

**GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, 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
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STATE OF OHIO
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Board of Commissioners
Gallia Metropolitan Housing Authority
Bidwell, Ohio

We have reviewed the Independent Auditor's Report of Gallia Metropolitan Housing Authority, Gallia County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 to December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

August 30, 2001

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GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, OHIO

DECEMBER 31, 2000

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Balance Sheet, December 31, 2000	2
Statement of Revenues, Expenses and Changes in Equity	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 11
Schedule of Expenditures of Federal Awards	12
Supplemental Financial Data	
Balance Sheet	13-14
Statement of Revenue and Expense	15
Schedule of Activity	16
Independent Auditors' report on Compliance on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	17
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	18-19
Schedule of Findings and Questioned Costs	20

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Gallia Metropolitan Housing Authority
Bidwell, Ohio

We have audited the accompanying balance sheet of the Gallia Metropolitan Housing Authority, Bidwell, 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 Gallia 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 August 8, 2001, on our consideration of Gallia 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 Gallia 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.
August 8, 2001

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, OHIO
BALANCE SHEET

December 31, 2000

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 41,983
Investments-Unrestricted	963,469
Intergovernmental Accounts Receivable	34,038
Tenant Accounts Receivable- Net of \$ 490 Doubtful Accounts	4,439
Accounts Receivable- HUD	15,537
Prepaid Expenses	19,779
Inventory	<u>30,896</u>
 Total Current Assets	 1,110,141
 Property and Equipment - Net of \$ 3,809,412 Accumulated Depreciation	 <u>6,652,756</u>
 Total Assets	 <u>\$ 7,762,897</u>

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable - Vendor	\$ 10,786
Accounts Payable- HUD	67,316
Intergovernmental Accounts Payable	34,038
Tenant Security Deposits	15,834
Accrued Wages and Payroll Taxes	11,216
Accrued Compensated Absences	96,823
Accrued Liabilities - Other	65,211
Deferred Revenues	<u>185,764</u>
 Total Current Liabilities	 486,988
 Total Equity	 <u>7,275,909</u>
 Total Liabilities and Equity	 <u>\$ 7,762,897</u>

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

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

<u>Revenue</u>	
HUD Grants	\$ 958,602
Rental Income	97,024
Investment Income-Unrestricted	35,641
Other Revenue	<u>81,183</u>
 Total Revenue	 1,172,450
<u>Expenses (before depreciation)</u>	
Housing Assistance Payments	423,393
Administrative Salaries	180,724
Employee Benefits	88,763
Compensated Absences	2,105
Other Administrative Expense	85,211
Tenant Services- Other	749
Material and Labor-Maintenance	153,672
Contract Services	13,805
Utilities	121,861
General Expenses	25,823
Bad Debt- Tenant Rents	<u>5,223</u>
 Total Expenses	 1,101,329
 Income (Loss) before Depreciation & Other Costs	 71,121
Depreciation	<u>391,519</u>
 Operating Income (Loss)	 (320,398)
 Equity - Beginning of Year	 7,682,411
 Contributed Capital	 10,148
HUD Adjustments	<u>(96,252)</u>
 Equity - End of Year	 <u>\$ 7,275,909</u>

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

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

Cash Flows from Operating Activities

Operating Income (Loss)	\$ (320,398)
Adjustments to reconcile Operating Income(Loss) to Net Cash Provided By Operating Activities:	
Depreciation	391,519
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:	
Tenant Accounts Receivable- Net	47
Accounts Receivable- HUD	51,750
Investments- Unrestricted	(6,095)
Prepaid Expenses	1,380
Inventory	(3,767)
Interprogram Due From	(32,079)
Accounts Payable- Vendor	(8,248)
Accounts Payable-HUD	(9,742)
Interprogram Due To	32,079
Accrued Wages & Taxes Payable	155
Accrued Compensated Absences	3,952
Tenant Security Deposits	(1,492)
Deferred Revenues	(36,168)
Accrued Liabilities - Other	65,211
HUD Adjustments	<u>(96,252)</u>
Total Adjustments	<u>352,250</u>
Net Cash Provided By Operating Activities	<u>31,852</u>
 <u>Cash Flows from Investing Activities</u>	
Change in Property and Equipment	<u>(25,603)</u>
Net Cash Used By Investing Activities	<u>(25,603)</u>
 <u>Cash Flows from Financing Activities</u>	
Contributed Capital	<u>10,148</u>
Net Cash Provided by Financing Activities	<u>10,148</u>
Increase (Decrease) In Cash and Cash Equivalents	16,397
Cash and Cash Equivalents - Beginning of Year	<u>25,586</u>
Cash and Cash Equivalents - End of Year	<u>\$ 41,983</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Gallia Metropolitan Housing Authority (GMHA 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 Gallia 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 the reporting entity.

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.

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, 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 Lifes	
Buildings	40 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.

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, 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.

Restricted Investments

Restricted investments represent amounts received from debt refinancing. These assets are restricted by HUD and can be used only after receiving approval from HUD.

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.

GALLIA METROPOLITAN HOUSING AUTHORITY
 BIDWELL, 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 collateralize 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. \$ 300,000 was covered by federal depository insurance.
- Category 2. \$ 699,928 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
Low Rent Public Housing	\$ 22,103	\$ 960,577	\$ 982,680
Section 8 Rental Certificates	19,880	2,892	22,772
Total	\$ 41,983	\$ 963,469	\$ 1,005,452

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.

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, 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	\$ 804,057
Buildings and Building Improvements	9,429,964
Furniture, Equipment- Dwelling	27,236
Furniture, Equipment- Administrative	<u>200,911</u>
Total	10,462,168
Less Accumulated Depreciation	<u>(3,809,412)</u>
Net Property and Equipment	<u>6,652,756</u>

GALLIA METROPOLITAN HOUSING AUTHORITY
 BIDWELL, 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 June
 Units per month x \$ 39.25 /unit -July 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	\$ 29,142	13.55%
12/31/99	\$ 32,818	13.55%
12/31/98	\$ 31,501	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.

OPEB is financed through employer contributions and investment earnings and is expected to be sufficient to sustain the program indefinitely. The number of benefit recipients eligible for OPEB at December 31, 2000, was 401,339.

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, 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 3.69 hours sick leave per (80) hours of service. Unused sick leave may be accumulated without limit.

All permanent employees will earn vacation hours accumulated based on length of service. Maximum accumulated vacation time earned is two years, carryover limited to one year earned.

At December 31, 2000, using the vesting method of accrual, \$ 96,823 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 which management believes would have a material effect on the financial statements.

GALLIA METROPOLITAN HOUSING AUTHORITY
 BIDWELL, 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>Contract Number</u>	<u>Expenditures For The Year Ended</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Low Income Public Housing	14.850	C-5090	<u>\$ 452,855</u>
Comprehensive Improvement Assistance Program	14.850	C-5090	<u>25,603</u>
Sub-Total			
Section 8 Tenant Based Cluster:			
Housing Assistance Program:			
Certificates	14.857	C-5048	120,675
Vouchers	14.855	C-5048	<u>364,739</u>
Sub-Total			<u>485,414</u>
Total Federal Assistance			<u><u>\$ 963,872</u></u>

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

GALLIA METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedules
 Balance Sheet
 As of December 31, 2000

	Low Rent	Section 8 Certificates	Section 8 Vouchers	TOTAL
	<u>14,850</u>	<u>14,857</u>	<u>14,855</u>	<u>14,855</u>
ASSETS				
Current Assets				
Cash-unrestricted	6,535	19,880	-	26,415
Cash-other restricted	15,568	-	-	15,568
Total cash	<u>22,103</u>	<u>19,880</u>	<u>-</u>	<u>41,983</u>
Accounts and notes receivables				
Accounts receivable-HUD other projects	-	15,537	-	15,537
Accounts receivable-tenants-dwelling rent	4,929	-	-	4,929
Allowance for doubtful accounts-dwelling rent	(490)	-	-	(490)
Total receivables, net of allowances for uncollectibles	<u>4,439</u>	<u>15,537</u>	<u>-</u>	<u>19,976</u>
Current Investments				
Investments-Unrestricted	960,577	2,892	-	963,469
Prepaid expenses and other assets	16,996	2,783	-	19,779
Inventories	30,896	-	-	30,896
Interprogram-due from	-	34,038	-	34,038
Total investments	<u>1,008,469</u>	<u>39,713</u>	<u>-</u>	<u>1,048,182</u>
Total current assets	<u>1,035,011</u>	<u>75,130</u>	<u>-</u>	<u>1,110,141</u>
Noncurrent assets				
Land	804,057	-	-	804,057
Buildings	9,429,964	-	-	9,429,964
Furniture, equipment and machinery-dwellings	27,236	-	-	27,236
Furniture, equipment and machinery-admin.	200,911	-	-	200,911
Accumulated depreciation	(3,809,412)	-	-	(3,809,412)
Total fixed assets, net of accum. depreciation	<u>6,652,756</u>	<u>-</u>	<u>-</u>	<u>6,652,756</u>
Total non-current assets	<u>6,652,756</u>	<u>-</u>	<u>-</u>	<u>6,652,756</u>
Total assets	<u>7,687,767</u>	<u>75,130</u>	<u>-</u>	<u>7,762,897</u>

See Independent Auditors' Report

GALLIA METROPOLITAN HOUSING AUTHORITY
 Supplemental Financial Data Schedules
 Balance Sheet, Continued
 As of December 31, 2000

	Low Rent	Section 8 Certificates	Section 8 Vouchers	TOTAL
	<u>14,850</u>	<u>14,857</u>	<u>14,855</u>	<u>14,855</u>
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable < 90 days	10,091		695	10,786
Accrued wages/payroll taxes payable	11,216			11,216
Accrued vacation pay	84,843	10,996	984	96,823
Accounts payable-HUD PHA Program	10,148		57,168	67,316
Tenant Security Deposits	15,834			15,834
Deferred Revenues	156,125		29,639	185,764
Accrued liabilities-other	8,909		56,302	65,211
Interprogram due to	2,951	-	31,187	34,038
Total current liabilities	<u>300,017</u>	<u>10,996</u>	<u>175,975</u>	<u>486,988</u>
Total Liabilities	<u>300,017</u>	<u>10,996</u>	<u>175,975</u>	<u>486,988</u>
Equity				
Net HUD PHA contributions	7,980,917	48,481		8,029,398
Undesignated fund balance/retained earnings	(593,167)	15,653	(175,975)	(753,489)
Total equity	<u>7,387,750</u>	<u>64,134</u>	<u>(175,975)</u>	<u>7,275,909</u>
Total liabilities & equity	<u>7,687,767</u>	<u>75,130</u>	<u>-</u>	<u>7,762,897</u>

See Independent Auditors' Report

GALLIA METROPOLITAN HOUSING AUTHORITY
 BIDWELL, OHIO
 SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2000

	Low Rent Program	Rental Voucher Program	Rental Certificates Program	CIAP Program	Total
REVENUE					
HUD Grants	\$ 452,855	\$ 370,344	\$ 122,286	\$ 13,117	\$ 958,602
Rental Income	97,024				97,024
Investment Income-Unrestricted	35,361	280			35,641
Other Revenue	81,183				81,183
Total Revenue	666,423	370,624	122,286	13,117	1,172,450
EXPENSES					
Housing Assistance Payments	4,238	314,916	104,239		423,393
Administrative Salaries	133,025	36,870	11,829		180,724
Employee Benefits	78,142	8,000	2,621		88,763
Compensated Absences	1,584	521			2,105
Other Administrative Expense	52,929	15,896	3,269	13,117	85,211
Tenant Services-Other	749				749
Material and Labor-Maintenance	151,699		1,973		153,672
Contract Services	13,805				13,805
Utilities	121,861				121,861
General Expenses	22,729	2,327	767		25,823
Bad Debt- Tenant Rents	5,223				5,223
Total Expenses	685,984	377,530	124,698	13,117	1,101,329
Income (Loss) before Depreciation & Other Costs	80,439	(6,906)	(2,412)	-	71,121
Depreciation	391,519	-	-	-	391,519
Operating Income (Loss)	\$ (311,080)	\$ (6,906)	\$ (2,412)	\$ -	\$ (320,398)

See Independent Auditors' Report

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, OHIO
SCHEDULE OF ACTIVITY
DECEMBER 31, 2000

The PHA had 307 units under management.

<u>Management</u>	<u>Units</u>
Low Rent Public Housing	148
Section 8 Rental Certificates	40
Section 8 Rental Vouchers	<u>119</u>
TOTAL	<u><u>307</u></u>

REPORT ON PRIOR YEAR AUDIT FINDINGS

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
Gallia Metropolitan Housing Authority
Bidwell, Ohio

We have audited the financial statements of Gallia Metropolitan Housing Authority, Bidwell, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated August 8, 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 Gallia 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 Gallia 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
August 8, 2001

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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
Gallia Metropolitan Housing Authority
Bidwell, Ohio

Compliance

We have audited the compliance of Gallia 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. Gallia 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 Gallia 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 Gallia 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 Gallia Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Gallia 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 Gallia 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.

Report on Compliance and Internal Control

Page 2

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.



J.E. Slaybaugh & Associates, Inc.

Lexington, Ohio

August 8, 2001

GALLIA METROPOLITAN HOUSING AUTHORITY
BIDWELL, 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 Gallia 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 Gallia Metropolitan Housing Authority.
6. The audit disclosed no audit findings.
7. The major programs are:
 - Public and Indian Housing
 - Cluster- Tenant 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 Gallia 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

JIM PETRO, AUDITOR OF STATE

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GALLIA METROPOLITAN HOUSING AUTHORITY

GALLIA 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
SEPTEMBER 11, 2001**