

**MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED JUNE 30, 1999**

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

*Certified Public Accountant*

*12 East Main Street*

*Lexington, Ohio 44904*

**MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL  
STATEMENTS AND SUPPLEMENTAL DATA FOR THE  
YEAR ENDED JUNE 30, 1999**

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

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

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Mansfield Metropolitan Housing Authority

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215

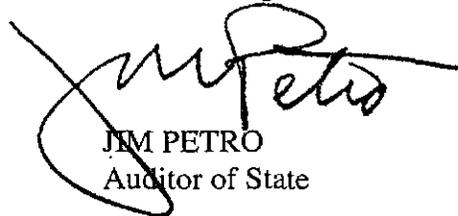
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Board of Commissioners  
Mansfield Metropolitan Housing Authority  
Mansfield, Ohio

We have reviewed the Independent Auditor's Report of the Mansfield Metropolitan Housing Authority, Richland County, prepared by J. E. Slaybaugh & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. 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 Mansfield Metropolitan Housing Authority is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

January 8, 2000

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

*12 East Main Street  
Lexington, Ohio 44904*

*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Mansfield Metropolitan Housing Authority  
Mansfield, Ohio

U.S. Dept. of Housing and  
Urban Development  
Public Housing Division  
Cincinnati, Ohio

We have audited the accompanying financial statements of the Mansfield Metropolitan Housing Authority, Mansfield, Ohio, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, Mansfield Metropolitan Housing Authority prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis accounting practices prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mansfield Metropolitan Housing Authority as of June 30, 1999, and the results of its operations and the cash flows for the year then ended on the basis of accounting prescribed above.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 1999, on our consideration of Mansfield Metropolitan Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

Lexington, Ohio  
December 16, 1999

EXHIBIT A

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

BALANCE SHEET AT JUNE 30, 1999

	<u>Annual Contribution Contract</u>
<u>ASSETS</u>	<u>C-10011</u>
Cash	\$ 35,126
Accounts Receivable	
HUD	166,694
Other	139,576
Investments	6,745
Deferred Charges	4,010
Land, Structures and Equipment	<u>156,113</u>
Total Assets	<u>\$ 508,264</u>
<u>LIABILITIES AND SURPLUS</u>	
Accounts Payable	
Vendor	\$ 210,729
HUD	35,167
Deferred Credits	<u>47,125</u>
Total Liabilities	293,021
Surplus	
Exhibit C	<u>215,243</u>
Total Liabilities and Surplus	<u>\$ 508,264</u>

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

EXHIBIT B(1)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF INCOME AND EXPENSE  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - EXISTING

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10011

Project OH16CE

Operating Income

Interest Earned on Operating Reserve Investments	\$ 2,002
Other Income	<u>11,160</u>
Total Operating Income - Exhibit D(1)	13,162

Operating Expenses

Administrative Expense	463,116
Housing Assistance Payments	3,205,024
Audit Costs	<u>4,648</u>
Total Operating Expense - Exhibit D(1)	<u>3,672,788</u>
Net Operating Income (Loss)	\$ <u>(3,659,626)</u>

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

EXHIBIT B(2)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF INCOME AND EXPENSE  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - MOD. REHAB. II

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10011

Project OH12 K016-002

Operating Income

Interest on General Fund Investments	\$	296
Other Income		<u>266</u>
Total Operating Income - Exhibit D(2)		562

Operating Expenses

Administrative Expense		1,342
Housing Assistance Payments		7,367
Audit Costs		<u>10</u>
Total Operating Expense - Exhibit D(2)		<u>8,719</u>
Net Operating Income (Loss)	\$	<u>(8,157)</u>

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

EXHIBIT B(3)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF INCOME AND EXPENSE  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - NEW CONSTRUCTION

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10011

Project OH 16-0013-011

Operating Income

Interest on General Fund Investments	<u>\$ 320</u>
Total Operating Income - Exhibit D(3)	320

Operating Expenses

Administrative Expense	16,827
Housing Assistance Payments	262,952
Audit Costs	<u>169</u>
Total Operating Expense - Exhibit D(3)	<u>279,948</u>
Net Operating Income (Loss)	<u>\$ (279,628)</u>

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

EXHIBIT B(4)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF INCOME AND EXPENSE  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - NEW CONSTRUCTION

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10011

Project OH 12-0008-023

Operating Income

Interest on General Fund Investments \$ 589

Total Operating Income - Exhibit D(4) 589

Operating Expenses

Administrative Expense 11,070  
Housing Assistance Payments 228,624  
Audit Costs 111

Total Operating Expense - Exhibit D(4) 239,805

Net Operating Income (Loss) \$ (239,216)

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

EXHIBIT B(5)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF INCOME AND EXPENSE  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - VOUCHERS

Twelve Months Ended June 30, 1999

Annual Contributions Contract C-10011

Project OHO16V0

Operating Income

Interest Earned on Operating Reserve Investments	\$	1,333
Other Income		<u>2,505</u>
Total Operating Income - Exhibit D(5)		3,838

Operating Expenses

Administrative Expense		62,491
Housing Assistance Payments		585,698
Audit Costs		<u>628</u>
Total Operating Expense - Exhibit D(5)		<u>648,817</u>
Net Operating Income (Loss)	\$	<u>(644,979)</u>

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

EXHIBIT B(7)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF CASH FLOWS

Year Ended June 30, 1999

Annual Contribution Contract  
C-10011

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Loss	\$ (4,831,606)
Adjustments to reconcile net loss to net cash provided by operating activities:	
(Increase) Decrease In:	
Accounts Receivable	(230,556)
Investments	62,339
Deferred Charges	110
Increase (Decrease) In:	
Accounts Payable	97,137
Deferred Credits	<u>(53,804)</u>
Net Cash Used By Operating Activities	<u>(4,956,380)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Equipment Purchases	(25,312)
Disposals of Equipment	<u>-</u>
Net Cash Provided By Investing Activities	<u>(25,312)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Operating Subsidy	<u>4,901,172</u>
Net Cash Provided By Financing Activities	<u>4,901,172</u>
Net Increase (Decrease) In Cash	(80,520)
Cash At The Beginning Of Year	<u>115,646</u>
Cash At End Of Year	<u>\$ 35,126</u>

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

EXHIBIT C

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

STATEMENT OF CHANGES IN SURPLUS

Twelve Months Ended June 30, 1999

	<u>Annual Contribution Contract</u>
	<u>C-10011</u>
SURPLUS at July 1, 1998	\$ 153,520
Increase (Decrease) In:	
Unreserved Surplus	(11,044)
Prior Period Adjustment	(3,650)
Operating Reserve	44,253
Project Account - Unfunded	(4,894,746)
Cumulative HUD Contributions	4,901,171
Cumulative Donations	<u>25,739</u>
SURPLUS at June 30, 1999	<u>\$ 215,243</u>

Exhibit A

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

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**NOTE 1 - Summary of Significant Accounting Policies**

**A. Organization**

The Mansfield Metropolitan Housing Authority is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code. 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 rent subsidies. Based on the criteria established by GASB codification 2300, there are no component units to be included with the reporting entity.

**B. Basis of Accounting**

The Authority's policy is to maintain its accounting records on the modified cash basis in accordance with accounting practices prescribed by the Department of Housing and Urban Development. The Authority does not depreciate its structures and equipment. Accordingly, the accompanying financial statements are not intended to present financial position and the results of operations in conformity with generally accepted accounting principles.

**C. Land, Structures and Equipment**

Land, Structures and Equipment are recorded at cost. No depreciation is provided according to HUD accounting practices.

**D. Cash and Investments**

At year-end, the Book Value of the PHA's cash and investments, consisting of Demand Deposits and Certificates of Deposits, was \$ 41,871, and the Bank Balance was \$ 84,463.

1) \$ 84,463 was covered by Federal Depository Insurance.

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;  
Demand and Savings Deposits and Certificates of Deposit.

The PHA's cash, which are demand deposits, at June 30, 1999, are as follows:

<u>Annual Contribution Contract</u>	<u>Book Amount</u>	<u>Bank Amount</u>
C-10011	<u>\$ 41,871</u>	<u>\$ 84,463</u>

E. Financial Statements Format and Content

The format and content of the financial statements included in this report conform to the format and content of annual report forms submitted to HUD.

**NOTE 2 - DEFINED BENEFIT PENSION PLAN:**

A. Public Employees Retirement System Pension Plan

All Mansfield Metropolitan Housing Authority's full-time employees participate in the Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employees retirement system operated by the State.

All public employees in Ohio, except for certain specific exclusions and exemptions, are required to become contributing member of PERS. Employees may retire at or after age 60 with 5 years of credited service. They are entitled to a retirement benefit, payable monthly for life, equal to 2.1% of their final average salary for the first 30 years of credited service and 2.5% for years of service in excess of 30 years. Final average salary is the employee's average salary over the highest 3 years of earnings. Benefits fully vest upon reaching 5 years of service. Employees may retire at any age with 30 years of service, at age 60 with a minimum of 25 years of service. Those individuals retiring with less than 30 years of service or less than age 65, receive reduced retirement benefits. Benefits are established by the state statute.

Covered employees are required by state statute to contribute 8.5% of their salary to the plan. The total 1999 employer contribution rate for local government employees units is 13.55%, of which 8.44% is used to fund pension obligations. The difference between the total employer rate and the portion used to fund pension obligations is the amount used to fund the health care program for retirants. For the year ended June 30, 1999, the employer portion of the retirement contribution amounted to \$ 71,643 on covered payroll of \$ 527,540 , which met the contribution rate stated above. For the preceding two years the contribution rates were as follows:

	Contribution	Contribution %
June 30, 1998	\$ 72,579	13.55 %
June 30, 1997	\$ 73,117	13.55 %

**NOTE 3 - YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely effect the government's operations as early as fiscal 1999.

Mansfield Metropolitan Housing Authority has completed an inventory of computer systems and other equipment necessary to conducting the Authority's mission-critical operation, the results of which are as follows:

*Systems and Equipment* - The information provided by the hardware supplier(Unisys), the operating system supplier (SCO), and the software supplier (Real World), have indicated their efforts to be Year 2000 ready. The Authority has completed the remediation stage, but must complete testing and validation procedures to be Year 2000 compliant.

*Systems and Equipment - External Entity-HUD:* The Department of Housing and Urban Development issued a letter that states that HUD is well on its way to ensuring that all of its automated systems will be Year 2000 compliant following a plan designed to be implemented by March 31, 1999. The Authority is monitoring the status of the planned system conversion and as of December 16, 1999, .

EXHIBIT D(1)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - EXISTING

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-10011

Project OH16CE

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 3,764,340
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u>                    -</u>
Maximum Contribution For Period	3,764,340
Project Account Balance at Beginning of Year	<u>1,658,122</u>
<b>Total Annual Contribution Available</b>	<b>5,422,462</b>

Annual Contribution Required

Administrative Fee	507,588
Housing Assistance Payments	3,205,024
Hard - to - House Fee	2,430
Audit Costs	<u>4,648</u>
<b>Total Funds Required</b>	<b>3,719,690</b>
Project Receipts Other Than Annual Contribution	<u>(3,100)</u>
<b>Total Annual Contributions Required</b>	<b>3,716,590</b>

Project Account Change

Provision for Project Account	<u>\$ 47,750</u>
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Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>\$ 3,716,590</u>
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EXHIBIT D(1) Continued

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - EXISTING

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-10011

Operating Reserve Changes

Operating Income - Exhibit B(2)	\$ 13,162
Annual Contribution Earned	<u>3,716,590</u>

Total Operating Receipts	3,729,752
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Operating Expenditures

Operating Expenses - Exhibit B(2)	3,672,788
Capital Expenditures	<u>25,230</u>

Total Operating Expenditures	<u>3,698,018</u>
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Net Operating Receipts Available	31,734
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Provision for (Reduction of) Operating Reserve	<u>31,734</u>
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Deficit Carry-Over	<u>\$ - 0 -</u>
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EXHIBIT D(2)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - MOD. REHAB. II

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-10011

Project OH 12-K016-002

Maximum Contribution Available

Maximum Annual Contribution Authorized	
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	- 0 -
Maximum Contribution For Period	-
Contingency Reserve	<u>706,683</u>
Total Annual Contribution Available	706,683

Annual Contribution Required

Administrative Fee	1,137
Housing Assistance Payments	7,367
Hard-to House Fees	-
Audit Costs	<u>10</u>
Total Funds Required	8,514
Project Receipts Other Than Annual Contribution	<u>(561)</u>
Total Annual Contributions Required	<u>7,953</u>

Project Account Change

Provision for Project Account	<u>(7,953)</u>
Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>7,953</u>

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - MOD. REHAB. II

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-10011

Operating Reserve Changes

Operating Income - Exhibit B(2)	562
Annual Contribution Earned	<u>7,953</u>

Total Operating Receipts	8,515
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Operating Expenditures

Operating Expenses - Exhibit B(2)	<u>8,719</u>
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Total Operating Expenditures	<u>8,719</u>
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Net Operating Receipts Available	(204)
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Provision for (Reduction of) Operating Reserve	<u>(204)</u>
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Deficit Carry-Over	<u>\$ - 0 -</u>
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MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - NEW CONSTRUCTION

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-10011

Project OH 16-0013-011

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 300,000
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u>- 0 -</u>
Maximum Contribution For Period	300,000
Contingency Reserve	<u>51,139</u>
Total Annual Contribution Available	351,139

Annual Contribution Required

Administrative Fee	18,497
Housing Assistance Payments	262,952
Audit Costs	<u>169</u>
Total Funds Required	281,618
Project Receipts Other Than Annual Contribution	<u>(320)</u>
Total Annual Contributions Required	<u>281,298</u>

Project Account Change

Provision for Project Account	<u>18,702</u>
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Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>281,298</u>
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EXHIBIT D(3) Continued

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - NEW CONSTRUCTION

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-10011

Operating Reserve Changes

Operating Income - Exhibit B(3)	320
Annual Contribution Earned	<u>281,298</u>

Total Operating Receipts	281,618
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Operating Expenditures

Operating Expenses - Exhibit B(3)	<u>279,948</u>
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Total Operating Expenditures	<u>279,948</u>
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Net Operating Receipts Available	1,670
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>1,670</u>
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Deficit Carry-Over	<u>\$ - 0 -</u>
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EXHIBIT D(4)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - NEW CONSTRUCTION

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-10011

Project OH 12-0008-023

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 242,208
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u>- 0 -</u>
Maximum Contribution For Period	242,208
Contingency Reserve	<u>375,290</u>
Total Annual Contribution Available	617,498

Annual Contribution Required

Administrative Fee	12,169
Housing Assistance Payments	228,624
Audit Costs	<u>111</u>
Total Funds Required	240,904
Project Receipts Other Than Annual Contribution	<u>(589)</u>
Total Annual Contributions Required	<u>240,315</u>

Project Account Change

Provision for Project Account	<u>1,893</u>
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Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>240,315</u>
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EXHIBIT D(4) Continued

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - NEW CONSTRUCTION

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-10011

Operating Reserve Changes

Operating Income - Exhibit B(4)	589
Annual Contribution Earned	<u>240,315</u>

Total Operating Receipts	240,904
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Operating Expenditures

Operating Expenses - Exhibit B(4)	<u>239,805</u>
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Total Operating Expenditures	<u>239,805</u>
------------------------------	----------------

Net Operating Receipts Available	1,099
----------------------------------	-------

Provision for (Reduction of) Operating Reserve	<u>1,099</u>
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Deficit Carry-Over	<u>\$ - 0 -</u>
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EXHIBIT D(5)

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - VOUCHERS

Twelve Months Ended June 30, 1999

Annual Contribution Contract C-10011

Project OH016VO

Maximum Contribution Available

Maximum Annual Contribution Authorized	\$ 653,289
Pro Rata Maximum Annual Contribution Applicable to a period of less than twelve months	<u>          -</u>
Maximum Contribution For Period	653,289
Contingency Reserve	<u>138,466</u>
 Total Annual Contribution Available	 791,755

Annual Contribution Required

Administrative Fee	68,529
Housing Assistance Payments	585,698
Hard - to - House Fee	540
Audit Costs	<u>628</u>
 Total Funds Required	 655,395
 Project Receipts Other Than Annual Contribution	 <u>(379)</u>
 Total Annual Contributions Required	 <u>655,016</u>

Project Account Change

Provision for Project Account	<u>(1,727)</u>
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Annual Contribution Earned - Lesser of Contribution Available or Contribution Required	<u>655,016</u>
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MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

COMPUTATION OF ANNUAL CONTRIBUTION EARNED AND PROJECT ACCOUNT  
OPERATING RESERVE CHANGES  
HOUSING ASSISTANCE PAYMENTS PROGRAM  
SECTION 8 - VOUCHERS

Twelve Months Ended June 30, 1999

Annual Contributions Contract - C-10011

Operating Reserve Changes

Operating Income - Exhibit B(5)	3,838
Annual Contribution Earned	<u>655,016</u>

Total Operating Receipts	658,854
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Operating Expenditures

Operating Expenses - Exhibit B(5)	<u>648,817</u>
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Total Operating Expenditures	<u>648,817</u>
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Net Operating Receipts Available	10,037
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Provision for (Reduction of) Operating Reserve	<u>10,037</u>
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Deficit Carry-Over	<u>\$ - 0 -</u>
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EXHIBIT H

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Twelve Months Ended June 30, 1999

<u>FROM U.S. DEPARTMENT OF HUD</u> <u>DIRECT PROGRAMS</u>	<u>FEDERAL</u> <u>CFDA</u> <u>NUMBER</u>	<u>FUNDS</u> <u>RECEIVED</u>	<u>FUNDS</u> <u>DISBURSED</u>
Annual Contribution Contract C-10011:			
<b>Section 8 Cluster</b>			
Housing Assistance Payments:			
Annual Contribution - Existing	14.857	3,716,590	3,716,590
Mod Rehab II	14.856	7,953	7,953
New Const	14.182	281,298	281,298
New Const	14.182	240,315	240,315
<b>Sub-Total</b>		<u>521,613</u>	<u>521,613</u>
Vouchers	14.855	655,016	655,016
<b>Total Section 8 Cluster</b>		<u>4,901,172</u>	<u>4,901,172</u>

Basis of Accounting:

As discussed in Note 1, Mansfield Metropolitan Housing Authority prepares its Schedule of Expenditures of Federal Awards on a prescribed basis of accounting that demonstrates compliance with the modified cash basis accounting practices prescribed or permitted by the Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles

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*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Mansfield Metropolitan Housing Authority  
Mansfield, Ohio

U.S. Dept. of Housing and  
Urban Development  
Public Housing Division  
Cincinnati, Ohio

We have audited the financial statements of Mansfield Metropolitan Housing Authority, Mansfield, Ohio, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 16, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Mansfield 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 Mansfield Metropolitan Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of Mansfield Metropolitan Housing Authority in a separate letter dated December 16, 1999.

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

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

J.E. Slaybaugh & Associates, Inc.

Lexington, Ohio

December 16, 1999

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

*12 East Main Street  
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*Member AICPA  
Member OSCPA*

*John E. Slaybaugh III  
Certified Public Accountant*

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

Board of Commissioners  
Mansfield Metropolitan Housing Authority  
Mansfield, Ohio

U.S. Department of Housing and  
Urban Development  
Public Housing Division  
Cincinnati, Ohio

Compliance

We have audited the compliance of Mansfield Metropolitan Housing Authority with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Mansfield Metropolitan Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on Mansfield Metropolitan Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the provisions of the *Public and Indian Housing Compliance Supplement*, PIH Notice 97-30. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mansfield 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 Mansfield Metropolitan Housing Authority's compliance with those requirements.

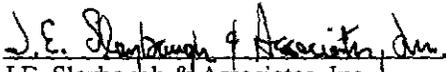
In our opinion, Mansfield Metropolitan Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of Mansfield Metropolitan Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

  
\_\_\_\_\_  
J.E. Slaybaugh & Associates, Inc.  
Lexington, Ohio  
December 16, 1999

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

SUMMARY OF ACTIVITIES

June 30, 1999

At the close of fiscal year ended June 30, 1999, the Mansfield Metropolitan Housing Authority had the following operations in management:

		<u>Units</u>
<u>Section 8 - Contract C-10011</u>		
Existing	OH 12E016-007/039	1,190
Mod. Rehab. II	OHK016-002	3
New Construction	OH16013-011	76
	OH12008-023	50
Vouchers	OH 12V016-011/019	<u>167</u>
TOTAL		<u>1,486</u>

Prior Audit Findings

There were no prior audit findings.

MANSFIELD METROPOLITAN HOUSING AUTHORITY  
MANSFIELD, OHIO

SCHEDULE OF FINDINGS

JUNE 30, 1999

PART I - SUMMARY OF AUDITOR'S RESULTS

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

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

1. None

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

1. None



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

MANSFIELD METROPOLITAN HOUSING AUTHORITY

RICHLAND 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.

By: Susan Babbitt

Date: JAN 18 2000