



**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**of the**

**Perry Metropolitan Housing Authority**

**for the**

**Year Ended December 31, 2000**



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

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**JIM PETRO, AUDITOR OF STATE**

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Board of Directors  
Perry Metropolitan Housing Authority  
Crooksville, Ohio

We have reviewed the Independent Auditor's Report of the Perry Metropolitan Housing Authority, Perry County, prepared by Jones, Cochenour & Co., 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 Perry Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

May 11, 2001

**PERRY METROPOLITAN HOUSING AUTHORITY  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Perry Metropolitan Housing Authority  
Crooksville, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying general purpose financial statements of Perry Metropolitan Housing Authority, as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Perry Metropolitan Housing Authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of Perry Metropolitan Housing Authority, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund activities 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 March 29, 2001 on our consideration of Perry Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jones, Cochenour & Co.  
March 29, 2001

**Perry Metropolitan Housing Authority  
 Combined Balance Sheet  
 Proprietary Fund Type  
 Enterprise Fund  
 December 31, 2000**

**ASSETS**

Cash and cash equivalents	\$	555,513
Investments		78,000
Receivables – net of allowance		32,252
Due from other funds		15,340
Inventories – net of allowance		11,442
Deferred charges and other assets		2,894
Fixed assets – net of accumulated depreciation		<u>4,118,054</u>

**TOTAL ASSETS**     \$ 4,813,495

**LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS**

Accounts payable	\$	19,425
Due to other funds		15,340
Intergovernmental payable		140,533
Accrued wages/payroll taxes		5,907
Accrued compensated absences		12,153
Tenant security deposits		22,769
Deferred credits and other liabilities		<u>100,131</u>

**TOTAL LIABILITIES**     316,258

**TOTAL RETAINED EARNINGS AND OTHER CREDITS**     4,497,237

**TOTAL LIABILITIES, RETAINED EARNINGS  
 AND OTHER CREDITS**     \$ 4,813,495

See accompanying notes to the general purpose financial statements

**Perry Metropolitan Housing Authority  
 Combined Statement of Revenues, Expenses and Changes in  
 Retained Earnings  
 Proprietary Fund Type  
 Enterprise Fund  
 Year Ended December 31, 2000**

<b>OPERATING REVENUE</b>		
Tenant revenue	\$	253,381
Program operating grants/subsidies		1,116,375
Other income		<u>19,875</u>
<b>TOTAL OPERATING REVENUE</b>		<b>1,389,631</b>
<b>OPERATING EXPENSES</b>		
Administrative		266,390
Tenant services		1,447
Utilities		87,467
Maintenance		145,378
General		33,070
Bad debts		8,385
Housing assistance payments		771,262
Depreciation		<u>251,893</u>
<b>TOTAL OPERATING EXPENSES</b>		<b><u>1,565,292</u></b>
<b>NET OPERATING LOSS</b>		<b>(175,661)</b>
<b>NON-OPERATING REVENUE</b>		
Interest income		<u>16,099</u>
<b>NET LOSS</b>		<b>(159,562)</b>
<b>RETAINED EARNINGS AND OTHER CREDITS, BEGINNING</b>		<b>4,608,501</b>
<b>EQUITY TRANSFERS/PRIOR PERIOD ADJUSTMENTS/CONTRIBUTED CAPITAL</b>		<u>48,298</u>
<b>RETAINED EARNINGS AND OTHER CREDITS, ENDING</b>		<b><u>\$ 4,497,237</u></b>

See accompanying notes to the general purpose financial statements

**Perry Metropolitan Housing Authority  
 Combined Statement of Cash Flows  
 Proprietary Fund Type  
 Enterprise Fund  
 Year Ended December 31, 2000**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from HUD	\$ 983,214
Cash received from tenants	231,661
Cash payments for housing assistance payments	(771,262)
Cash payments for administrative	(262,798)
Cash payments for other operating expenses	(267,362)
Cash payments to HUD and other governments	<u>130,420</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>43,873</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of fixed assets	(30,758)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment income	<u>20,788</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>33,903</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>521,610</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b><u>\$ 555,513</u></b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Net operating loss	\$ (175,661)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	251,893
McKinney funds	(16,038)
(Increase) decrease in:	
Receivables – net of allowance	(21,720)
Due from other funds	5,147
Deferred charges and other assets	(9,125)
Increase (decrease) in:	
Accounts payable	(5,353)
Due to other funds	(5,147)
Intergovernmental payable	10,113
Accrued wages/payroll taxes and compensated absences	3,592
Tenant security deposits	1,767
Deferred credits as other liability	<u>4,405</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$ 43,873</u></b>

See accompanying notes to the general purpose financial statements

**Perry Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**December 31, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

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

**Reporting Entity**

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

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

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

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

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

**Fund Accounting**

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the Section 8 and public housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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



Perry Metropolitan Housing Authority  
Notes to the General Purpose Financial Statements  
December 31, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Proprietary Fund Types**

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

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

**Measurement Focus/Basis of Accounting**

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

**Investments**

Investments are restricted by the provisions of the HUD Regulations (See Note 3). Investments are valued at market value. Interest income earned in fiscal year 2000 totaled \$20,788. The interest income earned on the general fund investments is required to be returned to HUD for the Section 8 program and this amount was \$4,689 for the year ended December 31, 2000.

**Fixed Assets**

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

Buildings – residential	27.5 years	Furniture and equipment	5-7 years
Buildings – nonresidential	40 years	Leasehold improvements	15 years

**Cash and Cash Equivalents**

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

**Compensated Absences**

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

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

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

**Perry Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements - Continued**  
**December 31, 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Inventories**

Inventories are stated at cost. The allowance for obsolete inventory was \$1,300 at December 31, 2000.

**Capital Contributions**

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

**Budgetary Accounting**

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

**Estimates**

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

**2. RECONCILIATION FROM GAAP BASIS TO HUD BASIS**

The following table summarizes the adjustments necessary to reconcile the GAAP basis financial statements to the HUD basis year end reports filed with HUD:

	<u>Public Hsg</u>	<u>Development</u>	<u>Voucher</u>	<u>Certificate</u>
GAAP Basis Income (Loss)	\$ (92,062)	\$ (73,630)	\$ 14,874	\$ (6,614)
Increase (Decrease):				
Depreciation expense	156,150	73,630	-	2,806
Adjustment for compensated absences	2,850	-	274	-
Interest on FFB Loans	(47,464)	-	-	-
Fraud recovery receivable	-	-	(1,812)	(818)
McKinney activity	-	-	-	-
Loss on equipment previously written off	(8,520)	-	-	-
Allowance adjustments	523	-	-	-
Inventory adjustment	(9,042)	-	-	-
Bad debts adjustment	-	-	(723)	1,890
HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS	<u>\$ 2,435</u>	<u>\$ -</u>	<u>\$ 12,613</u>	<u>\$ (2,736)</u>
	<u>New Constr</u>	<u>CIAP</u>	<u>Total</u>	
GAAP Basis Income (Loss)	\$ 14,822	\$ (16,952)	\$ (159,562)	
Increase (Decrease):				
Depreciation expense	2,355	16,952	251,893	
Adjustment for compensated absences	-	-	3,124	
Interest on FFB Loans	-	-	(47,464)	
Fraud recovery receivable	-	-	(2,630)	
McKinney activity	(16,860)	-	(16,860)	
Loss on equipment previously written off	-	-	(8,520)	
Allowance adjustments	-	-	523	
Inventory adjustment	-	-	(9,042)	
Bad debts adjustment	-	-	1,167	
HUD BASIS RESIDUAL RECEIPTS (DEFICIT)	<u>\$ 317</u>	<u>\$ -</u>	<u>\$ 12,629</u>	

**Perry Metropolitan Housing Authority  
Notes to the General Purpose Financial Statements - Continued  
December 31, 2000**

**3. CASH AND INVESTMENTS**

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

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

**Deposits:** The carrying amount of Perry Metropolitan Housing Authority's deposits, totaled \$633,513. The corresponding bank balances totaled \$654,805. The Authority had investments of certificates of deposits that exceeded three months in the amount of \$78,000 at December 31, 2000, which is included in the deposit and bank balance amount.

The amount of \$139,447 was covered by federal depository insurance in two banks and the remaining \$515,358 was covered by collateralization held by the banks for the Authority's deposits as required by HUD.

**4. NOTE TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

The accompanying schedule of federal awards expenditures is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting.

**5. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2000 the Authority contracted with Dennis Insurance for fire and extended coverage and vehicle liability. The fire and extended coverage is \$1,000 for any one occurrence. The vehicle deductible is \$100.

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

**6. FIXED ASSETS**

The following is a summary:

Land	\$ 242,669
Buildings	5,269,305
Furniture and equipment - dwellings	20,970
Furniture and equipment – administrative	160,096
Leasehold improvements	<u>1,659,335</u>
	7,352,375
Accumulated depreciation	<u>(3,234,321)</u>
<b>NET FIXED ASSETS</b>	<b><u>\$ 4,118,054</u></b>

**Perry Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements - Continued**  
**December 31, 2000**

**6. FIXED ASSETS - CONTINUED**

The following is a summary of changes:

	Balance December 31, 1999	Additions/Reclass	Deletions/Reclass	Balance December 31, 2000
Land	\$ 229,579	\$ 13,090	\$ -	\$ 242,669
Buildings	4,922,048	347,257	-	5,269,305
Furniture and equipment - dwellings	190,411	13,659	183,100	20,970
Furniture and equipment, - administrative	151,928	16,688	8,520	160,096
Leasehold improvements	<u>1,624,216</u>	<u>35,119</u>	<u>-</u>	<u>1,659,335</u>
<b>TOTAL FIXED ASSETS</b>	<b>\$ <u>7,118,182</u></b>	<b>\$ <u>425,813</u></b>	<b>\$ <u>191,620</u></b>	<b>\$ <u>7,352,375</u></b>

The depreciation expense for the year ended December 31, 2000 was \$251,893.

**7. DEFINED BENEFIT PENSION PLANS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

All employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer public employee retirement system administered by the Public Employee Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtaining by writing to the Public Employee Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Authority was required to contribute 9.35 percent through June 30. The calculation changed to .9565 times the employee's withheld amount effective July 1, 2000. Contributions are authorized by State statute. The contribution rates are determined actuarially. The Authority's required contributions to PERS for the years ended December 31, 2000, 1999 and 1998 were \$22,177, \$29,827, and \$29,895, respectively. The full amount has been contributed for 1999 and 1998. 86 percent has been contributed for 2000, with the remainder being reported as a liability within the enterprise fund.

**8. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increased. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

**Perry Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements - Continued**  
**December 31, 2000**

**8. POSTEMPLOYMENT BENEFITS – PUBLIC EMPLOYEES RETIREMENT SYSTEM - CONTINUED**

The number of active contributing participants was 401,339. The Authority's actual contributions for 2000 which were used to fund postemployment benefits were \$8,587. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfounded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

Perry Metropolitan Housing Authority  
 Combining Balance Sheet  
 FDS Schedule Submitted to HUD  
 Proprietary Fund Type  
 Enterprise Fund  
 December 31, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.850B Developmnt	14.855 Sect. 8 Rent Y/O Prgm	14.857 Sect. 8 Rent CFE Prgm	14.182 Sect. 8 Rent New Const.	14.852 CIAP Program	Total
	<b>ASSETS</b>							
111	Cash - unrestricted	\$ 221,110	\$ -	\$ 316,265	\$ -	\$ 210,074	\$ -	\$ 747,449
112	Cash - restricted modernization & devel.	-	5,743	-	-	-	-	5,743
113	Cash - other restricted	-	-	6,682	-	-	-	6,682
100	<b>TOTAL CASH</b>	<u>221,110</u>	<u>5,743</u>	<u>322,954</u>	<u>-</u>	<u>210,074</u>	<u>-</u>	<u>759,881</u>
122	A/R HUD other projects	-	-	-	3,549	8,982	7,608	20,139
126	A/R tenants - dwelling rents	3,086	-	-	-	-	-	3,086
126.1	Allowance for doubtful accts	(1,212)	-	-	-	-	-	(1,212)
128	Fraud recovery	-	-	4,640	11,813	-	-	16,453
128.1	Fraud recovery - allowance	-	-	(278)	(7,086)	-	-	(7,364)
129	Accrued interest receivable	1,150	-	-	-	-	-	1,150
120	<b>TOTAL ACCOUNTS RECEIVABLE</b>	<u>3,024</u>	<u>-</u>	<u>4,362</u>	<u>8,276</u>	<u>8,982</u>	<u>7,608</u>	<u>32,252</u>
131	Investments - unrestricted	78,000	-	-	-	-	-	78,000
142	Prepaid expenses and other assets	2,894	-	-	-	-	-	2,894
143	Inventories	12,742	-	-	-	-	-	12,742
143.1	Allowance for obsolete inventory	(1,300)	-	-	-	-	-	(1,300)
144	Interprogram due from	15,340	-	-	-	-	-	15,340
150	<b>TOTAL CURRENT ASSETS</b>	<u>331,810</u>	<u>5,743</u>	<u>327,316</u>	<u>8,276</u>	<u>219,056</u>	<u>7,608</u>	<u>899,809</u>
161	Land	157,684	75,985	-	-	-	9,000	242,669
162	Buildings	3,648,745	1,260,801	-	-	29,361	330,398	5,269,305
163	Furniture and equipment - dwellings	7,311	-	-	-	-	13,659	20,970
164	Furniture and equipment - administrative	115,553	-	-	7,695	16,548	20,300	160,096
165	Leasehold improvements	1,187,676	416,740	-	-	-	54,921	1,659,337
166	Accumulated depreciation	(2,937,676)	(257,704)	-	(6,925)	(5,433)	(26,585)	(3,234,323)
160	<b>TOTAL FIXED ASSETS, NET</b>	<u>2,179,293</u>	<u>1,495,822</u>	<u>-</u>	<u>770</u>	<u>40,476</u>	<u>401,693</u>	<u>4,118,054</u>
180	<b>TOTAL NON-CURRENT ASSETS</b>	<u>2,179,293</u>	<u>1,495,822</u>	<u>-</u>	<u>770</u>	<u>40,476</u>	<u>401,693</u>	<u>4,118,054</u>
190	<b>TOTAL ASSETS</b>	<u>\$ 2,511,103</u>	<u>\$ 1,501,565</u>	<u>\$ 327,316</u>	<u>\$ 9,046</u>	<u>\$ 259,532</u>	<u>\$ 409,301</u>	<u>\$ 5,017,863</u>

See independent auditors' report

Perry Metropolitan Housing Authority  
 Combining Balance Sheet  
 FDS Schedule Submitted to HUD  
 Proprietary Fund Type  
 Enterprise Fund  
 December 31, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.850B Developmnt	14.855 Sect. 8 Rent VO Prgm	14.857 Sect. 8 Rent CE Prgm	14.182 Sect. 8 Rent New Const.	14.852 CIAP Program	Total
	<b>LIABILITIES</b>							
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ 204,368	\$ -	\$ -	\$ 204,368
312	Accounts payable <=90 days	18,164	-	290	955	16	-	19,425
321	Accrued wages/payroll taxes	5,907	-	-	-	-	-	5,907
322	Accrued compensated absences	8,373	-	1,466	1,753	561	-	12,153
331	Accounts payable - HUD PHA Programs	-	-	121,012	3,860	-	-	124,872
333	Accounts payable - other govt.	15,661	-	-	-	-	-	15,661
341	Tenant security deposits	22,769	-	-	-	-	-	22,769
342	Deferred revenues	12,270	-	60,097	-	21,896	-	94,263
345	Other current liabilities	-	-	5,868	-	-	-	5,868
347	Interprogram due to	-	-	5,018	1,950	764	7,608	15,340
310	<b>TOTAL CURRENT LIABILITIES</b>	<u>83,144</u>	<u>-</u>	<u>193,751</u>	<u>212,886</u>	<u>23,237</u>	<u>7,608</u>	<u>520,626</u>
300	<b>TOTAL LIABILITIES</b>	83,144	-	193,751	212,886	23,237	7,608	520,626
504/513	<b>TOTAL EQUITY</b>	<u>2,427,952</u>	<u>1,501,565</u>	<u>133,565</u>	<u>(203,840)</u>	<u>236,295</u>	<u>401,693</u>	<u>4,497,237</u>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 2,511,103</u>	<u>\$ 1,501,565</u>	<u>\$ 327,316</u>	<u>\$ 9,046</u>	<u>\$ 259,532</u>	<u>\$ 409,301</u>	<u>\$ 5,017,863</u>

See independent auditors' report

**Perry Metropolitan Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**

Proprietary Fund Type  
 Enterprise Fund  
 Year Ended December 31, 2000

FDS Line Item No.	Account Description	14.850A	14.850B	14.855	14.857	14.182	14.852	Total
		Low Hsg Pub Hsg	Developmnt	Sect. 8 Rent Y/O Prgm	Sect. 8 Rent CE Prgm	Sect. 8 Rent New Const.	CIAP Program	
	<b>REVENUE</b>							
703	Net tenant rental revenue	\$ 244,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,081
704	Tenant revenue - other	9,300	-	-	-	-	-	9,300
705	<b>TOTAL TENANT REVENUE</b>	<b>253,381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>253,381</b>
706	HUD PHA grants	196,189	6,440	-	-	-	47,851	250,480
706-010	Housing assistance payments	-	-	419,033	87,955	264,274	-	771,262
706-010	Ongoing adm fees	-	-	62,389	14,334	10,681	-	87,404
706-030	Hard to house	-	-	2,625	-	-	-	2,625
706-040	Earned IPA costs	-	-	1,849	1,861	894	-	4,604
711	Investment income - unrestricted	13,254	-	-	2,034	811	-	16,099
714	Fraud recovery	-	-	1,897	1,118	-	-	3,015
715	Other revenue	-	-	-	-	16,859	-	16,859
716	Gain/Loss on sale of fixed assets	1	-	-	-	-	-	1
700	<b>TOTAL REVENUE</b>	<b>462,825</b>	<b>6,440</b>	<b>487,793</b>	<b>107,302</b>	<b>293,519</b>	<b>47,851</b>	<b>1,405,730</b>
	<b>EXPENSES</b>							
911	Administrative salaries	86,153	-	38,967	10,810	6,184	-	142,114
912	Auditing fees	2,982	-	1,849	1,861	894	-	7,586
914	Compensated absences	16,967	-	3,644	1,056	581	-	22,248
915	Employee benefit contributions - admin	27,080	-	5,128	2,792	1,533	-	36,533
916	Other operating - administrative	33,009	-	5,021	4,744	2,876	12,259	57,909
924	Tenant services - other	1,447	-	-	-	-	-	1,447
931	Water	31,124	-	-	-	-	-	31,124
932	Electricity	29,098	-	-	-	-	-	29,098
933	Gas	1,182	-	-	-	-	-	1,182
938	Other utilities expense	26,063	-	-	-	-	-	26,063
941	Ordinary maint and operations labor	53,233	-	-	-	-	-	53,233
942	Ordinary maint and operations materials	10,664	-	-	-	-	27,029	37,693
943	Ordinary maint and operations cont cost	22,851	6,440	-	-	-	8,563	37,854
945	Employee benefit contrib. - ord maint.	16,598	-	-	-	-	-	16,598

See independent auditors' report



Perry Metropolitan Housing Authority  
 Combining Statement of Revenues, Expenses and Changes in Retained Earnings  
 FDS Schedule Submitted to HUD  
 Proprietary Fund Type  
 Enterprise Fund  
 Year Ended December 31, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.850B Development	14.855 Sect. 8 Rent V.O Prgrm	14.857 Sect. 8 Rent CE Prgrm	14.182 Sect. 8 Rent New Const.	14.852 CIAP Program	Total
	<b>EXPENSES - CONTINUED</b>							
961	Insurance premiums	17,000	-	-	-	-	-	17,000
962	Other general expenses	409	-	-	-	-	-	409
963	PILOT	15,661	-	-	-	-	-	15,661
964	Bad debts - tenant rents	7,216	(723)	-	1,892	-	-	8,385
969	<b>TOTAL OPERATING EXPENSES</b>	<u>398,737</u>	<u>6,440</u>	<u>53,886</u>	<u>23,155</u>	<u>12,068</u>	<u>47,851</u>	<u>542,137</u>
970	Excess operating revenues over expenses	64,088	-	433,907	84,147	281,451	-	863,593
	<b>OTHER EXPENSES</b>							
973	Housing assistance payments	-	-	419,033	87,955	264,274	-	771,262
974	Depreciation expense	156,150	73,630	-	2,806	2,355	16,952	251,893
900	<b>TOTAL EXPENSES*</b>	<u>554,887</u>	<u>80,070</u>	<u>472,919</u>	<u>113,916</u>	<u>278,697</u>	<u>64,803</u>	<u>1,565,292</u>
1000	<b>EXCESS OF REVENUE OVER EXPENSES**</b>	<b>(92,062)</b>	<b>(73,630)</b>	<b>14,874</b>	<b>(6,614)</b>	<b>14,822</b>	<b>(16,952)</b>	<b>(159,562)</b>
1101	Capital Contributions	-	4,090	-	-	-	207,867	211,957
1103	Beginning Equity	2,672,231	1,581,623	110,058	10,790	23,021	210,778	4,608,501
1104	Prior Period Adjustment/Equity transfers	(152,210)	(10,518)	8,633	(208,016)	198,452	-	(163,659)
	<b>ENDING EQUITY</b>	<u>\$ 2,427,959</u>	<u>\$ 1,501,565</u>	<u>\$ 133,565</u>	<u>\$ (203,840)</u>	<u>\$ 236,295</u>	<u>\$ 401,693</u>	<u>\$ 4,497,237</u>

\* - Lines 969 + 973 + 974 = Line 900  
 \*\* - Lines 970 - 973 - 974 = Line 1000

Perry Metropolitan Housing Authority  
Additional FDS Schedule Information  
FDS Schedule Submitted to HUD  
Proprietary Fund Type  
Enterprise Fund  
Year Ended December 31, 2000

FDS Line Item No.	Account Description	14.850A Low Rent Pub Hsg	14.850B Development	14.855 Sect. 8 Rent VO Prgm	14.857 Sect. 8 Rent CE Prgm	14.182 Sect. 8 Rent New Const.	14.852 CIAP Program	Total
1101	Capital Contributions	\$ 4,090	\$ -	\$ -	\$ -	\$ -	\$ 207,867	\$ 211,957
1103	Beginning Equity	\$ 2,672,231	\$ 1,581,623	\$ 110,058	\$ 10,790	\$ 23,021	\$ 210,778	\$ 4,608,501
1104	Prior Period Adjustment/Equity Transfers	\$ (152,210)	\$ (10,518)	\$ 8,633	\$ (208,016)	\$ 198,452	\$ -	\$ (163,659)
1112	Depreciation add back	\$ 156,150	\$ 73,630	\$ -	\$ -	\$ -	\$ 16,952	\$ 246,732
1113	Maximum annual contributions (per ACC)	\$ -	\$ -	\$ 117,692	\$ 98,670	\$ 275,785	\$ -	\$ 492,147
1114	Prorata	-	-	502,114	-	-	-	502,114
1115	Contingency reserve	-	-	138,138	135,658	88,932	-	362,728
1116	Total annual contributions available	\$ -	\$ -	\$ 757,944	\$ 234,328	\$ 364,717	\$ -	\$ 1,356,989
1120	Unit months available	1,404	-	1,680	720	600	-	4,404
1121	Number of unit months leased	1,404	-	1,654	380	600	-	4,038

**Perry Metropolitan Housing Authority  
Crooksville, Ohio  
Schedule of Federal Awards Expenditures  
Year Ended December 31, 2000**

	<u>FEDERAL CFDA NUMBER</u>	<u>FUNDS EXPENDED</u>
<b><u>FROM U.S. DEPARTMENT OF HUD DIRECT PROGRAMS</u></b>		
<b>Annual Contribution Contract C-524</b>		
<b>PHA Owned Housing:</b>		
Public and Indian Housing	14.850A	\$ 196,189
Public and Indian Housing	14.850B	10,530
Public and Indian Housing Comprehensive Improvement Assistance Program	14.852	<u>255,720</u>
		462,439
 <b>Annual Contribution Contract C-5100</b>		
<b>Housing Assistance Payments:</b>		
<b>Annual Contribution –</b>		
Section 8 Rental Certificate Program	14.857	102,219
Section 8 Rental Voucher Program	14.855	<u>481,122</u>
Total Section 8 Tenant Based Cluster		583,341
Section 8 New Construction Program – Project Based	14.182	<u>275,849</u>
Total – All Programs		<u>\$ 1,321,629</u>

See independent auditors' report

**Perry Metropolitan Housing Authority  
Cost Certification of Comprehensive Improvement Assistance Program  
December 31, 2000**

**Comprehensive Grant Number OH16-PO34-912**

<b>Management improvements</b>	<b>\$ 1,880</b>
<b>Administration</b>	<b>385</b>
<b>Fees and costs</b>	<b>16,200</b>
<b>Site improvements</b>	<b>26,175</b>
<b>Dwelling structure</b>	<b>192,651</b>
<b>Dwelling equipment</b>	<b>482</b>
<b>Nondwelling structure</b>	<b>1,269</b>
<b>Nondwelling equipment</b>	<b><u>958</u></b>
<b>TOTAL EXPENDED</b>	<b><u>\$ 240,000</u></b>
<b>TOTAL RECEIVED</b>	<b><u>\$ 240,000</u></b>

1. All costs have been paid and there are no outstanding obligations.
2. The final evaluation report was signed and filed on June 12, 2000.
3. The final costs on the certificate agrees to the Authority's records.

See independent auditors' report



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

**Board of Directors  
Perry Metropolitan Housing Authority  
Chillicothe, Ohio**

**Regional Inspector General of Audit  
Department of Housing and Urban  
Development**

We have audited the general purpose financial statements of Perry Metropolitan Housing Authority as of and for the year ended December 31, 2000, and have issued our report thereon dated March 29, 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 Perry 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 Perry 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. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Perry Metropolitan Housing Authority in a separate letter dated March 29, 2001.

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

**Jones, Cochenour & Co.  
March 29, 2001**



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

Board of Directors  
Perry Metropolitan Housing Authority  
Chillicothe, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

**Compliance**

We have audited the compliance of Perry Metropolitan Housing Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133* that are applicable to each of its major federal programs for the year ended December 31, 2000. Perry Metropolitan Housing Authority'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 Perry Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Perry 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; 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 Perry 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 Perry Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Perry 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. The results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with *OMB Circular A-133*.

**Internal Control Over Compliance**

The management of Perry 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 Perry Metropolitan Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

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

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

**Jones, Cochenour & Co.  
March 29, 2001**

**Schedule of Findings and Questioned Costs  
OMB Circular A-133 § .505**

**Perry Metropolitan Housing Authority  
December 31, 2000**

<b>1. SUMMARY OF AUDITORS' RESULTS</b>
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<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	<b>No</b>
<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	<b>No</b>
<b>Type of Major Programs' Compliance Opinion</b>	<b>Unqualified</b>
<b>Are there any reportable findings under § .510?</b>	<b>No</b>
<b>Major Programs (list):</b>	<b>CFDA #14.850 &amp; 14.852</b>
<b>Dollar Threshold: Type A/B Programs</b>	<b>Type A: \$300,000 Type B: All others</b>
<b>Low Risk Auditee?</b>	<b>Yes</b>



**Schedule of Findings and Questioned Costs  
OMB Circular A-133 § .505 - Continued**

**Perry Metropolitan Housing Authority  
December 31, 2000**

**2. FINDINGS RELATED TO FINANCIAL STATEMENTS**

**There are no findings or questioned costs for the year ended December 31, 2000.**

**3. FINDINGS RELATED TO FEDERAL AWARDS**

**There are no findings or questioned costs for the year ended December 31, 2000.**

**Perry Metropolitan Housing Authority  
Status of Prior Audit Findings**

**December 31, 2000**

**PRIOR AUDIT FINDINGS  
CITATIONS**

**STATUS**

**2000-3103-001**

**Corrected**

**2000-3103-002**

**Corrected**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140  
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800-282-0370  
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**PERRY METROPOLITAN HOUSING AUTHORITY**

**PERRY 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  
MAY 22, 2001**