

Athens Metropolitan Housing Authority
General Purpose Financial Statements
For the Year Ended December 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Directors
Athens Metropolitan Housing Authority
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We have reviewed the Independent Auditor's Report of the Athens Metropolitan Housing Authority, Athens County, prepared by Salvatore Consiglio, CPA, Inc., for the audit period January 1, 2001 to December 31, 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 Athens Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

October 1, 2002

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ATHENS METROPOLITAN HOUSING AUTHORITY
 AUDIT REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2001

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SALVATORE CONSIGLIO, CPA, INC. E-mail: sconsiglio@aol.com

Independent Auditors' Report

Board of Directors
Athens Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

I have audited the accompanying general purpose financial statements of Athens Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the Athens Metropolitan Housing Authority, Ohio, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Athens Metropolitan Housing Authority, Ohio, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated September 20, 2002, on my consideration of Athens Metropolitan Housing Authority, Ohio's internal control over financial reporting and my 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 result of my audit.

My Audit was performed for the purpose of forming and 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 Athens Metropolitan Housing Authority, Ohio. The accompanying Schedule of Expenditures of Federal Awards 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 general purpose financial statements. The combining financial data schedule ("FDS"), the PHA's Statement of Certification of Actual Development Cost and the PHA's Statement of Certifications of Actual Modernization Cost are presented for purposes additional analysis as required by the Department of Housing and Urban Development and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respect in relation to the basic financial statements taken as a whole.



Salvatore Consiglio, CPA, Inc.

September 20, 2002

Athens Metropolitan Housing Authority
 Combined Balance Sheet
 Proprietary Fund Type
 Enterprise Fund
 December 31, 2001

ASSETS

Cash and Cash Equivalents	\$270,308
Accounts Receivables – Net of Allowance	532,834
Investment	645,349
Due From Other Funds	303,286
Deferred Charges and Other Assets	2,235
Fixed Assets - Net of Accumulated Depreciation	<u>4,156,936</u>
 TOTAL ASSETS	 <u>\$5,910,948</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITES:	
Accounts Payable	\$1,640
Due to Other Funds	303,286
Intergovernmental Payable	429,243
Accrued Interest Payable	10,798
Accrued Wages and Payroll Taxes	36,465
Tenant Security Deposits	29,347
Deferred Credits and Other Liabilities	<u>97,057</u>
 Total Current Liabilities	 <u>907,836</u>
 NONCURRENT LIABILITES	
Long-term Debt Net of Current	154,058
Other Long-term Liabilities	<u>56,798</u>
 Total Noncurrent Liabilities	 <u>210,856</u>
 TOTAL LIABILITES	 <u>1,118,692</u>
 FUND EQUITY:	
Total Contributed Capital	5,929,346
Retained Earnings - Unreserved	<u>(1,137,090)</u>
 TOTAL FUND EQUITY	 <u>4,792,256</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$5,910,948</u>

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Athens Metropolitan Housing Authority
 Combined Statement of Revenue, Expenses and Change in Fund Equity
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended December 31, 2001

REVENUES

Tenant Rental Revenue	\$153,519
Grant Revenue	3,928,908
Investment Income	20,986
Other Income	<u>19,131</u>
 TOTAL REVENUES	 <u>4,122,544</u>

EXPENSES

Administrative Expenses	370,378
Tenant Services	150
Utilities Expenses	87,439
Ordinary Maintenance and Operation	118,220
General Expenses	27,310
Housing Assistance Expenses	3,224,999
Interest Expense	27,461
Depreciation Expense	<u>178,655</u>
 TOTAL EXPENSES	 <u>4,034,612</u>

EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	 87,932
 Beginning Fund Equity	 4,375,013
Prior Period Adjustments	<u>329,311</u>
 ENDING FUND EQUITY	 <u><u>\$4,792,256</u></u>

The accompanying notes to the general purpose financial statements are an integral part of these statements.

Athens Metropolitan Housing Authority
 Combined Statement of Cash Flows
 Proprietary Fund Type
 Enterprise Fund
 For the Year Ended December 31, 2001

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Operating Income/(Loss)	\$87,932
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities	
- Depreciation	178,655
- (Increases) Decreases in Accounts Receivable	(34,703)
- (Increases) Decreases in Prepaid Expenses	(62)
- Increases (Decreases) Accounts Payable	(103,151)
- Increases (Decreases) in Deferred Revenue	(148,698)
- Increases (Decreases) in Current Portion of Long Term Debt	16,662
- Prior Period Adjustment to Write-off Receivable from HUD	(34,410)
- Prior Period Adjustment to Properly State Beginning Cash Balance	(32,258)
	(157,965)

NET CASH PROVIDED BY OPERATING ACTIVITIES (70,033)

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash transfer to Investment Account	(329,345)
Purchase of Assets	(245,534)

NET CASH USED IN INVESTING ACTIVITIES (574,879)

CASH FLOWS FROM FINANCING ACTIVITIES:

Change in Long Term Debt	8,950
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NET CASH PROVIDED IN FINANCING ACTIVITIES 8,950

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (635,962)

CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR 906,270

CASH AND CASH EQUIVALENTS - END OF YEAR **\$270,308**

The accompanying notes to the general purpose financial statements are an integral part of these statements.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Athens 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 Athens 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 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.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 HUD 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.

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

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending December 31, 2001 totaled \$20,986.

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.

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 absence 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

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 2: CASH AND INVESTMENTS

Deposits – The PHA deposits are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the PHA or by its agent in the PHA’s name.

Category 2 – Collateralized with securities held by the pledging financial institution’s trust department or agent in the PHA’s name.

Category 3 – Uncollateralized.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits, categorized by level of risk, are:

DESCRIPTION	BANK BALANCE	CATEGORY			CARRYING AMOUNT
		1	2	3	
Cash and Cash Equivalents	\$289,758	\$289,758	\$ -0-	\$ -0-	\$270,308
Investments	663,840	663,840	-0-	-0-	645,349
Total Deposits	\$953,598	\$953,598	\$ -0-	\$ -0-	\$915,657

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.

The PHA investments are categorized to give an indication of the level of risk assumed by the PHA at fiscal year end. The categories are described as follows:

Category 1 – Insured, registered, or securities held by the PHA or its agent in the PHA’s name.

Category 2 – Uninsured and unregistered, with securities held by the counterpart’s trust department or agent in the PHA’s name.

Category 3 – Uninsured and unregistered, with securities held by the counterpart, or its trust department or agent but not in the PHA’s name.

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

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001
(CONTINUED)

NOTE 4: 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 ending December 31, 2001 the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

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.

NOTE 5: FIXED ASSETS

The following is a summary:

Land	\$ 701,942
Buildings	4,427,825
Furniture, Machinery and Equipment	299,726
Leasehold Improvement	-0-
	<hr/>
Total Fixed Assets	5,429,493
Accumulated Depreciation	(1,272,557)
	<hr/>
Net Fixed Assets	<u>\$ 4,156,936</u>

The following is a summary of changes:

	Balance				Balance
	<u>12/31/00</u>	<u>Additions</u>	<u>Deletion</u>		<u>12/31/01</u>
Land	\$ 705,842	\$ -0-	\$ 3,900		\$ 701,942
Buildings	3,331,290	1,096,535	-0-		4,427,825
Furnt, Mach. and Equip.	296,031	3,695	-0-		299,726
Leasehold Improvement	340,523	-0-	340,523		-0-
Total Fixed Assets	<u>\$4,673,686</u>	<u>\$1,100,230</u>	<u>\$344,423</u>		<u>\$5,429,493</u>

The depreciation expense for the year ended December 31, 2001 was \$178,655.

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

**NOTE 6: 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 obtained 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. The 2001 employer pension contribution rate for the Authority was 13.55 percent of cover payroll. 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, 2001, 2000 and 1999 were \$35,920, \$29,198, and \$33,174, respectively. The full amount has been contributed for 2000 and 1999. Ninety-two percent has been contributed for 2001, with the remainder being reported as a liability with the enterprise fund.

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

The Public Retirement System of Ohio (PERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001.

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

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

**NOTE 7: POSTEMPLOYMENT BENEFITS PUBLIC EMPLOYEES
RETIREMENT SYSTEM (Continued)**

annually for inflation (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 increases. 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 OPEB, were \$24,786. The actual contribution and the required contribution amounts are the same. PERS's net assets available for payments 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.

NOTE 8: PRIOR PERIOD ADJUSTMENTS

Prior period adjustment in total of \$329,311 was necessary to properly the fixed asset balance, account receivable and the beginning cash balance. The adjustments are as follows:

LOW RENT PUBLIC HOUSING PROGRAM:

- Adjustment to correct the allowances for doubtful accounts \$8,302
- Adjustment to properly state beginning balance in Fixed Assets (51,363)

SECTION 8 VOUCHER PROGRAM:

- Correction to fund balance due to conversion of Certificate to Voucher Program (90,981)

SECTION 8 CERTIFICATE PROGRAM:

- Correction to fund balance due to conversion of Certificate to Voucher Program (19,351)
- Write-off of account receivable from HUD (34,410)

SECTION 8 N/C S/R PROGRAM:

- Adjustment to properly state beginning cash balance (1,879)

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

NOTE 8: PRIOR PERIOD ADJUSTMENTS(Continued)

CIAP PROGRAM:	
- Adjustments to properly state fixed assets	546,830
STATE / LOCAL (BOARD FUND):	
- Adjustment to properly state accumulated depreciation	4,421
- Adjustment to properly state beginning cash balance	<u>(32,258)</u>
TOTAL OF ALL ADJUSTMENTS	<u><u>\$329,311</u></u>

NOTE 9: CHANGES IN ACCOUNTING PRINCIPLES

Athens Metropolitan Housing Authority has implemented GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues”. GASB Statement No. 33 establishes accounting and financial reporting standards about when (in which fiscal year) to report the result of nonexchange transactions. GASB Statement No. 36 supercedes paragraph 28 of GASB Statement No. 33. GASB Statement No. 36 eliminates the timing difference for shared revenues by requiring recipients governments to account for the sharing of revenues in the same manner as provider governments to account for the sharing of revenue in the same manner as provider governments. The implementation of GASB Statement No. 33 and GASB Statement No. 36 had no effect on fund balance as it was previously reported.

NOTE 10: LONG TERM DEBT

Mortgage Payable

Athens Metropolitan Housing Authority has 3 outstanding mortgages payable as of December 31, 2001. These loans were obtained to purchase rental properties.

The following is a summary of changes in long-term debt for the year ended December 31, 2001:

DESCRIPTION	BALANCE 12/31/00	ISSUED	RETIRED	BALANCE 12/31/01	DUE WITHIN ONE YEAR
490 Richland Ave. Property	\$28,698	\$-0-	\$5,963	\$22,735	\$6,288
SR 78, Buchtel Property	132,903	-0-	7,548	125,355	\$8,190
Walnut Street, Nelsonville	35,441	-0-	2,013	33,428	\$2,184
TOTAL DEBT	<u>\$197,042</u>	<u>\$-0-</u>	<u>\$15,524</u>	<u>\$181,518</u>	<u>\$16,662</u>

ATHENS METROPOLITAN HOUSING AUTHORITY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31,2001
(CONTINUED)

NOTE 11: SCHEDULE OF EXPENDITURE OF FEDERAL AWARD

The accompanying schedule of expenditure of federal award is a summary of the activity of the Authority's federal programs. This schedule has been prepared on the accrual basis of accounting.

Athens Metropolitan Housing Authority
 Combined Balance Sheet
 FDS Schedule Submitted To REAC
 Proprietary Fund Type – Enterprise Fund
 December 31, 2001

FDS Line Item No.	Account Description	Low Rent	Sect. 8 Rental Voucher Program	Sect. 8 Rental Certificate Program	Sect. 8 Rental N/C S/R Program	CIAP	Capital Fund	State / Local	Total
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash – unrestricted	\$103,720	\$54,023	\$-0-	\$-0-	\$-0-	\$-0-	\$102,325	\$260,068
114	Cash – Tenant Security Deposit	10,240	-0-	-0-	-0-	-0-	-0-	-0-	10,240
100	Total cash	113,960	54,023	-0-	-0-	-0-	-0-	102,325	270,308
Accounts and notes receivables:									
122	Accounts receivable – HUD other projects	-0-	366,281	-0-	60,093	-0-	-0-	-0-	426,374
125	Accounts receivable – miscellaneous	2,408	81,075	-0-	-0-	-0-	-0-	8,820	92,303
126	Accounts receivable – tenant dwelling rent	21,157	-0-	-0-	-0-	-0-	-0-	-0-	21,157
126.1	Allowance for doubtful accounts	-7,000	-0-	-0-	-0-	-0-	-0-	-0-	-7,000
120	Total receivables, net of allowances for doubtful accounts	16,565	447,356	-0-	60,093	-0-	-0-	8,820	532,834
131	Investments – unrestricted	470,516	33,074	-0-	-0-	-0-	-0-	-0-	503,590
132	Investments – restricted	-0-	141,759	-0-	-0-	-0-	-0-	-0-	141,759
142	Prepaid expenses and other assets	1,986	249	-0-	-0-	-0-	-0-	-0-	2,235
144	Interprogram due from	4,930	81,190	90,114	-0-	-0-	67,225	59,827	303,286
150	TOTAL CURRENT ASSETS	607,957	757,651	90,114	60,093	-0-	67,225	170,972	1,754,012
NONCURRENT ASSETS:									
Fixed assets:									
161	Land	621,280	-0-	-0-	-0-	25,562	-0-	55,100	701,942
162	Buildings	3,369,176	-0-	-0-	-0-	786,749	-0-	271,900	4,427,825
163	Furniture, equipment & machinery – Dwellings	85,273	-0-	-0-	-0-	-0-	-0-	-0-	85,273
164	Furniture, equipment & machinery – Administration	47,627	78,293	-0-	-0-	81,933	6,600	-0-	214,453
165	Leasehold Improvement	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
166	Accumulated depreciation	-996,999	-77,817	-0-	-0-	-135,426	-1,320	-60,995	-1,272,557
160	Total fixed assets, net of accumulated depreciation	3,126,357	476	-0-	-0-	758,818	5,280	266,005	4,156,936
180	TOTAL NONCURRENT ASSETS	3,126,357	476	-0-	-0-	758,818	5,280	266,005	4,156,936
190	TOTAL ASSETS	\$3,734,314	\$758,127	\$90,114	\$60,093	\$758,818	\$72,505	\$436,977	\$5,910,948

Athens Metropolitan Housing Authority
 Combined Balance Sheet
 FDS Schedule Submitted To REAC
 Proprietary Fund Type – Enterprise Fund
 December 31, 2001

FDS Line Item No.	Account Description	Low Rent	Sect. 8 Rental Voucher Program	Sect. 8 Rental Certificate Program	Sect. 8 Rental N/C S/R Program	CIAP	Capital Fund	State / Local	Total
LIABILITIES AND EQUITY:									
LIABILITIES									
CURRENT LIABILITIES									
312	Accounts payable < 90 days	\$1,640	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$1,640
321	Accrued wages and payroll taxes payable	-0-	4,451	-0-	-0-	-0-	-0-	-0-	4,451
322	Accrued compensated absences	-0-	32,014	-0-	-0-	-0-	-0-	-0-	32,014
325	Accrued Interest Payable	-0-	-0-	-0-	-0-	-0-	-0-	10,798	10,798
331	Accounts Payable – HUD PHA Program	-0-	321,267	-0-	-0-	-0-	-0-	-0-	321,267
333	Accounts payable - other government	23,015	84,961	-0-	-0-	-0-	-0-	-0-	107,976
341	Tenant security deposit	25,394	-0-	-0-	-0-	-0-	-0-	3,953	29,347
342	Deferred Revenue	769	-0-	-0-	-0-	-0-	67,225	-0-	67,994
343	Current Portion of Long Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	16,662	16,662
345	Other Current Liabilities	-0-	12,401	-0-	-0-	-0-	-0-	-0-	12,401
347	Interprogram due to	107,226	126,587	-0-	-0-	67,225	-0-	2,248	303,286
310	Total Current Liabilities	158,044	581,681	-0-	-0-	67,225	67,225	33,661	907,836
351	Long Term Debt	-0-	-0-	-0-	-0-	-0-	-0-	154,058	154,058
353	Noncurrent Liabilities - Other	-0-	56,798	-0-	-0-	-0-	-0-	-0-	56,798
350	Total Noncurrent Liabilities	-0-	56,798	-0-	-0-	-0-	-0-	154,058	210,856
300	TOTAL LIABILITIES	158,044	638,479	-0-	-0-	67,225	67,225	187,719	1,118,692
EQUITY:									
Contributed Capital:									
502	Project Notes (HUD)	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
504	Net HUD PHA contributions	5,237,753	-0-	-0-	-0-	691,593	-0-	-0-	5,929,346
507	Other Contribution	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
508	Total contributed capital	5,237,753	-0-	-0-	-0-	691,593	-0-	-0-	5,929,346
512	Undesignated fund balance/retained earnings	-1,661,483	119,648	90,114	60,093	-0-	5,280	249,258	-1,137,090
513	TOTAL EQUITY	3,576,270	119,648	90,114	60,093	691,593	5,280	249,258	4,792,256
600	TOTAL LIABILITIES AND EQUITY	\$3,734,314	\$758,127	\$90,114	\$60,093	\$758,818	\$72,505	\$436,977	\$5,910,948

Athens Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change In Retained Earnings
FDS Schedule Submitted to REAC
Proprietary Fund Type – Enterprise Fund
Year Ended December 31, 2001

FDS Line Item No.	Account Description	Low Rent	Sect. 8 Rental Voucher Program	Sect. 8 Rental Certificate Program	Sect. 8 Rental N/C S/R Program	CIAP	Capital Fund	State / Local	Total
REVENUE:									
703	Net tenant rental revenue	\$104,163	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$44,415	\$148,578
704	Tenant revenue - other	4,941	-0-	-0-	-0-	-0-	-0-	-0-	4,941
705	Total Tenant Revenue	109,104	-0-	-0-	-0-	-0-	-0-	44,415	153,519
706	HUD PHA grants	215,991	2,543,813	75,708	950,646	8,750	-0-	-0-	3,794,908
706.1	Capital Grants	-0-	-0-	-0-	-0-	127,400	6,600	-0-	134,000
708	Other Governmental Grant	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
711	Investment income - unrestricted	9,307	6,108	-0-	-0-	-0-	-0-	4,416	19,831
714	Fraud recovery	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
715	Other revenue	915	3,080	-0-	-0-	-0-	-0-	15,136	19,131
716	Gain/loss on sale of fixed assets	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
720	Investment income - restricted	-0-	1,155	-0-	-0-	-0-	-0-	-0-	1,155
700	TOTAL REVENUE	335,317	2,554,156	75,708	950,646	136,150	6,600	63,967	4,122,544
EXPENSES:									
Administrative:									
911	Administrative salaries	45,395	113,061	9,499	30,128	-0-	-0-	-0-	198,083
912	Auditing fees	2,500	1,756	530	501	-0-	-0-	-0-	5,287
914	Compensated absences	9,799	12,822	-0-	-0-	-0-	-0-	-0-	22,621
915	Employee benefit contributions- administrative	14,568	41,932	3,456	10,961	-0-	-0-	-0-	70,917
916	Other operating- administrative	18,346	26,872	2,914	20,123	-0-	-0-	5,215	73,470
Tenant Services:									
924	Tenant Services – Other	150	-0-	-0-	-0-	-0-	-0-	-0-	150
Utilities:									
931	Water	21,760	-0-	-0-	-0-	-0-	-0-	2,748	24,508
932	Electricity	62,263	-0-	-0-	-0-	-0-	-0-	198	62,461
933	Gas	470	-0-	-0-	-0-	-0-	-0-	-0-	470
938	Other utilities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

Athens Metropolitan Housing Authority
Combining Statement of Revenue, Expenses and Change In Retained Earnings
FDS Schedule Submitted to REAC
Proprietary Fund Type – Enterprise Fund
Year Ended December 31, 2001

FDS Line			Sect. 8 Rental	Sect. 8 Rental	Sect. 8 Rental				
Item No.	Account Description	Low Rent	Voucher Program	Certificate Program	N/C S/R Program	CIAP	Capital Fund	State / Local	Total
	Ordinary maintenance & operation:								
941	Ordinary maintenance and operations - labor	38,490	-0-	-0-	-0-	-0-	-0-	-0-	38,490
942	Ordinary maintenance and operations - materials and other	17,859	1,552	120	380	7,800	-0-	1,871	29,582
943	Ordinary maintenance and operations - contract costs	29,443	-0-	-0-	-0-	8,750	-0-	509	38,702
945	Employee Benefit Contributions – Ordinary Maintenance	11,446	-0-	-0-	-0-	-0-	-0-	-0-	11,446
	General expenses:								
961	Insurance premiums	7,887	1,193	92	292	-0-	-0-	-0-	9,464
962	Other General Expenses	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
963	Payments in lieu of taxes	9,310	-0-	-0-	-0-	-0-	-0-	-0-	9,310
964	Bad Debt – Tenant Rents	8,536	-0-	-0-	-0-	-0-	-0-	-0-	8,536
967	Interest Expenses	-0-	-0-	-0-	-0-	-0-	-0-	27,461	27,461
969	TOTAL OPERATING EXPENSES	298,222	199,188	16,611	62,385	16,550	-0-	38,002	630,958
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	37,095	2,354,968	59,097	888,261	119,600	6,600	25,965	3,491,586
971	Extraordinary maintenance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
973	Housing assistance payments	-0-	2,281,813	54,925	888,261	-0-	-0-	-0-	3,224,999
974	Depreciation expense	123,533	328	-0-	-0-	44,514	1,320	8,960	178,655
900	TOTAL EXPENSES	421,755	2,481,329	71,536	950,646	61,064	1,320	46,962	4,034,612
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) EXPENSES	-86,438	72,827	4,172	-0-	75,086	5,280	17,005	87,932
1103	Beginning equity	3,705,769	137,802	139,703	61,972	69,677	-0-	260,090	4,375,013
1104	Prior period adjustments and equity transfers	-43,061	-90,981	-53,761	-1,879	546,830	-0-	-27,837	329,311
	ENDING RETAINED EARNINGS	\$3,576,270	\$119,648	\$90,114	\$60,093	\$691,593	\$5,280	\$249,258	\$4,792,256

Athens Metropolitan Housing Authority
 Combining Statement of Revenue, Expenses and Change In Retained Earnings
 FDS Schedule Submitted to REAC
 Proprietary Fund Type – Enterprise Fund
 Year Ended December 31, 2001

FDS Line			Sect. 8 Rental	Sect. 8 Rental	Sect. 8 Rental					
Item No.	Account Description	Low Rent	Voucher Program	Certificate Program	N/C S/R Program	CIAP	Capital Fund	State / Local	Total	
MEMO ACCOUNT INFORMATION:										
1112	Depreciation "add back"	\$123,533	\$328	\$-0-	\$-0-	\$44,514	\$1,320	\$8,960	\$178,655	
1113	Maximum annual contributions commitment (per ACC)	-0-	1,427,408	-0-	996,245	-0-	-0-	-0-	2,423,653	
1114	Prorata maximum annual contributions applicable to a Period of less than Twelve Months	-0-	909,209	-0-	-0-	-0-	-0-	-0-	909,209	
1115	Contingency reserve, ACC program reserve	-0-	198,351	434,783	3,325,062	-0-	-0-	-0-	3,958,196	
1116	Total annual contributions available	-0-	2,534,968	434,783	4,321,307	-0-	-0-	-0-	7,291,058	
1120	Unit months available	840	7,380	516	134	-0-	-0-	96	8,966	
1121	Number of unit months leased	816	6,556	516	134	-0-	-0-	96	8,118	

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Development Cost
December 31, 2001

Development Program Grant Number OH16-P041-006

1. The Actual Development Costs are as follows:

Advertising	\$1,278
Legal Fees	1,500
Appraisals Fees	2,350
Option Fees	1,500
Design Work	15,187
Mileage Reimbursement	735
Consultants	20,000
Administration	<u>7,204</u>
TOTAL COSTS	<u><u>\$49,754</u></u>
TOTAL RECIEPTS	<u><u>\$49,754</u></u>

2. All development costs have been paid and all related liabilities have been discharged through payment.
3. The final cost certification submitted to HUD for approval is in agreement with the PHA's records.

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
December 31, 2001

Comprehensive Improvement Assistance Program Grant Number OH16P04190187

1. The Actual Modernization Costs are as follows:

Funds Approved	\$6,200
Funds Expended	<u>6,200</u>
Excess (Deficiency) of Funds Approved	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The actual modernization cost certification was signed and filed on March 31, 1989.
4. The final costs on the certification agree to the Authority's records.

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
December 31, 2001

Comprehensive Improvement Assistance Program Grant Number OH16P04190293

1. The Actual Modernization Costs are as follows:

Funds Approved	\$40,700
Funds Expended	<u>40,700</u>
Excess (Deficiency) of Funds Approved	<u>\$-0-</u>

2. All costs have been paid and there are no outstanding obligations.
3. The actual modernization cost certification was signed and filed on October 10, 1996.
4. The final costs on the certification agree to the Authority's records.

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
December 31, 2001

Comprehensive Improvement Assistance Program Grant Number OH16P04190394

1. The Actual Modernization Costs are as follows:

Funds Approved	\$166,400
Funds Expended	<u>166,400</u>
Excess (Deficiency) of Funds Approved	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The actual modernization cost certification was signed and filed on September 20, 2002.
4. The final costs on the certification agree to the Authority's records.

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
December 31, 2001

Comprehensive Improvement Assistance Program Grant Number OH16P04190495

1. The Actual Modernization Costs are as follows:

Funds Approved	\$321,770
Funds Expended	<u>321,770</u>
Excess (Deficiency) of Funds Approved	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The actual modernization cost certification was signed and filed on October 26, 1999.
4. The final costs on the certification agree to the Authority's records.

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
December 31, 2001

Comprehensive Improvement Assistance Program Grant Number OH16P04190596

1. The Actual Modernization Costs are as follows:

Funds Approved	\$238,000
Funds Expended	<u>238,000</u>
Excess (Deficiency) of Funds Approved	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The actual modernization cost certification was signed and filed on September 20, 2002.
4. The final costs on the certification agree to the Authority's records.

Athens Metropolitan Housing Authority
PHA's Statement and Certification of Actual Modernization Cost
December 31, 2001

Comprehensive Improvement Assistance Program Grant Number OH16P04190697

1. The Actual Modernization Costs are as follows:

Funds Approved	\$253,000
Funds Expended	<u>253,000</u>
Excess (Deficiency) of Funds Approved	<u><u>\$-0-</u></u>

2. All costs have been paid and there are no outstanding obligations.
3. The actual modernization cost certification was signed and filed on June 20, 2002.
4. The final costs on the certification agree to the Authority's records.

Athens Metropolitan Housing Authority
Schedule of Expenditures of Federal Award
For the Year Ended December 31, 2001

FEDERAL GRANTOR / PASS THROUGH GRANTOR PROGRAM TITLES	CFDA NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development Direct Program		
Low Rent Public Housing	14.850a	\$215,991
Public Housing – Comprehensive Improvement Assistance Program	14.852	136,150
Section 8 Tenant Based Cluster:		
Section 8 Rental Voucher Program	14.855	2,543,813
Section 8 Rental Certificate Program	14.857	<u>75,708</u>
Total Section 8 Tenant Based Cluster		<u>2,619,521</u>
Section 8 Project Based Cluster:		
New Construction Program	14.182	<u>950,646</u>
Total Section 8 Project Based Cluster		<u>950,646</u>
Public Housing Capital Fund Program	14.872	<u>6,600</u>
Total Expenditure of Federal Award		<u>\$3,928,908</u>

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SALVATORE CONSIGLIO, CPA, INC. E-mail: sconsiglio@aol.com

**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
Athens Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

I have audited the general purpose financial statements of the Athens Metropolitan Housing Authority, Ohio, as of and for the year ended December 31, 2001, and have issued my report thereon dated September 20, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Athens Metropolitan Housing Authority, Ohio's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Athens Metropolitan Housing Authority, Ohio's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My 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 component does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that I have reported to management of Athens Metropolitan Housing Authority, Ohio's in a separate letter dated September 20, 2002.

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



Salvatore Consiglio, CPA, Inc.

September 20, 2002

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**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
Athens Metropolitan Housing Authority

Regional Inspector General of Audit
Department of Housing and Urban
Development

Compliance

I have audited the compliance of the Athens Metropolitan Housing Authority, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2001. Athens Metropolitan Housing Authority, Ohio major federal programs are identified in the Summary of Auditor's result 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 Athens Metropolitan Housing Authority, Ohio's management. My responsibility is to express an opinion on Athens Metropolitan Housing Authority, Ohio's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Athens Metropolitan Housing Authority, Ohio's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Athens Metropolitan Housing Authority, Ohio's compliance with those requirements.

In my opinion, Athens Metropolitan Housing Authority, Ohio, 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, 2001.

Internal Control Over Compliance

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

My 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. I noted no matters involving the Internal control over compliance and its operation that I considered to be material weaknesses.

This report is intended for the information of the Board of Directors, management, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



Salvatore Consiglio, CPA, Inc.

September 20, 2002

Athens Metropolitan Housing Authority
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 § .505
 December 31, 2001

1. SUMMARY OF AUDITOR'S RESULTS
--

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under § .510?	No
Major Programs (list):	CFDA # 14.855, 14.857, 14.182 Section 8 Tenant Based & Project Based Clusters
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
--

There are no Findings or questioned costs for the year ended December 31, 2001.

3. FINDINGS REALTED TO FEDERAL AWARDS
--

There are no Findings or questioned costs for the year ended December 31, 2001.

Athens Metropolitan Housing Authority
Schedule of Prior Audit Findings
December 31, 2001

The audit report for the fiscal year ending December 31, 2000 contained not audit finding.



STATE OF OHIO
OFFICE OF THE AUDITOR

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ATHENS METROPOLITAN HOUSING AUTHORITY

ATHENS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 15, 2002**