



**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**of the**

**Zanesville Metropolitan Housing Authority**

**for the**

**Year Ended June 30, 2001**





STATE OF OHIO  
OFFICE OF THE AUDITOR

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Board of Directors  
Zanesville Metropolitan Housing Authority  
407 Pershing Road  
Zanesville, Ohio 43701

We have reviewed the Independent Auditor's Report of the Zanesville Metropolitan Housing Authority, Muskingum County, prepared by Jones, Cochenour & Co., for the audit period July 1, 2000 through June 30, 2001. 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 Zanesville Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

October 16, 2001

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Zanesville Metropolitan Housing Authority  
Zanesville, Ohio

Regional Inspector General of Audit  
Department of Housing and Urban  
Development

We have audited the accompanying general purpose financial statements of Zanesville Metropolitan Housing Authority, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Zanesville 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 U.S. 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 Zanesville Metropolitan Housing Authority, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type activities for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 20, 2001 on our consideration of Zanesville 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 Zanesville Metropolitan Housing Authority. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations* and is not a required part of the financial statements. The financial data schedule ("FDS") is presented for purposes of additional analysis as required by the Department of Housing and Urban Development and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Jones, Cochenour & Co.  
August 20, 2001

**Zanesville Metropolitan Housing Authority  
Balance Sheet  
Proprietary Fund Type  
Enterprise Fund  
June 30, 2001**

**ASSETS**

Cash and cash equivalents	\$ 767,351
Investments	1,149,677
Receivables - net of allowance	457,075
Due from other funds	61,587
Inventories - net of allowance	263,510
Tenant security deposits	113,235
Deferred charges and other assets	18,787
Fixed assets - net of accumulated depreciation	<u>12,811,423</u>

**TOTAL ASSETS**      **\$ 15,642,645**

**LIABILITIES, RETAINED EARNINGS AND OTHER CREDITS**

Accounts payable	\$ 419,195
Due to other funds	61,587
Intergovernmental payables	41,438
Accrued wages/payroll taxes/compensated absences	282,767
Tenant security deposits	113,234
Deferred credits and other liabilities	<u>355,134</u>

**TOTAL LIABILITIES**      **1,273,355**

**TOTAL RETAINED EARNINGS AND OTHER CREDITS**      **14,369,290**

**TOTAL LIABILITIES, RETAINED EARNINGS  
AND OTHER CREDITS**      **\$ 15,642,645**

**See accompanying notes to the general purpose financial statements**



**Zanesville Metropolitan Housing Authority**  
**Statement of Revenues, Expenses and Changes in Retained Earnings**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**June 30, 2001**

<b>OPERATING REVENUE</b>	
Tenant revenue	\$ 1,154,656
Program operating grants/subsidies	4,518,401
Other income	<u>44,341</u>
<b>TOTAL OPERATING REVENUE</b>	<b>5,717,398</b>
 <b>OPERATING EXPENSES</b>	
Administrative	1,166,413
Tenant services	4,391
Utilities	574,581
Maintenance	1,056,081
Protective services	1,903
General	253,571
Bad debts	25,747
Housing assistance payments	2,685,936
Depreciation	<u>1,067,097</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>6,835,720</u></b>
<b>NET OPERATING LOSS</b>	<b>(1,118,322)</b>
 <b>NON-OPERATING REVENUE</b>	
Interest income	80,609
<b>OPERATING TRANSFER IN</b>	<b>68,000</b>
<b>OPERATING TRANSFER OUT</b>	<b><u>(68,000)</u></b>
<b>NET LOSS</b>	<b>(1,037,713)</b>
<b>RETAINED EARNINGS AND OTHER CREDITS, BEGINNING</b>	<b>14,074,186</b>
 <b>COMPREHENSIVE GRANT PROGRAM CONTRIBUTED CAPITAL/EQUITY TRANSFERS</b>	
	<u>1,332,817</u>
<b>RETAINED EARNINGS AND OTHER CREDITS, ENDING</b>	<b><u><u>\$ 14,369,290</u></u></b>

See accompanying notes to the general purpose financial statements

**Zanesville Metropolitan Housing Authority**  
**Statement of Cash Flows**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**June 30, 2001**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from HUD	\$ 4,492,871
Cash received from tenants	1,188,997
Cash payments for housing assistance payments	(2,685,936)
Cash payments for administrative	(1,156,403)
Cash payments for other operating expenses	(1,441,588)
Cash payments to HUD and other governments	(41,438)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>356,503</b>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of capital assets	(7,315)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Investment income	80,609
Investment cashed in	20,487
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>450,284</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>317,067</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 767,351</b>
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Net operating loss	\$ (1,118,322)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	1,067,097
(Increase) decrease in:	
Receivables - net of allowance	(8,328)
Due from other funds	46,734
Inventories - net of allowance	(16,758)
Increase (decrease) in:	
Accounts payable	309,797
Due to other funds	(46,734)
Intergovernmental payable	(2,337)
Accrued wages/payroll taxes and compensated absences	36,172
Deferred credits and other liabilities	89,182
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 356,503</b>

See accompanying notes to the general purpose financial statements

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

The financial statements of the Zanesville Metropolitan Housing Authority (the "Authority") have been prepared in conformity with U.S. 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 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 GASB Statement 14, the Financial Reporting Entity, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

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

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.

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

**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 2001 totaled \$80,609. The interest income earned on the general fund investments is required to be returned to HUD and this amount was \$1,090 for the year ended June 30, 2001.

**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 are the useful lives used for depreciation purposes:

Buildings – residential	27.5
Buildings – non residential	40
Building improvements	15
Furniture – dwelling	7
Furniture – non-dwelling	7
Equipment – dwelling	5
Equipment – non-dwelling	7
Autos and trucks	5
Computer hardware	3
Computer software	3
Leasehold improvements	15
Land improvements	15

**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.

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

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

**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.

**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 U.S. 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.

**Receivables – net of allowance**

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. The allowance for uncollectable receivables was \$2,683 at June 30, 2001.

**Inventories**

Inventories are stated at cost. The allowance for obsolete inventory was \$13,869 at June 30, 2001.

**Accounting and Reporting for Nonexchange Transactions**

The Authority adopted GASB 33 effective for the year ended June 30, 2001. Nonexchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of nonexchange transactions as follows:

- **Derived tax revenues:** result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- **Imposed nonexchange revenues:** result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).
- **Government-mandated nonexchange transactions:** occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

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

Accounting and Reporting for Nonexchange Transactions - Continued

- **Voluntary nonexchange transactions:** result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as a government-mandated or voluntary nonexchange transactions.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- **Time requirements** specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of nonexchange transactions.
- **Purpose restrictions** specify the purpose for which resources are required to be used. (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a nonexchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net assets, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as deferred revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary nonexchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

**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 Housing</u>	<u>CGP</u>	<u>Housing Choice Voucher</u>
GAAP Basis Income (Loss)	\$ (941,202)	\$ (121,941)	\$ 49,537
Increase (Decrease):			
Depreciation expense	939,906	121,941	293
Adjustment for compensated absences	27,911	-	5,920
Fixed assets affecting residual receipts	(10,880)	-	-
Other adjustments	9,452	-	(66)
Allowance adjustments	<u>(4,518)</u>	<u>-</u>	<u>-</u>
<b>HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS</b>	<b><u>\$ 20,669</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 55,684</u></b>

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

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

	Capital Fund Grant	New Construction	Total
GAAP Basis Income (Loss)	\$ (4,956)	\$ (19,151)	\$ (1,037,713)
Increase (Decrease):			
Depreciation expense	4,956	-	1,067,096
Adjustment for compensated absences	-	-	33,831
Fixed assets affecting residual receipts	-	-	(10,880)
Other adjustments	-	-	9,386
Allowance adjustments	-	-	(4,518)
<b>HUD BASIS RESIDUAL RECEIPTS (DEFICIT) FOR YEAR END REPORTS</b>	<b>\$ -</b>	<b>\$ (19,151)</b>	<b>\$ 57,202</b>

**3. CASH AND INVESTMENTS**

HUD Handbook 7475.1 Chapter 4, Section 1 authorizes the Authority 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 Zanesville Metropolitan Housing Authority's deposits, totaled \$2,030,263. The corresponding bank balances totaled \$2,139,807. The carrying amount includes petty cash of \$686. The Authority had investments of certificates of deposits that exceeded three months in the amount of \$1,262,912 at June 30, 2001.

The \$100,000 was covered by federal depository insurance in one bank and the remaining \$2,039,807 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 the fiscal year 2001, the Authority contracted with HARRG for vehicle and general insurance, Travelers Insurance for fire and wind, Rankin and Rankin for boiler insurance and Aetna Casualty for blanket fidelity and burglary insurance.

Vehicle insurance carries a \$100 per vehicle comprehensive deductible. Property insurance carries a \$5,000 deductible. The deductible for general liability insurance is \$500.

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.

**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

**6. FIXED ASSETS**

The following is a summary:

Land	\$ 1,150,687
Buildings	22,021,620
Furniture and equipment - dwellings	187,822
Furniture and equipment – administrative	496,104
Leasehold improvements	<u>3,105,286</u>
	26,961,519
Accumulated depreciation	<u>(14,150,096)</u>
<b>NET FIXED ASSETS</b>	<b><u>\$ 12,811,423</u></b>

The following is a summary of changes:

	Balance <u>June 30, 2000</u>	Additions	Deletions	Balance <u>June 30, 2001</u>
Land	\$ 1,150,687	\$ -	\$ -	\$ 1,150,687
Buildings	21,002,405	1,019,215	-	22,021,620
Furniture and equipment - dwellings	129,386	58,436	-	187,822
Furniture and equipment - administrative	428,233	84,647	16,776	496,104
Leasehold improvements	<u>2,927,114</u>	<u>178,172</u>	-	<u>3,105,286</u>
<b>TOTAL FIXED ASSETS</b>	<b><u>\$ 25,637,825</u></b>	<b><u>\$ 1,340,470</u></b>	<b><u>\$ 16,776</u></b>	<b><u>\$ 26,961,519</u></b>

The depreciation expense for the year ended June 30, 2001 was \$1,067,097.

**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 June 30, 2001, 2000 and 1999 were \$159,620, \$159,928, and \$143,698, respectively. The full amount has been contributed for 2000 and 2001. Eighty-nine percent (89%) has been contributed for 2001, 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



**Zanesville Metropolitan Housing Authority**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

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

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.

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. The number of active contributing participants was 401,339. The Authority's actual contributions for 2001 which were used to fund postemployment benefits were \$8,550. 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 unfunded 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.

**Zanesville Metropolitan Housing Authority**  
**Balance Sheet**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**June 30, 2001**

FDS Line Item No.	Account Description	14.850 Rent Public Hsg	Low 14.859 Comp Grant	14.871 Sect. 8 Hsg Choice VO	14.182 Sect. 8 New Cons Prgm	14.854 Drug Elim	14.870 ROSS Grants	14.872 Capital Fund Grant	Local YES Grant	14.864 EDSS	TOTAL
	<b>ASSETS</b>										
111	Cash - unrestricted	\$ 139,980	\$ -	\$ 489,781	\$ 58,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 688,709
113	Cash - other restricted	-	-	78,642	-	-	-	-	-	-	78,642
114	Cash - tenant security deposits	113,235	-	-	-	-	-	-	-	-	113,235
100	<b>TOTAL CASH</b>	<b>253,215</b>	<b>-</b>	<b>568,423</b>	<b>58,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>880,586</b>
122	Accounts receivable - HUD other proj	-	83,773	-	-	26,952	9,108	308,736	-	-	428,569
124	Accounts receivable - other state local	2,139	-	-	-	-	-	-	-	-	2,139
125	Accounts receivable - miscellaneous	-	-	1,718	477	-	-	-	-	-	2,195
126	A/R Tenants - dwelling rents	11,415	-	-	-	-	-	-	-	-	11,415
126.1	Allowance for doubtful accts	(2,683)	-	-	-	-	-	-	-	-	(2,683)
128	Fraud recovery	-	-	36,366	-	-	-	-	-	-	36,366
128.1	Fraud recovery - allowance	-	-	(32,719)	-	-	-	-	-	-	(32,719)
129	Accrued interest receivable	11,793	-	-	-	-	-	-	-	-	11,793
120	<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>22,664</b>	<b>83,773</b>	<b>5,365</b>	<b>477</b>	<b>26,952</b>	<b>9,108</b>	<b>308,736</b>	<b>-</b>	<b>-</b>	<b>457,075</b>
131	Investments - unrestricted	1,149,677	-	-	-	-	-	-	-	-	1,149,677
142	Prepaid expenses and other assets	18,787	-	-	-	-	-	-	-	-	18,787
143	Inventories	277,379	-	-	-	-	-	-	-	-	277,379
143.1	Allowance for obsolete inventory	(13,869)	-	-	-	-	-	-	-	-	(13,869)
144	Interprogram due from	61,587	-	-	-	-	-	-	-	-	61,587
150	<b>TOTAL CURRENT ASSETS</b>	<b>1,769,440</b>	<b>83,773</b>	<b>573,788</b>	<b>59,425</b>	<b>26,952</b>	<b>9,108</b>	<b>308,736</b>	<b>-</b>	<b>-</b>	<b>2,831,222</b>
161	Land	1,150,687	-	-	-	-	-	-	-	-	1,150,687
162	Buildings	19,983,030	1,680,491	-	-	-	-	358,099	-	-	22,021,620
163	Furniture and equipment - dwellings	101,139	86,683	-	-	-	-	-	-	-	187,822
164	Furniture and equipment - administration	287,260	207,378	1,466	-	-	-	-	-	-	496,104
165	Leasehold improvements	2,501,283	604,003	-	-	-	-	-	-	-	3,105,286
166	Accumulated depreciation	(13,943,484)	(200,922)	(733)	-	-	-	(4,957)	-	-	(14,150,096)
160	<b>TOTAL FIXED ASSETS, NET</b>	<b>10,079,915</b>	<b>2,377,633</b>	<b>733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353,142</b>	<b>-</b>	<b>-</b>	<b>12,811,423</b>
171	Mortgages - noncurrent	-	-	-	-	-	-	-	-	-	-
180	<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,079,915</b>	<b>2,377,633</b>	<b>733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353,142</b>	<b>-</b>	<b>-</b>	<b>12,811,423</b>
190	<b>TOTAL ASSETS</b>	<b>\$11,849,355</b>	<b>\$2,461,406</b>	<b>\$ 574,521</b>	<b>\$ 59,425</b>	<b>\$ 26,952</b>	<b>\$ 9,108</b>	<b>\$ 661,878</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$15,642,645</b>

**Zanesville Metropolitan Housing Authority**  
**Balance Sheet**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**June 30, 2001**

FDS Line Item No.	Account Description	14.850 Rent Public Hsg	Low 14.859 Comp Grant	14.871 Sect. 8 Hsg Choice VO	14.182 Sect. 8 New Cons Prgm	14.854 Drug Elim	14.870 ROSS Grants	14.872 Capital Fund Grant	Local YES Grant	14.864 EDSS	TOTAL
	<b>LIABILITIES</b>										
312	Accounts payable <=90 days	\$ 52,213	\$ 73,282	\$ -	\$ -	\$ -	\$ -	\$ 293,700	\$ -	\$ -	\$ 419,195
321	Accrued wages/payroll taxes	50,067	-	-	-	-	-	-	-	-	50,067
322	Accrued compensated absences	194,795	-	30,228	7,677	-	-	-	-	-	232,700
331	Accounts payable - HUD PHA programs	-	-	13,114	6,445	-	-	-	-	-	19,559
333	Accounts payable - other govt	21,879	-	-	-	-	-	-	-	-	21,879
341	Tenant security deposits	113,234	-	-	-	-	-	-	-	-	113,234
342	Deferred revenue	15,177	-	225,442	37,445	-	-	-	-	-	278,064
347	Interprogram due to	-	10,491	-	-	26,952	9,108	15,036	-	-	61,587
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>447,365</b>	<b>83,773</b>	<b>268,784</b>	<b>51,567</b>	<b>26,952</b>	<b>9,108</b>	<b>308,736</b>	<b>-</b>	<b>-</b>	<b>1,196,285</b>
353	Noncurrent liabilities - other	-	-	77,070	-	-	-	-	-	-	77,070
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>77,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,070</b>
300	<b>TOTAL LIABILITIES</b>	<b>447,365</b>	<b>83,773</b>	<b>345,854</b>	<b>51,567</b>	<b>26,952</b>	<b>9,108</b>	<b>308,736</b>	<b>-</b>	<b>-</b>	<b>1,273,355</b>
513	<b>TOTAL EQUITY</b>	<b>11,401,990</b>	<b>2,377,633</b>	<b>228,667</b>	<b>7,858</b>	<b>-</b>	<b>-</b>	<b>353,142</b>	<b>-</b>	<b>-</b>	<b>14,369,290</b>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$11,849,355</b>	<b>\$2,461,406</b>	<b>\$ 574,521</b>	<b>\$ 59,425</b>	<b>\$ 26,952</b>	<b>\$ 9,108</b>	<b>\$ 661,878</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$15,642,645</b>

**Zanesville Metropolitan Housing Authority**  
**Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**June 30, 2001**

FDS Line Item No.	Account Description	14.850 Low Rent Public Hsg	14.859 Comp Grant	14.871 Sect. 8 Hsg Choice VO	14.182 Sect. 8 New Cons Prgm	14.854 Drug Elim	14.870 ROSS Grants	14.872 Capital Fund Grant	Local YES Grant	14.864 EDSS	TOTAL
	<b>REVENUE</b>										
703	Net tenant revenue	\$ 1,149,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,149,552
704	Tenant revenue - other	5,104	-	-	-	-	-	-	-	-	5,104
705	<b>TOTAL TENANT REVENUE</b>	<b>1,154,656</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,154,656</b>
706	PHA HUD grants	788,387	222,252	-	-	177,834	39,442	131,434	-	78,241	1,437,590
706-	Housing assistance payments	-	-	2,238,311	403,391	-	-	-	-	-	2,641,702
706-	Ongoing administrative fees	-	-	325,705	22,293	-	-	-	-	-	347,998
706-	Hard to house	-	-	8,325	-	-	-	-	-	-	8,325
706-	Earned IPA costs	-	-	2,202	300	-	-	-	-	-	2,502
706-	Preliminary fees	-	-	18,000	-	-	-	-	-	-	18,000
706-	FSS coordinator	-	-	44,234	-	-	-	-	-	-	44,234
708	Other government funds	-	-	-	-	-	-	-	18,050	-	18,050
711	Investment income - unrestricted	79,440	-	991	178	-	-	-	-	-	80,609
714	Fraud recovery	-	-	182	-	-	-	-	-	-	182
715	Other revenue	41,559	-	-	-	-	-	-	-	-	41,559
716	Gain/loss on sale of fixed assets	2,600	-	-	-	-	-	-	-	-	2,600
	<b>TOTAL REVENUE</b>	<b>2,066,642</b>	<b>222,252</b>	<b>2,637,950</b>	<b>426,162</b>	<b>177,834</b>	<b>39,442</b>	<b>131,434</b>	<b>18,050</b>	<b>78,241</b>	<b>5,798,007</b>
	<b>EXPENSES</b>										
911	Administrative salaries	313,382	123,117	191,903	26,196	-	33,345	34,301	-	38,192	760,436
912	Auditing fees	2,072	-	2,202	300	-	-	-	-	-	4,574
915	Employee benefit contribution - administrative	106,015	16,678	56,819	8,764	-	1,388	9,107	-	-	198,771
916	Other operating - administrative	58,992	-	54,651	6,662	-	4,709	19,519	18,050	40,049	202,632
924	Tenant services - other	4,391	-	-	-	-	-	-	-	-	4,391
931	Water	90,272	-	-	-	-	-	-	-	-	90,272
932	Electricity	146,783	-	-	-	-	-	-	-	-	146,783
933	Gas	138,545	-	-	-	-	-	-	-	-	138,545
935	Labor	29,695	-	-	-	-	-	-	-	-	29,695
937	Employee benefit contributions-utilities	10,000	-	-	-	-	-	-	-	-	10,000
938	Other utilities expense	159,286	-	-	-	-	-	-	-	-	159,286
941	Ordinary maintenance and operation - labor	572,961	-	-	-	-	-	-	-	-	572,961
942	Ordinary maintenance and operation - materials	138,936	-	-	-	-	-	134	-	-	139,070
943	Ordinary maintenance and operation - cont costs	77,760	82,457	-	-	-	-	372	-	-	160,589
945	Employee benefit contribution - ord maintenance	183,461	-	-	-	-	-	-	-	-	183,461

**Zanesville Metropolitan Housing Authority**  
**Statement of Revenues, Expenses and Changes in Retained Earnings**  
**FDS Schedule Submitted to HUD**  
**Proprietary Fund Type**  
**Enterprise Fund**  
**June 30, 2001**

FDS Line Item No.	Account Description	14.850 Rent Public Hsg	Low 14.859 Comp Grant	14.871 Sect. 8 Hsg Choice VO	14.182 Sect. 8 New Cons Prgm	14.854 Drug Elim	14.870 ROSS Grants	14.872 Capital Fund Grant	Local YES Grant	14.864 EDSS	TOTAL
	<b>EXPENSES - CONTINUED</b>										
952	Protective services - other cont costs	582	-	-	-	1,321	-	-	-	-	1,903
961	Insurance premiums	45,514	-	-	-	-	-	-	-	-	45,514
962	Other general expenses	9,665	-	-	-	176,513	-	-	-	-	186,178
963	PILOT	21,879	-	-	-	-	-	-	-	-	21,879
964	Bad debts - tenant rents	25,747	-	-	-	-	-	-	-	-	25,747
969	<b>TOTAL OPERATING EXPENSES</b>	<b>2,135,938</b>	<b>222,252</b>	<b>305,575</b>	<b>41,922</b>	<b>177,834</b>	<b>39,442</b>	<b>63,433</b>	<b>18,050</b>	<b>78,241</b>	<b>3,082,687</b>
	<b>OTHER EXPENSES</b>										
970	EXCESS OPERATING REVENUE OVER EXPENSES	(69,296)	-	2,332,375	384,240	-	-	68,001	-	-	2,715,320
973	Housing Assistance Payments	-	-	2,282,545	403,391	-	-	-	-	-	2,685,936
974	Depreciation expense	939,906	121,941	293	-	-	-	4,957	-	-	1,067,097
900	<b>TOTAL EXPENSES</b>	<b>3,075,844</b>	<b>344,193</b>	<b>2,588,413</b>	<b>445,313</b>	<b>177,834</b>	<b>39,442</b>	<b>68,390</b>	<b>18,050</b>	<b>78,241</b>	<b>6,835,720</b>
1000	EXCESS OF REVENUE OVER EXPENSES	(1,009,202)	(121,941)	49,537	(19,151)	-	-	63,044	-	-	(1,037,713)
1881	OPERATING TRANSFER IN	68,000	-	-	-	-	-	-	-	-	68,000
1882	OPERATING TRANSFER OUT	-	-	-	-	-	-	(68,000)	-	-	(68,000)
1101	Capital outlays - Enterprise Fund	-	975,049	-	-	-	-	358,098	-	-	1,333,147
1104	Transfer of equity	-	-	137,006	(330)	-	-	-	-	-	(330)
1103	Beginning equity	12,343,192	1,524,525	42,124	27,339	-	-	-	-	-	14,074,186
	<b>ENDING EQUITY</b>	<b>\$11,401,990</b>	<b>\$2,377,633</b>	<b>\$ 228,667</b>	<b>\$ 7,858</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 353,142</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$14,369,290</b>

**Zanesville Metropolitan Housing Authority  
Schedule of Federal Awards Expenditures  
June 30, 2001**

	<b>FEDERAL CFDA NUMBER</b>	<b>FUNDS EXPENDED</b>
<b><u>FROM U.S. DEPARTMENT OF HUD</u></b>		
<b><u>DIRECT PROGRAMS</u></b>		
<b>PHA Owned Housing:</b>		
Public and Indian Housing	14.850	788,387
Public and Indian Housing Comprehensive Grant	14.859	1,197,301
Public and Indian Housing Drug Elimination Program	14.854	177,834
Public Housing Capital Fund	14.872	489,532
<b>Housing Assistance Payments:</b>		
<b>Annual Contribution -</b>		
Housing Choice Vouchers	14.871	2,635,960
Section 8 New Construction and Substantial Rehabilitation	14.182	425,644
Economic Development and Supportive Services Program	14.864	78,241
Resident Opportunity and Supportive Services	14.870	39,442
<b>Total - All Programs</b>		<b>\$ 5,832,341</b>



**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  
Zanesville Metropolitan Housing Authority  
Zanesville, Ohio**

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

We have audited the general purpose financial statements of Zanesville Metropolitan Housing Authority as of and for the year ended June 30, 2001, and have issued our report thereon dated August 20, 2001. We conducted our audit in accordance with U.S. 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 Zanesville 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 Zanesville Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

**Jones, Cochenour & Co.  
August 20, 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  
Zanesville Metropolitan Housing Authority  
Zanesville, Ohio**

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

**Compliance**

We have audited the compliance of Zanesville 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 June 30, 2001. Zanesville 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 Zanesville Metropolitan Housing Authority's management. Our responsibility is to express an opinion on Zanesville Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. 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 Zanesville 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 Zanesville Metropolitan Housing Authority's compliance with those requirements.

In our opinion, Zanesville 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 June 30, 2001.

**Internal Control Over Compliance**

The management of Zanesville 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 Zanesville 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.**  
**August 20, 2001**

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

**Zanesville Metropolitan Housing Authority  
June 30, 2001**

<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 #14.871 Section 8 Housing Choice Vouchers</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**

**Zanesville Metropolitan Housing Authority  
June 30, 2001**

**2. FINDINGS RELATED TO FINANCIAL STATEMENTS**

**There are no findings or questioned costs for the year ended June 30, 2001.**

**3. FINDINGS RELATED TO FEDERAL AWARDS**

**There are no findings or questioned costs for the year ended June 30, 2001.**





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140  
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Facsimile 614-466-4490

**ZANESVILLE METROPOLITAN HOUSING AUTHORITY**

**MUSKINGUM 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  
NOVEMBER 8, 2001**