House Of Columbus Inc	14.218	142,692
Columbus Compact, Inc.	14.218	154,063
Columbus Housing Partnership	14.218	192,470
Columbus Literacy Council	14.218	80,343
Columbus Urban Growth Corp.	14.218	290,101
Columbus Urban League	14.218	159,915
Community Shelter Board	14.218	450,481
First Night Columbus, Inc.	14.218	5,000
Southside Community Action Network Association	14.218	29,990
Total CFDA 14.218		1,559,783
Community Shelter Board	14.231	246,394
Columbus Aids Task Force	14.241	309,416
Licking County Coalition For Housing	14.241	74,216
Total CFDA 14.241		383,632
Columbus Compact, Inc.	14.244	5,556,645
Columbus/Franklin County Affordable Trust Authority	14.246	429,054
Columbus Urban Growth Corp	66.811	62,767
Catholic Social Services, Inc.	93.041	15,681
Alzheimer's Association	93.044	13,890
American Red Cross Of Greater Columbus	93.044	76,381
American Red Cross-Central Ohio Region	93.044	5,050
Catholic Social Services, Inc.	93.044	275,922
Columbus Neighborhood Health Center	93.044	23,857
Community Action Agency Of Fayette County	93.044	29,407
Elder Choices Of Central Ohio	93.044	132,368
Hospice & Health Services Of Fairfield County	93.044	46,454
L.E.A.D.S. Community Action Agency	93.044	3,905
Legal Aid Society Of Columbus	93.044	55,558
Lifecare Alliance	93.044	423,946
Meals On Wheels-Older Adult Alternatives	93.044	30,052
Pickaway County Commission On Aging	93.044	33,425
Salvation Army	93.044	6,395
Total CFDA 93.044		1,156,610

CITY OF COLUMBUS, OHIO

Notes to Schedule to Receipts and Expenditures
of Federal, State, and County Awards
December 31, 2003

	Federal CFDA Number	Amount Provided to Subrecipients
Council For Older Adults	93.045	152,014
Lifecare Alliance	93.045	1,275,455
Meals On Wheels-Older Adult Alternatives	93.045	205,609
Pickaway County Commission On Aging	93.045	117,133
Total CFDA 93.045		1,750,211
Council For Older Adults	93.048	16,129
Meals On Wheels-Older Adult Alternatives	93.048	16,215
Total CFDA 93.048		32,344
Community Action Agency Of Fayette County	93.052	38,115
Council For Older Adults	93.052	38,626
Meals On Wheels-Older Adult Alternatives	93.052	56,786
Pickaway County Commission On Aging	93.052	53,226
Total CFDA 93.052		186,753
Catholic Social Services, Inc.	93.568	3,800
Council For Older Adults	93.568	2,400
Elder Choices Of Central Ohio	93.568	1,900
Meals On Wheels-Older Adult Alternatives	93.568	1,900
Pickaway County Commission On Aging	93.568	2,400
Total CFDA 93.568		12,400
Columbus Compact, Inc.	93.667	56,615
Ohio Aids Coalition	93.917	12,232
Neighborhood House, Inc.	93.926	268,259
Children's Hospital, Inc.	93.940	28,807
Children's Research Institute	93.940	13,218
Columbus Aids Task Force	93.940	142,745
Columbus Urban League	93.940	8,618
Ohio Aids Coalition	93.940	5,469
Ohio State University	93.940	18,285
The Tobias Project, Inc.	93.940	63,082
Total CFDA 93.940		280,224
CMACAO	93.977	3,335
Southside Community Action Network Association	93.977	5,000
Stonewall Columbus	93.977	61,291
The Tobias Project, Inc.	93.977	3,333
Total CFDA 93.977		72,959
Children's Hospital, Inc.	93.994	579,766
Ohio State University	93.994	99,893
Total CFDA 93.994		679,659

CITY OF COLUMBUS, OHIO

Notes to Schedule to Receipts and Expenditures
of Federal, State, and County Awards
December 31, 2003

	Federal CFDA Number	Amount Provided to Subrecipients
Alzheimer's Association	97.999	133,328
Catholic Social Services, Inc.	97.999	190,453
Columbus Compact, Inc.	97.999	200,000
Community Action Agency Of Fayette County	97.999	9,013
Council For Older Adults	97.999	14,378
Elder Choices Of Central Ohio	97.999	38,737
Hospice & Health Services Of Fairfield County	97.999	9,295
L.E.A.D.S. Community Action Agency	97.999	15,121
Lifecare Alliance	97.999	368,676
Meals On Wheels-Older Adult Alternatives	97.999	78,228
Pickaway County Commission On Aging	97.999	57,855
Salvation Army	97.999	11,400
Franklin County	97.999	24,000
Total CFDA 97.999		1,150,484
Total federal awards provided to subrecipients		$ 14,312,000

CITY OF COLUMBUS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2003

PART I—SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.

2. No reportable conditions in internal control over financial reporting were identified.

3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.

4. No reportable conditions in internal control over compliance with requirements applicable to major federal awards programs were identified.

5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.

6. The audit disclosed findings which are required to be reported by OMB Circular A-133.

7. The organization's major programs were: Community Development Block Grant (CFDA# 14.218), Highway Planning and Construction Program (CFDA# 20.205), US EPA/OWDA Water Pollution Control Loan (CFDA# 66.458).

8. Dollar threshold used to distinguish between Type A and Type B programs: $2,167,132.

9. The Auditee did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II—FINANCIAL STATEMENT FINDINGS SECTION

No matters are reportable.

PART III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#03-01 Allowable Costs

Grantor: U.S. Department of Transportation – Highway Planning and Construction, CFDA 20.205

Project Number: #540002 – "Freeway Management System" and #548077 – "Paving the Way"

Criteria:
The A-133 OMB Compliance Supplement Part 3 Compliance Requirement, *Allowable Cost Requirements* states: "(1) Cost must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances was allocated to the Federal award as an indirect cost and (2) Costs must conform to any limitations or exclusions set forth in the circulars, Federal laws, State or local laws, sponsored agreements or other governing regulations as to types or amounts of cost items."

Finding:
The City of Columbus submitted invoices to the Ohio Department of Transportation at a different overhead rate than the overhead rate established by the Ohio Department of Transportation of 82.6%. We noted in 17 of 19 transactions tested that the City requested reimbursement for overhead at a rate different than 82.6%, which resulted in an over-reimbursement to the City of Columbus of $4,019, offset by $4,287 of costs not reimbursed by the Ohio Department of Transportation, for a net amount of $268.

Effect:
Inconsistency in overhead rates utilized in the calculation of eligible reimbursable costs could result in the reimbursement of unallowed costs.

Questioned Cost:
This resulted in an over-reimbursement to the City of Columbus of $4,019, offset by $4,287 of costs not reimbursed by the Ohio Department of Transportation, for a net amount of $268.

Recommendation:
We recommend that the City (1) implement a process of reviewing the invoice before it is billed to the State for reimbursement to ensure that programs are charged at the correct rate and (2) institute policies and procedures that establish responsibility and provide for periodic monitoring, verification, and reporting of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of issues that may arise within the project.

#03-02 Allowable Costs

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Project Number: #540002 – "Freeway Management System" and #548077 – "Paving the Way"

Criteria:
The A-133 OMB Compliance Supplement Part 3, *Compliance Requirement, Allowable Cost Requirements,* "(1) Cost must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances was allocated to the Federal award as an indirect cost and (2) Costs must conform to any limitations or exclusions set forth in the circulars, Federal laws, State or local laws, sponsored agreements or other governing regulations as to types or amounts of cost items." Additionally, Part 6 *Internal Control – Activities Allowed or Unallowed and Allowable Costs/Cost Principles* states, "management should review supporting documentation or allowable cost information."

Finding:
Project expenditures including vacation and sick days and overtime were not properly approved by a project supervisor in accordance with the Department of Transportation's policy. We noted 5 incidents out of 19 transactions tested in which vacation and sick or overtime hours were paid without proper signature of supervisor.

Effect:
Unallowed expenditures might be charged to Highway Planning and Construction Planning Program.

Questioned Cost:
N/A.

Recommendation:
We recommend that the City (1) implement a process of reviewing and approving sick and vacation days paid, as well as, overtime approval sheets and compare this data to the Department of Transportation payroll system to ensure hours to be paid were properly approved by a supervisor and, (2) institute policies and procedures that establish responsibility and provide for periodic monitoring, verification, and report of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-03 Allowable Costs

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Project Number: #561119 - "I-670, I-71, I-270 Project"

Criteria:
The A-133 OMB Compliance Supplement Part 3 *Compliance Requirement, A133 Compliance Supplement*, 3-B-1 states, "The general criteria affecting the allowability of the costs under Federal Awards are: Costs must be reasonable and necessary for the performance and administration of the Federal Awards; Costs must be allocable to the Federal awards under the provisions of the cost principles per GASB standards, as applicable. A cost is allocable to a particular cost objective […]if the goods or services involved are charged or assigned to such cost objectives in accordance with relative benefits received."

Finding:
Included in the schedule of federal awards was $4,056 in expenditures relating to project 561119, the "I-670, I-71, I-270 Project," for which the Department of Transportation could not provide supporting contractual information.

Effect:
Unallowed expenditures might be charged to Highway Planning and Construction Program.

Questioned Cost:
The 2003 expenditures under project 561119 – "I-670, I-71, I-270 Project" were $4,056. We were unable to obtain appropriate supporting contractual information to determine allowability of these expenditures. Consequently, the total amount of $4,056 is considered to be a questioned cost.

Recommendation:
We recommend that the City maintain the agreements for all federally funded project and institute policies and procedures to establish responsibility and provide for periodic monitoring, verification, and report of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-04 Allowable Costs—Control

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Project Number: Various

Criteria:
The A-102 Common Rule and OMB Circular A-110 require that "entities that receive Federal Awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements."

Finding:
Based on discussions with the City Transportation Department personnel they are not fully aware of the requirements of the A-133 Compliance Supplement.

Effect:
The Department of Transportation did not have policies and procedures in place that include supervisory reviews of tasks and management did not have full knowledge of requirements of the A-133 Compliance Supplement. Consequently the possibility of unallowed costs being processed for reimbursement or non-compliance with grant requirements occurring and not being detected exists.

Questioned Cost:
N/A

Recommendation:
We recommend the City implement policies and procedures that establish responsibility and provide for periodic monitoring, verification, and report of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-05 Cash Management

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Sponsor Identification Number: Various

Project Number: #561034 – "Spring Sandusky A-1 Bikeway" Project

Criteria:
The A-133 OMB Compliance Supplement Part 3, *Compliance Requirement, A133 Compliance Supplement – Cash Management*, "When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. Pass-through entities must establish reasonable procedures to ensure receipt of reports on subrecipients' cash balances and cash disbursements in sufficient time to enable the pass-through entities to submit complete and accurate cash transactions reports to the Federal awarding agency or pass-through entity. Pass-through entities must monitor cash drawdowns by their subrecipients to assure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity."

Finding:
We noted one incident out of one selection in the amount of $300 that the City didn't request for reimbursement. Upon further inquiry we noted, the total expenditures of $7,650 in the current year were not requested for reimbursement.

Effect:
The time elapsing between the disbursement of funds by the City and the corresponding transfer of funds from the State for reimbursement increases, resulting in poor cash management.

Questioned Cost:
N/A

Recommendation:
We recommend the City implement policies and procedures that establish responsibility and provide for periodic monitoring, verification, and report of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-06 Cash Management

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Project Number: #561001 – "Hard Road B"

Criteria:
The A-133 OMB Compliance Supplement Part 3 *Compliance Requirement, A133 Compliance Supplement – Cash Management*, "When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. Pass-through entities must establish reasonable procedures to ensure receipt of reports on subrecipients' cash balances and cash disbursements in sufficient time to enable the pass-through entities to submit complete and accurate cash transactions reports to the Federal awarding agency or pass-through entity. Pass-through entities must monitor cash drawdowns by their subrecipients to assure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity."

Finding:
We noted in three of four transactions the City did not submit a request for reimbursement from the Ohio Department of Transportation within a reasonable period of time. Expenditures incurred in April, June and August 2003 have not been submitted for reimbursement as of December 31, 2003.

Effect:
The time elapsing between the disbursement of funds by the City and the corresponding transfer of funds from the State for reimbursement increases, resulting in poor cash management.

Questioned Cost:
N/A

Recommendation:
We recommend the City implement policies and procedures that establish responsibility and provide for periodic monitoring, verification, and reporting of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-07 Cash Management

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Project Number: #548077 – "Paving the Way"

Criteria:
The A-133 OMB Compliance Supplement Part 3, *Compliance Requirement, A133 Compliance Supplement – Cash Management*, "When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. Pass-through entities must establish reasonable procedures to ensure receipt of reports on subrecipients' cash balances and cash disbursements in sufficient time to enable the pass-through entities to submit complete and accurate cash transactions reports to the Federal awarding agency or pass-through entity. Pass-through entities must monitor cash drawdowns by their subrecipients to assure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity." Additionally, OMB Circular A-133, Subpart C, §___.310 (b) (3) states "the auditee shall also prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule shall…provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

Finding:
In 7 of 25 transactions tested, we noted the City had submitted for reimbursements on vehicle usage, telephone, office supplies, etc., however, these expenditures were not coded in the general ledger as grant funds but were instead coded as operating funds. Total expenditures on 7 incidents were $3,397.

Effect:
The total Federal expenditures included in the schedule of federal awards are understated.

Questioned Cost:
N/A

Recommendation:
We recommend that the City implement policies and procedures that establish responsibility and provide for periodic monitoring, verification, and report of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-08 Reporting

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205
Project Number: #561001 – "Hard Road B" and #530152 – "I-71/Morse Road"

Criteria:
OMB Circular A-133, Subpart C, §___.310 (b) (3) states "the auditee shall also prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule shall…provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

Finding:
We noted expenditures in two projects funded by Federal grants were coded under either an incorrect grant number or coded to a non-grant fund. $2,378,437 in expenditures for Hard Road B project was included in an incorrect grant number and $676,130 in expenditures was included in a non-grant fund. The City made coding corrections at year-end.

Effect:
This could cause an understatement of expenditures in the schedule of federal awards.

Questioned Cost:
N/A

Recommendation:
We recommend that the City implement policies and procedures that establish responsibility and provide for periodic monitoring, verification, and report of program progress and accomplishments. This will ensure that management/supervisors are involved in the process and are knowledgeable of any issues that may arise within the project.

#03-09 Preparation of the Schedule of Federal Awards

Grantor: U.S. Department of Transportation – Highway Planning and Construction Program, CFDA 20.205

Project Number: #561101 – "Hard Road C"

Criteria:
OMB Circular A-133, Subpart C, §___.310 (b) (3) states "the auditee shall also prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements. At a minimum, the schedule shall…provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

Finding:
We noted for the fiscal years ended December 31, 1998 through 2001 expenditures under this project were not coded in the general ledger as grant funds and therefore were not reflected in the schedule of federal awards.

Effect:
This caused an understatement of expenditures for this program in the schedule of federal awards for the years ending December 31, 1998 through 2001 as follows:

$501,755

$532,684

$3,065

$577,324

Questioned Cost:
N/A

Recommendation:
We recommend that the City implement policies and procedures that establish responsibility and provide for periodic monitoring, verification, and report of program coding and reporting. This will ensure that all expenditures are properly captured.

#03-10 Allowable Costs/Cost Principles

Grantor: US Department of Housing and Urban Development, CFDA 14.218

Project Number: N/A

Criteria:
According to the A-133 OMB Compliance Supplement Part 3, Allowable Cost Requirements, "the general criteria affecting allowability of costs under Federal awards are: Costs must be reasonable and necessary for the performance and administration of Federal awards. Costs must be allocable to the Federal awards under the provisions of the cost principles or GASB Standards, as applicable. A cost is allocable to a particular cost objective (e.g., a specific function, program, project, department, or the like) if the goods or services involved are charged or assigned to such cost objective in accordance with relative benefits received."

Finding:
The City has drawn down Federal funds related to the CDBG grant for reimbursement of a cost that is not related to a Federal program. The cost was for snacks relating to a City summer program that was not a program eligible for Federal cost reimbursement.

Effect:
Unallowable expense is being charged to the CDBG program.

Questioned Cost:
There was a charge for $30.57 that was not related to the CDBG program.

Recommendation:
We recommend that the Recreation and Parks Division implement stricter controls over the review and authorization of expenses paid with Federal funds. Each expenditure should be authorized by a single project manager who is held accountable for determining what is an allowable cost under the applicable Federal program.

PART IV—SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.