

**ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED DECEMBER 31, 2000**

*J. E. Slaybaugh & Associates, Inc.*  
*Certified Public Accountant*  
*12 East Main Street*  
*Lexington, Ohio 44904*





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

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Board of Commissioners  
Athens Metropolitan Housing Authority

We have reviewed the Independent Auditor's Report of the Athens Metropolitan Housing Authority, Athens County, prepared by J.E. Slaybaugh & Associates, Inc. for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted this report 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 Athens Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

September 25, 2001

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ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO

DECEMBER 31, 2000

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Athens Metropolitan Housing Authority  
Athens, Ohio

We have audited the accompanying balance sheet of the Athens Metropolitan Housing Authority, Athens, Ohio, as of and for the year ended December 31, 2000, and the related statements of revenues, expenses, equity, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Athens Metropolitan Housing Authority as of December 31, 2000, and the results of its operations and the cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 18, 2001, on our consideration of Athens Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial data schedules accompanying the financial statements are not necessary for fair presentation of the financial position, results of operations, and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America. The supplemental schedules listed in the table of contents are presented only for purposes of additional analysis and are not a required part of the financial statements. Such schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements of Athens Metropolitan Housing Authority, taken as a whole. The accompanying schedule of expenditures of federal awards, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is stated fairly, in all material respects, in relation to the financial statements taken as a whole.

*J. E. Slaybaugh & Associates, Inc.*

J.E. Slaybaugh & Associates, Inc.  
July 18, 2001

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO  
BALANCE SHEET

December 31, 2000

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 906,270
Investments-Unrestricted	231,043
Tenant Accounts Receivable- Net of \$ 5,700 Doubtful Accounts	13,329
Accounts Receivable- HUD	236,468
Accounts Receivable-Other	248,334
Prepaid Expenses	<u>2,173</u>
 Total Current Assets	 1,637,617
 Property and Equipment - Net of \$ 979,608 Accumulated Depreciation	 <u>3,694,078</u>
 Total Assets	 <u>\$ 5,331,695</u>

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable - Vendor	\$ 99,411
Accounts Payable- HUD	367,581
Accounts Payable - Other	4,012
Tenant Security Deposits	14,953
Accrued Wages and Payroll Taxes	1,098
Accrued Compensated Absences	8,906
Accrued Liabilities - Other	40,091
Deferred Revenues	216,692
Other Current Liabilities	<u>2,032</u>
 Total Current Liabilities	 754,776
 Other Non-current Liabilities	 3,389
Long Term Debt	<u>198,517</u>
 Total Liabilities	 956,682
 Total Equity	 <u>4,375,013</u>
 Total Liabilities and Equity	 <u>\$ 5,331,695</u>

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

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31 2000

<b><u>Revenue</u></b>	
HUD Grants	\$ 3,248,124
Rental Income	164,001
Investment Income-Unrestricted	23,048
Other Revenue	<u>12,826</u>
 Total Revenue	 3,447,999
<b><u>Expenses (before depreciation)</u></b>	
Housing Assistance Payments	2,624,862
Administrative Salaries	168,534
Employee Benefits	74,454
Other Administrative Expense	240,380
Material and Labor-Maintenance	59,702
Contract Services	19,313
Tenant Services	150
Utilities	77,076
General Expenses	7,555
Payment in Lieu of Taxes	4,156
Bad Debt- Tenant Rents	<u>5,700</u>
 Total Expenses	 3,281,882
 Income (Loss) before Depreciation & Other Costs	 166,117
Depreciation	129,459
Interest Expense	<u>12,363</u>
 Operating Income (Loss)	 24,295
 Equity - Beginning of Year	 4,101,106
 Contributions	 10,670
 HUD Adjustments, Prior Period Adjustments	 <u>238,942</u>
 Equity - End of Year	 <u>\$ 4,375,013</u>

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



ATHENS METROPOLITAN HOUSING AUTHORITY  
 ATHENS, OHIO  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**Cash Flows from Operating Activities**

Operating Income (Loss)	\$ 24,295
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	129,459
Changes in Operating Asscets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	(731)
Accounts Receivable- HUD	16,488
Accounts Receivable - Other	(173,489)
Investments- Unrestricted	(27,442)
Prepaid Expenses	(162)
Accounts Payable- Vendor	62,611
Accounts Payable-HUD	26,030
Accounts Payable- Other	(18,989)
Accrued Wages & Taxes Payable	(3,846)
Accrued Compensated Absences	(10,051)
Accrued Interest Payable	(32,870)
Accrued Liabilities - Other	(211,559)
Tenant Security Deposits	3,604
Deferred Revenues	216,024
Other Adjustments	<u>238,942</u>
 Total Adjustments	 <u>214,019</u>
 Net Cash (Used) Provided By Operating Activities	 <u>238,314</u>

**Cash Flows from Investing Activities**

Change in Property and Equipment	<u>(25,562)</u>
 Net Cash (Used) Provided By Investing Activities	 <u>(25,562)</u>

**Cash Flows from Financing Activities**

Contributed Capital	10,670
Mortgage Payable-Net	<u>(77,020)</u>
 Net Cash (Used) Provided by Financing Activities	 <u>(66,350)</u>
 Increase (Decrease) In Cash and Cash Equivalents	 146,402
 Cash and Cash Equivalentents - Beginning of Year	 <u>759,868</u>
 Cash and Cash Equivalentents - End of Year	 <u>\$ 906,270</u>

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

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government." A fundamental characteristic of a primary government is that it is fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining that the reporting entity did not have any component units.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

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 Financial Accounting Standards Board 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.

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of Estimates

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

Cash and Cash Equivalents

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

Tenant Receivables - Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

Property and Equipment

Property and Equipment is recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred.

Useful Lives

Buildings	27.5 Years
Building Improvements	15 Years
Equipment	7 Years
Autos	5 Years

Depreciation is recorded on the straight-line method.

Capitalization of Interest

The Department of Housing and Urban Development's policy is not to capitalize interest in the construction or purchase of fixed assets.

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

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

NOTE 2 - CASH AND INVESTMENTS

Cash

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

Active deposits are public deposits necessary to meet demands on the treasury. Such monies must be maintained either as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Authority has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

ATHENS METROPOLITAN HOUSING AUTHORITY  
 ATHENS, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH AND INVESTMENTS, continued

The Authority's deposits are categorized to give an indication of the level of risk assumed by the entity at year end. Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its safekeeping agent in the Authority's name. Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or safekeeping agent in the Authority's name. Category 3 includes uninsured and uncollateralized with securities held by the pledging institution, or by its trust department or safekeeping agent, but not in the Authority's name.

The following show the Authority's deposits (bank balances) in each category:

- Category 1. . . . \$ 218,233 was covered by federal depository insurance.
- Category 2. . . . \$ 933,779 was covered by specific collateral pledged by the financial institution in the name of the Authority.

The book balances at December 31, 2000, were as follows:

	Cash	Investments	Total
Public Housing Low Rent	\$ 283,073	\$ 140,195	\$ 423,268
Section 8 Rental Certificates	253,536	90,848	344,384
Section 8 Rental Vouchers	137,511		137,511
New Construction	98,803	-	98,803
State/Local	133,347		133,347
Total	<u>\$ 906,270</u>	<u>\$ 231,043</u>	<u>\$ 1,137,313</u>

At December 31, 2000, Restricted investments, representing tenant security deposits were reclassified to Cash- other restricted, per instructions from HUD REAC.

Investments

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

ATHENS METROPOLITAN HOUSING AUTHORITY  
 ATHENS, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 2 - CASH AND INVESTMENTS, Continued

The Authority's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category A includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category B includes uninsured and unregistered investments for which the securities are held by the counterparty's Trust department or agent in the Authority's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or its Trust department but not in the Authority's name.

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

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2000, by class is as follows:

Land	\$ 705,842
Buildings and Building Improvements	3,331,290
Furniture, Equipment- Dwelling	108,068
Furniture, Equipment- Administrative	187,963
Leasehold Improvements	<u>340,523</u>
Total	4,673,686
Less Accumulated Depreciation	<u>(979,608)</u>
Net Property and Equipment	<u>3,694,078</u>

ATHENS METROPOLITAN HOUSING AUTHORITY  
 ATHENS, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 4 - ADMINISTRATIVE FEE

The Authority receives and "administrative fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the Section 8 Housing Assistance Payments (HAP) Programs. The fee is a percentage of a HUD determined base rate for each unit per month under HAP contracts. The rates are as follows:

A. Certificates and Vouchers

Units per month x \$ 37.72 /unit - January through September

Units per month x \$ 39.25/unit - October through December

NOTE 5 - ALLOCATION OF COSTS

The Authority allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program or estimated actual usage. Management considers this to be an equitable method of allocation.

NOTE 6 - RETIREMENT AND OTHER BENEFIT PLANS

The employees of the Authority are covered by the Public Employees Retirement System of Ohio (PERS), a statewide cost-sharing multiple-employer deferred benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, death benefits to plan members and beneficiaries. The authority to establish and amend benefit benefits is provided by the state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available financial report. Interested parties may obtain a copy by making a written request to 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 466-2085.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.50% of qualifying gross wages for all employees. The total 2000 employer contribution rate was 13.55% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The Authority's contributions to P.E.R.S. for the years ending December 31, were as follows:

	Contribution	%
12/31/00	\$ 29,198	13.55%
12/31/99	\$ 33,174	13.55%
12/31/98	\$ 30,381	13.55%

All required contributions were made prior to each of those fiscal year ends.

PERS of Ohio provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employee and employer contributions. The 2000 employer contribution rate for state employers was 10.84 % of covered payroll; 4.3 % was the portion that was used to fund health care for the year. The number of benefit recipients eligible for OPEB at December 31, 2000 was 401,339.

OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely.

ATHENS METROPOLITAN HOUSING AUTHORITY  
 ATHENS, OHIO  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED DECEMBER 31, 2000

NOTE 7- COMPENSATED ABSENCES

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

All permanent employees will earn 4.6 hours sick leave per (80) hours of service. Unused sick leave may be accumulated without limit.

At the time of separation, employees shall be paid the value of (30) days of unused sick leave.

All permanent employees will earn vacation hours accumulated based on length of service. All vacation time accumulated will paid upon separation.

At December 31, 2000, using the vesting method, \$ 8,906 was accrued by the Authority for unused vacation and sick time.

NOTE 8 - 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 9 - CONTINGENCIES

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2000 the Authority was involved in no such matters management believes would have a material effect on the financial statements.

NOTE 10 - LONG TERM DEBT

Mortgage Payable

Outstanding at December 31, 2000

	<u>Amount</u>	<u>Interest Rate</u>
Obligation #18	\$ 29,190	10.50%
Obligation # 42	133,521	5.53%
Obligation #67	<u>35,806</u>	5.53%
	<u>\$ 198,517</u>	

Amortization schedules were not made available at the time of the audit



ATHENS METROPOLITAN HOUSING AUTHORITY  
 ATHENS, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>		
<b>Direct Programs:</b>		
Public and Indian Housing	14.850	\$ <u>151,580</u>
Public Housing- Comprehensive Improvement Assistance Program	14.852	<u>190,834</u>
 <b>Section 8 Tenant Based Cluster:</b>		
Section 8 Rental Certificate Program	14.857	81,617
Section 8 Rental Voucher Program	14.855	<u>1,907,994</u>
Sub-Total		<u>1,989,611</u>
Section 8 Project Based Program New Construction	14.182	<u>926,769</u>
 <b>Total Federal Assistance</b>		 <b>\$ <u>3,258,794</u></b>

NOTE: This schedule has been prepared on the accrual basis of accounting.

*See Independent Auditors' Report*

ATHENS METROPOLITAN HOUSING AUTHORITY  
Supplemental Financial Data Schedule  
Balance Sheet

As of December 31, 2000

	Low Rent Public Housing Program	Comprehensive Improvement Assistance Program	Section 8 New Construction Program	Section 8 Rental Certificates Program	Section 8 Rental Vouchers Program	State/Local	TOTAL
<b>ASSETS</b>	<b>14,850</b>	<b>14,852</b>	<b>14,182</b>	<b>14,857</b>	<b>14,855</b>		
<b>Current Assets</b>							
Cash-unrestricted	272,943		98,803	253,536	137,511	133,347	896,140
Cash-other restricted	10,130	-	-	-	-	-	10,130
Total cash	283,073	-	98,803	253,536	137,511	133,347	906,270
Accounts and notes receivables							
Accounts receivable-PHA projects	66,889					53,914	120,803
Accounts receivable-HUD other projects			7,510	28,492	200,466		236,468
Accounts receivable-other governments						321	321
Accounts receivable-miscellaneous	3,775			123,435			127,210
Accounts receivable-tenants-dwelling rent	19,029						19,029
Allowance for doubtful accounts-dwelling rent	(5,700)						(5,700)
Total receivables, net of allowances for uncollectibles	83,993	-	7,510	151,927	200,466	54,235	498,131
Current Investments							
Investments-Unrestricted	140,196			90,848			231,043
Prepaid expenses and other assets	1,927			246			2,173
Total investments	142,122	-	-	91,094	-	-	233,216
Total current assets	509,188	-	106,313	496,557	337,977	187,582	1,637,617
Noncurrent assets							
Land	621,280	25,562				59,000	705,842
Buildings	3,082,176					249,114	3,331,290
Furniture, equipment and machinery-dwelling	64,495	43,573					108,068
Furniture, equipment and machinery-admin.	109,670			78,293			187,963
Leasehold improvements	333,973	6,550					340,523
Accumulated depreciation	(873,466)	(6,008)		(77,487)		(22,647)	(979,608)
Total fixed assets, net of accum. depreciation	3,338,128	69,677	-	806	-	285,467	3,694,078
Total non-current assets	3,338,128	69,677	-	806	-	285,467	3,694,078
Total assets	3,847,316	69,677	106,313	497,363	337,977	473,049	6,331,695

See Independent Auditors' Report

ATHENS METROPOLITAN HOUSING AUTHORITY  
 Supplemental Financial Data Schedule  
 Balance Sheet, Continued  
 As of December 31, 2000

	Low Rent Public Housing Program <u>14,850</u>	Comprehensive Improvement Assistance Program <u>14,852</u>	Section 8 New Construction Program <u>14,182</u>	Section 8 Rental Certificates Program <u>14,857</u>	Section 8 Rental Vouchers Program <u>14,855</u>	<u>State/Local</u>  <u>TOTAL</u>
<b>LIABILITIES AND EQUITY</b>						
<b>Current liabilities</b>						
Accounts payable < 90 days	93,899			5,512		99,411
Accrued wages/payroll taxes payable			222	165	711	1,098
Accrued compensated absences			1,799	1,336	5,771	8,906
Accounts payable-HUD PHA Program			24,204	343,377		367,581
Accounts payable-other government	11,744				4,012	4,012
Tenant Security Deposits	159		17,602	6,888	192,043	14,953
Deferred Revenues				382	1,650	2,032
Other current liabilities						
Accrued liabilities-other	<u>32,870</u>					<u>40,091</u>
Total current liabilities	<u>138,672</u>	<u>-</u>	<u>43,827</u>	<u>357,660</u>	<u>200,175</u>	<u>754,776</u>
<b>Non-current liabilities</b>						
Non-current liabilities-other	2,875		514			3,389
Long Term Debt					198,517	198,517
Total non-current liabilities	<u>2,875</u>	<u>-</u>	<u>514</u>	<u>-</u>	<u>-</u>	<u>201,906</u>
Total Liabilities	<u>141,547</u>	<u>-</u>	<u>44,341</u>	<u>357,660</u>	<u>200,175</u>	<u>956,682</u>
<b>Equity</b>						
Net HUD PHA contributions	4,280,242	69,677				4,610,009
Other contributions	40,283					40,283
Fund balance reserved for capital	92,470		36,162	149,017	57,520	335,169
Undesignated fund balance/retained earnings	<u>(707,226)</u>		<u>25,810</u>	<u>(9,314)</u>	<u>80,282</u>	<u>(610,448)</u>
Total equity	<u>3,705,769</u>	<u>69,677</u>	<u>61,972</u>	<u>139,703</u>	<u>137,802</u>	<u>4,375,013</u>
Total liabilities & equity	<u>3,847,316</u>	<u>69,677</u>	<u>106,313</u>	<u>497,363</u>	<u>337,977</u>	<u>5,331,695</u>

See Independent Auditors' Report

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO

SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2000

	Public Housing Low rent Program	Comprehensive Improvement Assistance Program	New Construction Program	Rental Certificates Program	Rental Vouchers Program	State/Local Programs	Total
<b>REVENUE</b>							
HUD Grants	\$ 151,580	\$ 180,164	\$ 926,769	\$ 81,617	\$ 1,907,994	39,490	\$ 3,248,124
Rental Income	124,511						164,001
Investment Income-Unrestricted	8,366		1,764	1,300	5,666	5,952	23,048
Other Revenue	878		608	448	1,952	8,940	12,826
<b>Total Revenue</b>	<b>285,335</b>	<b>180,164</b>	<b>929,141</b>	<b>83,365</b>	<b>1,915,612</b>	<b>54,382</b>	<b>3,447,999</b>
<b>EXPENSES</b>							
Housing Assistance Payments			867,511	37,792	1,719,559		2,624,862
Administrative Salaries	12,331	25,300	28,473	10,950	91,480		168,534
Employee Benefits	27,212		9,543	7,039	30,660		74,454
Other Administrative Expense	22,242	154,864	11,196	8,339	34,822	8,917	240,380
Material and Labor-Maintenance	58,365					1,337	59,702
Contract Services	19,313						19,313
Tenant Services	150						150
Utilities	75,518					1,558	77,076
General Expenses	7,555						7,555
Payments in Lieu of Taxes	4,156						4,156
Bad Debt Expense	5,700						5,700
<b>Total Expenses</b>	<b>232,542</b>	<b>180,164</b>	<b>916,723</b>	<b>64,120</b>	<b>1,876,521</b>	<b>11,812</b>	<b>3,281,882</b>
<b>Income (Loss) before Depreciation &amp; Other Costs</b>	<b>52,793</b>	<b>-</b>	<b>12,418</b>	<b>19,245</b>	<b>39,091</b>	<b>42,570</b>	<b>166,117</b>
Depreciation	119,818			582		9,059	129,459
Interest Expense						12,363	12,363
<b>Operating Income (Loss)</b>	<b>\$ (67,025)</b>	<b>\$ -</b>	<b>\$ 12,418</b>	<b>\$ 18,663</b>	<b>\$ 39,091</b>	<b>\$ 21,148</b>	<b>\$ 24,295</b>

*See Independent Auditors' Report*

ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO  
SCHEDULE OF ACTIVITY  
DECEMBER 31, 2000

The PHA had 732 units under management.

<u>Management</u>	<u>Units</u>
Public Housing Low Rent Program	70
Section 8 Rental Certificates	99
Section 8 Rental Vouchers	429
Section 8 New Construction	<u>134</u>
TOTAL	<u>732</u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

THERE WERE NO PRIOR YEAR AUDIT FINDINGS

*See Independent Auditors' Report*

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S 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 Commissioners  
Athens Metropolitan Housing Authority  
Athens, Ohio

We have audited the financial statements of Athens Metropolitan Housing Authority, Athens, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated July 18, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 Athens 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 Athens 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 for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

*J.E. Slaybaugh & Associates, Inc.*  
\_\_\_\_\_  
J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
July 18, 2001

*J. E. Slaybaugh & Associates, Inc.*

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners  
Athens Metropolitan Housing Authority  
Athens, Ohio

Compliance

We have audited the compliance of Athens Metropolitan Housing Authority 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, 2000. Athens Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Athens Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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* and the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. 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 Athens 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 Athens Metropolitan Housing Authority's compliance with those requirements.


In our opinion, Athens 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, 2000.

Internal Control Over Compliance

The management of Athens 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 the 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 for the information and use of management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

  
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J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
July 18, 2001



ATHENS METROPOLITAN HOUSING AUTHORITY  
ATHENS, OHIO

SCHEDULE OF FINDINGS

DECEMBER 31, 2000

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor has issued an unqualified opinion on the financial statements of Athens Metropolitan Housing Authority.
2. There were no reportable conditions in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance material to the financial statements disclosed by the audit.
4. There were no reportable conditions in the internal control over major programs disclosed by the audit.
5. The auditor has issued an unqualified opinion on compliance for major programs for Athens Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
  - Cluster- Tenant Based Section 8 Programs
  - Project Based Section 8 Programs
8. The dollar threshold used to distinguish between Type A and Type B programs was \$ 300,000.
9. The auditor determined that Athens Metropolitan Housing Authority qualified as a low-risk auditee.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH *GAGAS*

1. None

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS

1. None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**ATHENS METROPOLITAN HOUSING AUTHORITY**

**ATHENS 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 4, 2001**